

BOOK REVIEW

THE CENTRAL CAUCASUS - PROBLEMS OF GEOPOLITICAL ECONOMY

BY ELДАР ISMAILOV / VLADIMER PAPA VA

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*This Book Review was written by Jan Künzl**

As the geopolitical importance of the Caucasus region increases, the need for sound analysis of its political, social and economic frameworks rises. With their book “*The Central Caucasus- Problems of Geopolitical Economy*” Eldar Ismailov and Vladimer Papava want to alter the view of the Caucasus as an economic region. Based on the thesis that economic integration is a necessity, particularly in a globalizing world, they investigate the prospects of a common Caucasian economic space. A detailed evaluation of the geo-economic potentials and problems of the Caucasian sub-regions serves as the background for this assessment.

In a first step, they somewhat redraw the geopolitical map of the Caucasus and define the region as subdivided into three main parts: the North Caucasus, which consists of the autonomous state formations of the Russian Federation, the Central Caucasus consisting of Georgia, Armenia and Azerbaijan, and the South Caucasus which is composed of the Turkish provinces bordering on Azerbaijan and the north-western provinces of Iran. These parts combined are seen as a natural region of common interest and a potential subject of integration. Since the North Caucasus and South Caucasus are limited in their self-determination and thereby in their participation in a medium-term integration process, the authors focus on the Central Caucasus. Armenia’s participation is also limited due to its ongoing territorial conflict with Azerbaijan over Nagorno-Karabakh.

This leaves Azerbaijan and Georgia, which have coincident economic interests and therefore should strengthen their cooperation. In this regard, according to the authors, the Tbilisi- Baku axis could become the nucleus of a Caucasian integration process. In particular, their economic function of a geographic link between the West and the Central Asian spaces, as well as between Russia, Iran and Turkey, provides the opportunity to evolve into a hub for transportation, communication and trade. This favourable geo-economic situation of the Central Caucasus is additionally amplified by Azerbaijan’s share of the enormous resources of the Caspian Sea.

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The book with its unconventional geo-economic approach indeed fills a gap in the field of research about the Caucasus. Its proposal of a new and wider perspective on the Caucasus is intriguing and its assessment of the potentials of this important region is valuable. Furthermore it is well written and comes with plenty of data, figures and tables.

Its underlying assumption, that a heterogeneous region such as the Caucasus will not be able to play a significant part in the world economy without going through a strong integration process, is an important approach towards the region.

Unfortunately, the interesting focus on the Caucasian geo-economy coincidentally is the biggest weakness of the book. The Caucasus region is characterized by an unclear geo-strategic security framework. The frozen conflicts, Russia's unclear ambitions towards the region as well as the unsteady approach of NATO and the EU, show that the geo-strategic situation in the Caucasus is not settled yet. As long as this is the case, the geo-economic potential of the Caucasus can not develop. The war between Russia and Georgia in August and the following irrevocable de facto secession of Abkhazia and South Ossetia made obvious that this fact is central for any assessment of the region's development potential. Therefore the explanatory power of the book's approach remains somewhat hypothetical.

Another shortcoming of the book is the authors' disregard of Armenia. The authors are on the right path with their statement that Armenia's ongoing conflict with Azerbaijan over the Nagorno-Karabakh region and its tense relationship with Turkey are obstacles for Armenia's participation in a Caucasian integration process. But that is exactly why it is of major significance to find ways to solve those problems, since the Caucasus as a region could hardly become integrated with such tensions in its core.

Nevertheless, besides these criticisms, the book is recommended as a source for a general overview of the geographic and economic framework of the Caucasus and particularly of Georgia and Azerbaijan. In an optimistic future scenario, in which the geo-strategic problems of the region are settled, the book's vision of a common economic space in the wider Caucasus could become very attractive.

About the authors

Dr. Eldar Ismailov is a director of the Institute of Strategic Studies of the Caucasus (Baku, Azerbaijan), and a Chairman of the Editorial Council of "Central Asia and the Caucasus Journal". He is the author of more than 50 academic works.

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