

Which interests does Russia have in the Caucasus; can these interests be the reason of the repeatedly occurring conflicts?



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Executive Summary

The Caucasus is a region with a turbulent history in which Russia has played an important role as occupier. During the 17th and 18th century Russia became a dominant force in the Caucasus. Near the end of the 19th century Russia was finally able to conquer the whole region. However, after many decades of Russian occupation the Caucasian countries declared to be independent in 1918; a couple of years before the Bolsheviks would annex the Caucasus. The Soviet domination lasted for nearly seventy years. In these years many Armenians, Azerbaijanis and Georgians lost their lives due to cruel Soviet policies. Nonetheless, in the early 1990's the Soviet Union dissolved and the Transcaucasian countries were independent once more. Unfortunately this independence did not guarantee a peaceful future.

In 1992-1993 Armenia and Azerbaijan fought heavily over the territory of Nagorno-Karabakh. Around these same years, Georgia had to cope with two break-away regions; Abkhazia and South-Ossetia. In the past, both regions have shown to prefer to be a part of Russia instead of Georgia. In the years after Georgia's independence from the Soviet Union these feelings rose again and separatist wars between Georgia and Abkhazia, and South Ossetia broke out. During these wars Russia heavily supported the break-away regions, which was never taken well by Georgia.

Throughout centuries, the relationship the Caucasian countries hold with Russia has evolved in different manners. Armenia's relationship with Russia is the best, when compared to the relationships the other Transcaucasian countries have with Russia. The Armenia-Russia relation has been like this in the past and has continued to stay this way. The Azerbaijan-Russia relation, however, is not of the same quality as the Armenia-Russia relation. Although this relationship is improving at the moment, for centuries this relationship has been dreadful, which is mostly due to the attraction Azerbaijan feels towards Turkey and the support Russia gave Armenia in the war on Nagorno-Karabakh. Compared to the other Transcaucasian countries, the relationship Georgia has with Russia is of the poorest quality. Georgia has always been very rebellious toward all the Russian occupations and since Russia supports the break-away regions Abkhazia and South Ossetia, the relation between the two countries has only deteriorated.

Although the Russia-Caucasus relation has not always been what it could have been, and at this moment still is not utilised to its full capacity, Russia holds important interests in this region. These interests range from economic interests such as oil and gas, to military interests. Although all three of the countries hold reserves of oil, gas and

other natural resources, these reserves do not form Russia's main interests in the Caucasian region. Russia's main interest in the Caucasus is expanding its geopolitical power through cooperation in the oil and gas industry which will eventually enlarge Russia's position of power in international politics. However, recently Russia has lost more influence than it had gained through economic cooperation.

Whether this Russian interest can form the explanation of the repeatedly occurring conflicts in the Caucasus is difficult to determine. Naturally, Russia is partially to blame for wars that occurred some centuries ago. Moreover, the more recent wars in Georgia can be somewhat explained by Russia's geopolitical interest, since Russia has had the opportunity to influence the two Georgian regions in this situation. The Nagorno-Karabakh war however, cannot be explained by Russia's geopolitical interest since this mainly has been a conflict between Azerbaijan and Armenia. Although Russia kept Armenia close by supporting it during this war, this deteriorated the Russia-Azerbaijan relation.

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Introduction

In August 2008 it seemed like newspapers and newscasts on television and radio merely had one item to report on: the separatist war in South Ossetia or as it was more commonly referred to: the war between Georgia and Russia. The entire world was shocked by this news. Personally, I could not get my head around the thought that Russia, to me a much civilised country plus a member of the UN Security Council, would interfere with a separatist war. This thought made me think of possible interests Russia could have in Georgia and in the Caucasus as a whole, which brought me to the central question of this thesis: *Which interests does Russia have in the Caucasus; and can these interests be a reason for the repeatedly occurring conflicts in this region?*

In order to answer this question I had to find out what interests Russia could have in the Caucasus and how the relationship between the Caucasian countries and Russia has developed. The research method I have used in this thesis has been that of desk research. Trough consulting a various range of books, articles and websites I have been able to formulate an answer to the central research question.

The results deriving from this research are presented throughout this thesis by four chapters. Firstly, a chapter on the history of the Caucasus has been written with the intention of getting the reader familiar with the region. Following this first chapter, three other chapters have been written in which the three countries of the (Southern) Caucasus are examined. Chapter two will cover Armenia, chapter three Azerbaijan and chapter four will consider Georgia. Each of these chapters will start with a general introduction to the country, followed by a short overview of their history with Russia. In the third part of each chapter, conflicts that have recently occurred are discussed. All three of the chapters end with a description of the countries' relationship with Russia and possible interests Russia could have in these countries. These findings will be combined to come to a conclusion at the end of this thesis.

1. The Caucasus and its History

The countries Armenia, Azerbaijan, Georgia combined with nine Russian regions (Adyghea, Chechnya, Dagestan, Ingushetia, Kabardino-Balkaria, Karachay-Cherkessia, Krasnodar Krai, Stavropol Krai and North Ossetia) form the territory named Caucasus. The Caucasus, or Caucasia, is a broad territory located between the Black Sea and the Caspian Sea. In the north it borders Russia and in the south the Caucasus has borders with Turkey and Iran. Because of its location the Caucasus is often viewed as the area that separates Europe and Asia from each other. The northern part of Caucasia, the so-called Northern Caucasus, is an extension of the great plains of Russia. Transcaucasia, the southern part of the Caucasus, on the other hand has a more Asian appearance with its fertile valleys and deserts (Villari, pp. 15,16).

Since the Caucasus is located at the geographical point where Europe and Asia meet, many different people consider the Caucasus to be their home. Christians, Muslims, Asians, nomads and Europeans can all be found in the Caucasus (Villari, pp. 16,17).

Not only is the Caucasus home to various races of people, it holds various natural resources as well. The amount of natural resources found in the Caucasus is enormous. To clarify the amount of natural resources, Luigi Villari once wrote that if the Caucasus was governed by one progressive government it could be one of the richest countries in the entire world (Villari, p. 17). In the mountains of the Caucasus a variety of minerals can be found; coal is present in Georgia and Krasnodar Krai and manganese mines are located around Chiatury in Georgia. Moreover, the mountains of Azerbaijan hold a vast amount of copper and the mountains of Armenia are rich in salt. Besides possessing richness in minerals, all of the three mentioned countries have a certain richness regarding oil and gas (Georgia Today , 2008).

1.1 The Caucasus between Three Empires

The history of the Caucasus is difficult to describe since the Caucasus did not know unity until the Russian occupation in the early 1800's (Villari). However, one thing that does become clear throughout the Caucasus' history is that it at all times has been a region surrounded by states and empires that wanted to occupy the Caucasus (Degoev, pp.166, 167). In the classical antiquity Turkish nomads drove the autochthonous tribes, who lived in the northern Caucasus, back to the hills. At the time of this Turkish invasion, Persia that is nowadays known as Iran had interests in the Caucasus as well. As a consequence rivalry between Turkey and Iran originated, causing countless wars resulting in occupation

and division of the Caucasus. In the 16th Russia occurred as the third country, next to Turkey and Iran, with interest in the Caucasus (Degoev, pp.166, 167). Ivan the Terrible captured Kazan in 1552 and Astrakhan in 1556 which brought him closer to the Northern Caucasus, however neither in the 16th nor in the 17th century did Russia intensify its position in the Caucasus. While Russia was not intensively present in the Caucasus during these two centuries, the struggle between Turkey and Iran continued since they both wanted to occupy the Caucasus in order to obtain power over the Near and Middle East. Nevertheless, none of the two rivalling countries achieved the victory they had hoped for (Degoev, pp.167,168).

Going back to Russia's early relation with the Caucasus, it was under the reign of Peter the Great that Russia intensified its actions in the Caucasus. Peter the Great considered the Caucasus to be a region of great political and military importance. Moreover, he thought of the Caucasus as an important factor in Russia's connections with Asia. In the 1720's Peter the Great had already occupied large parts of the Northern Caucasus. Furthermore, by being victorious in the war with Persia Russia conquered the southern and western part of the Caspian shore. At this moment in history, Russia could name itself for the first time a power in the Caucasus. Moreover it was agreed upon that the Northern Caucasus would be free of all Russian-Turkish rivalry, bringing a slight peace to the Northern Caucasus (Degoev, pp.168,169). After the death of Peter the Great Russia had to withdraw from certain places in the Caucasus, however this was not the biggest concern of Russia. Rapidly after Peter the Great's death Iran revived. Led by Nadir Shah Iran regained parts of the Southern Caucasus from Turkey and moved on to the Northern Caucasus that was controlled by Russia. In order to form an alliance with Iran Russia had to give up all of its possessions in the Caucasus that were won by Peter the Great (Degoev, p.169).

Until 1762, the year in which Catherina the Great became empress of Russia, the Northern Caucasus remained a region full of rivalry between parties that supported either Russia or Turkey. With Catherina the Great as empress Russia continued to follow the path set out by Peter the Great. Due to the worsening relations between Russia and Turkey another war took place between 1768 and 1774. This was the first war to be actually waged in the Caucasus, instead of nearby or around the Caucasus. The war was a success for Russia since it won the passageway to the Black Sea and gained Caucasian territory as well. Because of these successes Russia now did not only enjoy a strong position in the Northern Caucasus but it had also created a strong position for itself in the Central Caucasus (Degoev, pp.170, 171). In the decades that followed more clashes and wars occurred, nevertheless Russia remained victorious and gained more

territory in the Caucasus. In 1796 Catherina the Great declared war on Iran after Iran had invaded Georgia in 1795; however this war ended with the death of Catherina the Great. Her successor, Paul I had a different outlook on foreign politics and withdrew the Russian troops from the region of war (Degoev pp.174, 175). Thus after three centuries of waging war over and in the Caucasus, Russia finally became ruler of the territory between the Black Sea and the Caspian Sea in 1864. Due to the Russian reign the Caucasus' history became an integrated part of Russia's history (The Territories of the Russian Federation, 1999).

1.2 Independent Republics

After centuries of being occupied by the Russian empire, the First World War brought the Transcaucasian countries the opportunity to declare their nations independent from the Russian domination. On the 28th of May 1918 both Armenia (Babayan, 2002) and Azerbaijan declared to be independent republics (Robbins, 2005, pp. 42,43). Georgia had declared its independence from Russia two days before its neighbours did, namely on the 26th of May 1918 (Plas, 2000, p. 27). However, these republics were not destined to exist for a long time because soon the Caucasus would belong to Russia again; this time under Soviet rule.

1.3 Soviet Rule over the Caucasus

In March 1917 demonstrations and strikes occurred in Saint Petersburg which resulted in the abdication of Tsar Nicolas II. A few months later the October Revolution took place. On the 25th of October the Bolsheviks caused the downfall of the provisional government and proclaimed the Russian Soviet Federative Socialist Republic (the RSFSR). The October Revolution was followed by the Civil War which resulted in the formation of the Soviet Union (The Territories of the Russian Federation, 1999). "The Union of Soviet Socialist Republics was formed at the 10th All-Russian (first All-Union) Congress of Soviets by the RSFSR, Belarus, Transcaucasia, Ukraine and the Central Asian states of Khorezm and Bukhara" (The Territories of the Russian Federation, 1999). At first, the three Transcaucasian countries Armenia, Azerbaijan and Georgia were shaped in to the Transcaucasian Soviet Federal Socialist Republic (Babayan, 2002). The three countries were tied to Russia by an economic and military treaty. At this moment these three countries still had their own customs and were represented in the Soviet politics by their own soviet delegations (Mouradian, 2000, p. 85).

Although the formation of the Soviet Union might sound as an act which could hold positive consequences for the Caucasus, nothing is less true. Throughout the Soviet

Union's reign over the Caucasus, the Caucasian people have had to cope with the terrible consequences of the Soviet's politics. These consequences will be clarified below with some examples of Soviet actions and policies.

During the Soviet era a high pressure of migration existed which was, among other things, stimulated by Stalin's mass deportations and economic activities. Brutal campaigns of agricultural collectivism that were supposed to reconstruct the economy, confiscated fertile lands from the native peoples (Dawisha & Parrott, 1994, pp. 47,48). Moreover, the campaigns of agricultural collectivism caused famine in 1933. This scarcity of food was noticeable in many areas amongst which the Northern Caucasus. The situation was aggravated by need to take grain from the peasants in order to feed the Red Army which was at war with Japan. Additionally, the Soviet Union was coping with a currency debt which Stalin wanted to improve by exporting grain. He exported grain with the knowledge that people were dying of starvation. Due to Stalin's so-called *realpolitik*, more than 3 million people died (McCauley, 1993, p. 84).

In a much later stage of the Soviet Union it were Mikhail Gorbachev's policies of *perestroika* and *glasnost* which, unintentionally, caused nationalistic feelings among the Russians causing racism towards the Caucasian territories. Because of these racist tendencies towards the Caucasus, nationalistic and separation movements came into existence (Koerdisch Instituut Brussel, 2004, pp. 19,20).

On 25 December 1991 Gorbachev officially resigned as President of the USSR. With this resignation he confirmed the dissolution of the Soviet Union (The Territories of the Russian Federation, 1999). Through independency movements the Union Republics Georgia, Armenia and Azerbaijan were able to loosen their ties with the Soviet Union in 1991 (Koerdisch Instituut Brussel, 2004, p. 20). However, achieving independence from the Soviet Union could not guarantee a peaceful future for these three countries.

1.4 After the Soviet Union

The five years after the dissolution of the Soviet Union have been years of war and conflict for Transcaucasia. In other words, as Edgar O'Ballance has written: "The saga of the Caucasus republics during the period 1990-95 is one of clashing warlord militias, coups and attempted coups, assassinations, terrorism, treachery, intrigue and avid ethnic cleansing..." (O'Ballance, 1997, p.ix). The coup against Gorbachev in 1991, which was planned by faithful communists and was stopped through the actions of Boris Yeltsin, formed the start of the story of the interrelated struggle for independence of the Trans-Caucasian countries: Armenia, Azerbaijan and Georgia (O'Ballance, 1997, pp. x,xi).

Both Armenia as Azerbaijan had to cope with coups and attempted coups during these five years. However, the main war between Armenia and Azerbaijan was about the territory called Nagorno-Karabakh. The region Nagorno-Karabakh is a small, mountainous, Armenian reigned enclave in Azerbaijan. Even Stalin knew in his days that this area only needed little pressure before it would explode in a war. Throughout these years of war the number of casualties rose up to more than 30,000 people. Eventually, in May 1994 a cease-fire between Armenia and Azerbaijan came into force (O'Ballance, 1997, pp. xii,xiii).

After the dissolution of the Soviet Union the future looked rather positive for Georgia. The people of Georgia wanted to rule their country and through multiparty elections president Gamsakhurdia, who had sympathy from some western statesmen, was elected. However, at the time Georgia had declared independence from the Soviet Union, the Abkhazians had done this as well. Furthermore, one year later the Ossetians declared themselves independent from Georgia. Because the Abkhazians and the Ossetians declared their independence shortly after each other, two civil wars erupted at the same time. Gamsakhurdia was not able to control the civil wars and he was driven from the country by armed civilians. Gamsakhurdia was replaced by a Military Council and later on, in 1992, by Eduard Shevardnadze (O'Ballance, 1997, p. xiv). More battles and disturbances followed as well as a revolt directed by Gamsakhurdia. Assassinations became a part of everyday life and hostage taking had become a widespread routine. While the Abkhazis were still at war for independence, Georgia signed a friendship treaty with Russia in 1994. With some help from the Russian government through the Moscow Accord, the fighting in Abkhazia technically ended. In the three years of war between Georgia and Abkhazia 40,000 people were killed. During the next year, 1995, most militant groups were disarmed and although political assassinations and terrorist attacks nearly became a part of Georgian tradition, Georgia created a new constitution and Shevardnadze became president (O'Ballance, 1997, p. xv).

As clarified above, the Caucasus' history is principally made up by wars, conflicts, invasions by and reigns of neighbouring countries. Although this history of the Caucasus is supposedly in the past, it was only recently in the summer of 2008 when a new war was waged between Georgia and South-Ossetia.

2. Armenia

The Republic of Armenia is situated in the Southern Caucasus and borders on Azerbaijan, Georgia, and Turkey. The capital of Armenia is Yerevan and is located near the middle of Armenia (BBC, 2009). The Republic has nearly the same size as Belgium since it covers 29,743 square kilometres of soil. However with a population of around three million people, the density is low in Armenia. The population of Armenia is rather homogeneous, 97.9% of the people living in Armenia are ethnic Armenians. The other two percent consists of Kurds, Russians and people from neighbouring countries. Most of the people living in the Republic of Armenia speak Armenian or Russian and have a Christian faith.

On an international level Armenia is represented in nearly fifty organisations among which are the Commonwealth of Independent States (CIS: former Soviet Union States), Interpol, IMF, UNESCO and WTO (Central Intelligence Agency, 2009). Regarding the European Union, Armenia and the EU have established their relation in the *EU-Armenia Partnership and Cooperation Agreement* which entered into force in 1999. Moreover, Armenia became part of the *European Neighbourhood Policy* in 2004, which was adopted by the Armenian government in 2006 (European Commission, 2008). Armenia has also developed a close relation with NATO in cooperating on democratic, institutional and defence reforms. Besides these forms of cooperation, the Individual Partnership Action Plan of Armenia sets out steps for future cooperation with NATO. Although Armenia works on intensifying the political and practical cooperation with NATO, it is not longing to become a member of the organization (NATO, 2009).

2.1 Important Moments in the Armenian-Russian History

As early as the first century BC, Armenia became divided between the Roman and the Persian Empire. Throughout centuries the Armenians stood strong while struggling with political unrest and ongoing wars (Stichting Oecumenische Hulp, 1984, pp. 12,13). As described in chapter one, Armenia was continuously fought over by the Ottoman Turks and Persia until Russia emerged to the stage in the 16th century. However, the real Russian expansion in the Caucasus had to wait until the 17th century.

2.1.1 Early Armenian-Russian Relations

Though it was the Russian Tsar Peter the Great who decided to expand his territory with the southern Caucasus since he failed to conquer Sweden, Russia was no stranger to

Armenia (Mouradian, 2000, p. 47). In the 17th century Armenia had placed its hopes on the Russian Tsar to protect the country from its Persian and Turkish enemies. In addition, because of the victories of Peter the Great over the Persians and Turks the relation between Armenia and Russia strengthened. Nevertheless, the moment Russia stopped its expansion to the south, the Armenians felt disappointed in their relation with Russia (Babayan, 2002). Fortunately for the Armenians, Empress Catherina the Great of Russia continued with the southward expansion of Russia and the Russian influence in the Caucasus kept growing (Babayan, 2002). After thirty years of waging war with the Persian and Ottoman Empire, Russia annexed East Armenia in 1813 (Mouradian, 2000, p. 48). Fifteen years later, in 1828 the Russian province of Armenia was created and lasted until 1840. From the mid 19th century on, the prosperity of Eastern Armenia began to grow thanks to Russian investments in the copper industry. However, Western Armenia remained to a large extent suppressed by the Ottoman Empire (Babayan, 2002).

In order to keep the Armenians obedient to its oppressors, the Turks executed systematic massacres that went on during three different political regimes. Eventually the massacres caused between 20,000 and 30,000 deaths, 100,000 refugees, 50,000 orphans and this does not include other victims such as women and children who were raped and forced to convert to the Islamic faith. However, these massacres were only a tip of the iceberg compared with the Armenian Genocide of 1915 (Mouradian, 2000, pp. 59,60,61).

2.1.2 The Armenian Genocide

Officially the Armenian Genocide took place from 1914 till 1922. However in 1915 on the 24th of April, 254 Armenian leaders, politicians and other intellectuals were arrested and later on murdered in Constantinople (Chaliand & Ternon, 1983, p. 15). Although the Turkish plan to exterminate all Armenians had come into existence long before the First World War took place, this World War provided the Turks with the excellent opportunity to 'solve' their Armenian problem (Babayan, 2002).

The Genocide was planned by a political group called the Young Turks, who ruled the Ottoman Empire in 1914. In 1915 the Young Turks started the deportation of Armenians, simply because they felt that Armenians were not to be trusted in times of war since they were likely to support the Russian army. Armenian soldiers serving in the Turkish army were among the first to be deported. Instead of actually deporting these soldiers to labour camps, the Turks murdered them instantly. Because all the Armenian soldiers were murdered and the intellectuals would be killed one year later as described

above, Armenia found itself without any healthy men to defend the country (Chaliand & Ternon, 1983, pp. 16,17).

During the next two years the Turks invaded every city and village in the Turkish part of Armenia. Inhabitants were dragged out of their homes, men and boys were taken just outside their cities and were killed at once. Women, girls and younger boys awaited an even worse faith. They were forced to cross extremely hot deserts to arrive in Syria where they were stuffed in gigantic concentration camps and would die as a consequence of starvation or cruelties that were afflicted upon them by the guards. Moreover, most of the women and children did not survive the journey to Syria. Many of them died of exhaustion; many others ended their own life because they could not stand the continuous torture and humiliation (Chaliand & Ternon, 1983, pp. 16,17).

Eventually the Turks nearly destroyed entire Armenia and almost killed all its inhabitants. If the Armenians were not murdered, they would surely die because of starvation or epidemical diseases. The total amount of deaths has never been certain. It has been reported that out of the two and a half million Armenians that lived in the Ottoman Empire, only 300,000 survived. This would mean that over two million Armenians were killed in the years between 1914 and 1922 (Babayan, 2002).

2.1.3 First Armenian Republic

After the First World War had ended and the Tsarist Russian Empire had collapsed due to the revolutions of 1917, independent republics arose in the Caucasus (Mouradian, 2000, p. 73). At this time the Turks were still present in Armenia and still planning on exterminating the Armenian population. Unbelievably the Armenians were able to raise an army and decided to battle the Turks. The Armenian army met the Turkish army on the 28th of May in 1918 and defeated the Turks. On this same day Armenia proclaimed independence and one year later the Armenian Republic was recognized by its allies and the United States of America. In spite of all the effort the first Armenian Republic did not last long. In 1920, after much campaigning from the Russian and Armenian Bolsheviks, the Soviet Union annexed Armenia and declared it to be a Soviet state (Babayan, 2002).

2.1.4 Soviet Armenia

Although Armenia had been annexed by the Soviet Union, it maintained a certain level of independence at first (Mouradian, 2000, p. 85). Nevertheless, this independence decreased in the years that followed and like every country within the Soviet Union, Armenia became completely sovietised. According to the Soviets, the Armenian Church tried to prevent the Soviet revolution from taking place in Armenia. For this reason almost

all of the clergymen and their families were exiled, prosecuted or murdered (Mouradian, 2000, p. 88).

In the 1930's, when Stalin launched large-scale campaigns of political terror, the horror that the Soviet Union already had brought continued. It started with the accelerated pace of industrialisation, centralised planning and agricultural collectivism. The sudden collectivism of agricultural lands caused a guerrilla war in Nagorno-Karabakh. The Red Army had to step up in order to end this guerrilla war. More revolts followed and although the Soviet Russians achieved most of their goals, the price the Armenians had to pay for it was high. Solely in the winter of 1929-1930, more than 25,000 Armenian farmers were executed or put in exile in Siberia. Although this is one of the most terrible slaughters that took place in Armenia, Stalinism brought more disasters to the country. Between 1936 and 1938, the so-called Great Cleansing took place in Armenia. In these years thousands of cultural intellectuals, scientists, political leaders and clergymen were executed or exiled. The statistics on the period that Stalin had led the Soviet Union are horrible. At least 300,000 people (of a population consisting of 900,000 to 1,400,000 people) were officially noted as 'being missing'. They thus could have been murdered, exiled or suffered an even worse fate (Mouradian, 2000, pp. 91,92).

When Mikhail Gorbachev started his campaign of perestroika and glasnost in order to reform the Soviet Union, life started to look up a little for the Armenians. The Armenians were enthusiastic and supportive towards the plans of Gorbachev and hoped that with the arrival of this new leader they could get Nagorno-Karabakh back from Azerbaijan. However, despite the plans of perestroika, Moscow decided that the map of the USSR would never be redrawn and therefore Nagorno-Karabakh would remain a part of Azerbaijan (Babayan, 2002).

A few years after the start of the perestroika and glasnost policy, Armenia would become an independent state again. Nevertheless, independence would not turn out to be a guarantee for peace and stability.

2.2 Recent Conflicts: the Last Twenty Years

When the Soviet Union in 1991 collapsed, the Armenians decided through a referendum on separation from the Soviet Union. Finally, after 70 years of Soviet rule and centuries of conflict Armenia declared itself an independent nation on 21 October 1991. Two months later Armenia gained widespread recognition and was formally dissolved from the Soviet Union (Babayan, 2002). However, the Armenian independence did not start off as peaceful as many Armenians might have liked.

2.2.1 War in Nagorno-Karabakh

From 1988, Armenia was still part of the Soviet Union at this time, Armenian nationalists tried to annex Nagorno-Karabakh back as a part of the Armenian Republic since the Armenians felt that their people in this part of Azerbaijan were discriminated against and neglected by the Azerbaijani government that ruled this territory. The nationalistic feelings of the Armenians caused ethnical tensions in Nagorno-Karabakh which led to strong anti-Armenian feelings amongst the Azerbaijani (Koerdisch Instituut Brussel, 2004, p. 57). However, the real problems regarding Nagorno-Karabakh started shortly after Armenia's independence.

In December 1991 a referendum held among Armenians in Nagorno-Karabakh approved the creation of an independent State of Nagorno-Karabakh. Robert Kocharian was appointed president of the newly founded state which was recognised by Armenia solely. Soon after Robert Kocharian had become president of Nagorno-Karabakh, Armenian separatists declared to be in control of the region and its surrounding parts whereby they started a bloody war. In the middle of 1992 the Armenian separatists had expelled nearly all the ethnic Azerbaijanis from Nagorno-Karabakh. As a reaction to this war the Azerbaijanis launched several attacks on the Nagorno-Karabakh region and on Armenia itself. Although several attempts towards cease-fire agreements were made in 1992, none of these became a true peace resolution (Kaeter, 2004, p. 40).

In 1993 Armenia defeated the army of Azerbaijan in numerous battles on Nagorno-Karabakh; this brought the rule over the region to Armenia. Azerbaijan, however, reacted with economic blockades on Armenia. Since Azerbaijan was allied with Turkey and Armenia received most of its petrol from these two countries, Azerbaijan had found itself a real advantage on Armenia in their war on Nagorno-Karabakh (Kaeter, 2004, p. 41).

In 1994 a cease-fire between Armenia and Azerbaijan was signed, however this cease-fire turned out to be very fragile. Therefore, in 1997 more serious peace negotiations led by Russia and the Organisation on Security and Cooperation in Europe (OSCE) started. The following years the negotiations came at a standstill since neither side was willing to compromise (Kaeter, 2004, p. 41). Moreover, despite the cease-fire small armed conflicts between Armenia and Azerbaijan continued. However, at last in 2008 the Presidents of Armenia and Azerbaijan, together with the Russian President, signed an agreement on further negotiations on the political peace settlement in Nagorno-Karabakh (Wikipedia, the Free Encyclopedia, 2009).

2.2.2 Battle for Baku

Even though the war on Nagorno-Karabakh is the most violent and known war that took place between Armenia and Azerbaijan in the last twenty years, a smaller battle had a major impact on the Armenians as well. The main reason for the battle for Baku was the ongoing violence in Nagorno-Karabakh. This battle took place in January 1990, early on in the war on Nagorno-Karabakh and happened after an ethnic cleansing of the Armenians living in Baku. Although Gorbachev had tried to let the Armenians and Azerbaijanis live in coexistence with one another, all his attempts towards achieving this goal had failed. Eventually Gorbachev decided to send the Soviet army to Baku in order to end the ongoing armed confrontations between the Armenians and the Azerbaijanis. However, the Soviet army was not able to stop the continuation of the armed conflicts (O'Ballance, 1997, p. 22).

Before the battle for Baku took place more than 200,000 Armenians lived in the Azerbaijani capital and although some of them left due to the ongoing fights, only some thousand Armenians remained in Baku when the conflict calmed down (O'Ballance, 1997, p. 22).

2.3 Russian Interests in Armenia

It has become more than clear that the interests Russia had in Armenia in the past were of a territorial and imperialistic kind. During the Tsarist era Armenia has been a target for the expansion of the Russian Empire. Centuries later, the Soviet leaders Lenin and Stalin looked upon Armenia in the same manner as the Tsars once did. Although times have changed and imperialism is no longer accepted, Russia still has certain interests in Armenia which range from supplying gas and delivering arms to small deposits of diamonds and oil the Armenian soil holds.

2.3.1 The Armenia-Russia Relation

The relationship between Armenia and Russia has always been somewhat 'special'. In the past, their hatred against the Turks brought them closer to each other. Furthermore, during the wars with the Turks, the Armenians regarded Russia as their protector (Kaeter, 2004, p. 44). Although Russia has occupied Armenia several times, the relationship between Armenia and Russia remained strong. Especially after the collapse of the Soviet Union when Armenia's neighbouring countries started to show a hostile attitude towards the Republic, it dawned on Armenia that its relationship with Russia is of great importance (Martirosyan, 2005). Nowadays, the relation between Armenia and Russia is regarded as

the best relationship between Russia and a Transcaucasian country (Wikipedia, the Free Encyclopedia, 2009).

The relationship between Armenia and Russia of the last couple of years can best be classified into two categories, namely: the economic relation including Russian investments in Armenia, and the military relation between the two countries.

At the time of the Russian Empire, Armenia already enjoyed trading privileges (Kaeter, 2004, p. 44). Nowadays, Russia is Armenia's major trading party. Seventeen and a half percent of Armenia's total export goes to Russia (Central Intelligence Agency, 2009). Armenia's trading privileges of today are regulated by treaties. For example, the friendship treaty Russia and Armenia signed in 1993 created an agreement with the Russian gas supply company Gazprom to provide Armenia with gas. In exchange, it has become less difficult for Armenians to obtain a Russian work visa. Furthermore, in 2002 Armenia and Russia came to the agreement that Russia would eliminate the Armenian debt of \$98,000,000 in exchange for five Armenian state-owned companies. By doing so Russia achieved greater influence in the Armenian economy as well as in Armenian politics (Kaeter, 2004, p. 44). For the time being the Russian investments seem to be beneficial for the Armenian economy and the Russians do not seem to have any political conditions attached to their investments, given that Armenia is free to develop economic relations with the European Union and the United States (Khachatryan, 2006).

Next to the economic relation Armenia has with Russia, they also have a military relationship. As mentioned earlier on, Armenian has requested Russian protection on several occasions when the country was threatened by war with the Turks. This trust in Russia as being the protector of Armenia has continued up to and throughout the conflict in Nagorno-Karabakh. Between 1993 and 1995 Russia provided the Armenian army with weapons that were worth over one billion American dollars. Moreover, guards from Russia helped to patrol the Armenian border and currently Russia is one of the main actors in the peace process on Nagorno-Karabakh (Kaeter, 2004, p. 44).

2.3.2 Oil and Gas

Although Armenia does not have gigantic oil and gas resources at its disposal when compared to a country such as Azerbaijan, it would be a lie to say that there is no oil or gas at all. Oil has been recovered east of the capital Yerevan and a gas well, which flowed gas for six months, was discovered south-west of Armavir. Although these small amounts of oil and gas have been found, it is uncertain whether large oil fields and gas wells exist in Armenia. Nonetheless, serious activities on drilling up oil and gas have taken place (Papworth, 2002).

The first period of serious exploration for oil and gas took place between 1947 and 1974 during the Soviet reign. In this period, 55 deep wells and 115 other wells were drilled and at several locations oil or gas was found. However, in 1974 the Soviet Ministry of Geology decided to stop the drilling and the exploration for oil and gas since the wells in Armenia were not profitable enough in comparison with other wells in the Soviet Union. The second period of oil exploration occurred near the end of the Soviet Union, from 1981 until the collapse of the Soviet Union. The most noteworthy result during this period was the discovery of an oil well containing about one cubic metre of oil. Although this was a very small well, it was the first important recovery in Armenia since actual oil was being recovered. While it was possible to recover more oil from the Armenian soil, this barely happened due to operational difficulties and wells that were hard to reach (Papworth, 2002).

Armenia has thus some oil and some gas at its disposal. However it is not enough to support its country, let alone enough to export and make profit of (Papworth, 2002).

2.3.3 Natural Mineral Resources

Besides natural resources such as oil and gas, Armenia offers minerals, metals and different types of rocks as well. Armenia holds more than 38 types of metals, more than 70 solid minerals and around 47 different sorts of rocks (Ministry of Economy of the Republic of Armenia, 2007). Some examples of these resources are: copper, lead, zinc, alumina and small deposits of gold, silver and diamond (Central Intelligence Agency, 2009). Most of these resources are found in the southern part of Armenia, as shown on the attached map (Encyclopedia of the Nations , 2009).

As with oil and gas, most of recovering of these mineral resources took place during the time the Soviet Union ruled Armenia. Data recovered in 1991 show that Armenia held a leading position recovering these resources during the soviet era. For example 99.9% of all the lead used in the Soviet Union came from Armenia. The same counts for 85% of the copper used in the Soviet Union (Ministry of Economy of the Republic of Armenia, 2007).

At the present time, Armenia still has numerous reserves of mineral resources. The Ministry of Economy of Armenia has estimated that Armenia holds a few hundred million tons of iron ore; a few million tons of copper, lead and zinc; some hundred thousand tons of molybdenum; and a few thousand tons of silver and gold (Ministry of Economy of the Republic of Armenia, 2007).

3 Azerbaijan

The Republic of Azerbaijan is the second country that is situated in the Southern Caucasus. It borders on Iran, Armenia, Georgia, Russia and the Caspian Sea. Its capital is named Baku and can be found in the east, near the Caspian Sea. With its 86,600 square kilometres of soil, Azerbaijan is somewhat larger than Austria. The country has a population of around eight million people and has a density of 97 people per square kilometre which is also comparable to that of Austria. The population of Azerbaijan is slightly less homogeneous than the population of Armenia. Of the total population 90.6% are ethnic Azerbaijani (or Azeri). The other 9.4% are made up by Armenians, who mostly live in Nagorno-Karabakh, Russians and Dagestani. Most of the people living in the Republic of Azerbaijan speak Azerbaijani and are Muslim (Central Intelligence Agency, 2009).

On an international level, Azerbaijan participates in approximately fifty organisations. Some examples are: IMF, Interpol, CIS, UNESCO and the UN (Central Intelligence Agency, 2009). Regarding the European Union, Azerbaijan and the EU have established their relation in the *EU-Azerbaijan Partnership and Cooperation Agreement* which entered into force in 1999. Moreover, Azerbaijan became part of the *European Neighbourhood Policy* in 2004, which was ratified by the Azerbaijani government in 2006 (European Commission, 2008). Like its neighbour Armenia, Azerbaijan has also got a close relation with NATO in cooperating on democratic, institutional and defence reforms. Besides these forms of cooperation, the Individual Partnership Action Plan of Azerbaijan sets out the line of further cooperation with NATO (NATO, 2009).

3.1 Important Moments in the Azerbaijani-Russian History

The history of Azerbaijan is, like the history of Armenia, full of wars and occupations. However, where the Armenian history is primarily influenced by Russia, the Azerbaijani history is primarily shaped by Arabic countries since Azerbaijan has been occupied by the Turks, the Mongols and the Persians who each ruled for some centuries over the Azerbaijani territories (Bureau of European and Eurasian Affairs, 2008).

3.1.1 Russian Azerbaijan

Russia had never been able to conquer Azerbaijan from its rulers as early on as it did with Armenia. However in the early 19th century Russia's dream of conquering the Caucasus reawakened. In 1807, during the First Russian-Iranian War, the armies of Russian Tsar Alexander I conquered most of Azerbaijan. In order to conquer the remaining part of

Azerbaijan, Russia attacked Persia in 1813 which resulted in the treaty of Gulustan. This treaty decided that Azerbaijan would be divided along the Araz River. Russia thus received the part north of the river, whereas Persia received the part south to the river. Although this division was made and agreed upon by both countries, Persia attacked Russia in 1826 to dispute their hold over Azerbaijan. However, this Second Russian-Iranian War ended just like the first one; Russia defeated Persia with great ease. As a result of this war, the Treaty of Turkmenchai was agreed upon. This treaty established the Azerbaijani borders known today (Robbins, 2005, pp. 35,36)

At the beginning of Russia's rule over Azerbaijan, Russia did not have much interest in Azerbaijan and regarded it as not much more than some distant colony (Robbins, 2005, p. 36). However, the Russian attitude towards Azerbaijan changed when in 1872 the mass exploitation of oil began. (The exploitation of oil will be discussed in more depth later on in this chapter.) Although exploiting oil brought wealth to Azerbaijan and especially to Baku, there were several downsides attached to it as well. In Baku there was a strict ethnic division in the oil industry. Nearly all the oilfields and oil refineries were owned by Russians or Armenians who formed the elite in this industry, while the majority of the Azerbaijanis worked as unskilled labourers. This division of work based on ethnicity brought feelings of discontent and resentment towards the Russians and Armenians upon the Azerbaijanis. These social tensions became better noticeable as the economic situation in Baku started to decline. Due to the declining economy less work became available for the Azerbaijanis whereas the Armenians were able to keep on working. This preferential treatment of the Russians towards the Armenians only made the Azerbaijanis hate towards the Armenians stronger. The Azerbaijani feelings of dissatisfaction about their situation eventually led to continuing violent attacks between 1905 and 1907. During the so-called Tatar-Armenian War both sides lost thousands of their people and suffered from vast property damage. This conflict formed the unintended start of other Armenian-Azerbaijani conflicts that had yet to come (Robbins, 2005, pp. 36-40).

3.1.2 First Azerbaijani Republic

Although the first couple of years of the First World War had only a small impact on Azerbaijan, the true horror that the First World War brought to Azerbaijan took place in early 1918. In this year the authorities in Baku, which were mainly formed by Armenians since the Russians were at war, ordered all Muslims to hand in their weapons. Naturally the Muslims refused to answer to this order. This refusal led to a conflict between the Muslims and the authorities of Baku in which the authorities prevailed. During this conflict,

the so-called March Days of 1918, around 3,000 Muslims were killed (Robbins, 2005, pp. 42,43).

Nevertheless, like Armenia Azerbaijan also became independent after the First World War. On the same date that Armenia declared itself to be an independent state, 28th of May 1918, Azerbaijan declared its independence as well. For two years to come Azerbaijan would be a democratic republic. However, the Azerbaijan Democratic Republic collapsed in 1920 and therefore opened the door for the Soviet army (United Nations Procurement Division, 1995)

3.1.3 Soviet Azerbaijan

Although the Soviet reign over the countries of Transcaucasia had severe consequences for all three of them, it was in particular a devastating period for Azerbaijan. Since the Azerbaijanis have an Islamic culture, the process of sovietisation was even harder on them than it was on the Armenians. As in Armenia where churches were closed, all mosques in Azerbaijan were closed by the soviet army. Moreover, the Azerbaijanis had to replace their Arabic script with the Russian Cyrillic alphabet. Nonetheless, this was nothing compared with Stalin's actions during his 'Great Terror'. During the most severe years of the Great Terror, between 1937 and 1938, around 120,000 Azerbaijani citizens were murdered (Robbins, 2005, pp. 45-49).

Near the end of the Soviet Union's existence things started to look up a little under the rule of Mikhail Gorbachev. As written in chapter two the Armenians found in the policy of perestroika the opportunity to annex Nagorno-Karabakh to their nation. This led to a conflict between Armenia and Azerbaijan over Nagorno-Karabakh which gravely intensified in 1989. After Armenian authorities announced that Nagorno-Karabakh had become a part of Armenia, riots broke out in Baku. The riots got out of control and in 1990 the Soviet troops were sent to Baku to restore the peace. However as the riots progressed, the Soviet Russians started to regard these riots as actions that could be carried on to other parts of the Soviet Union and therefore could pose a threat to the existence of the Soviet Union. To prevent the collapse of the Soviet Union, all protesting Azerbaijani's were murdered or imprisoned (Robbins, 2005, pp. 51-54).

Around one year after the Soviet troops had put an end to this conflict, the Soviet Union ceased to exist and Azerbaijan would become an independent republic again, for the first time in many decades.

3.2 Recent Conflicts: the Last Twenty Years

Azerbaijan officially declared its independence from Russia in 1992; however this was not the first time the Azerbaijanis proclaimed their independence from the Soviet Union. In 1990 Azerbaijan declared itself to be an independent state for the first time since the Soviets annexed the country. The Soviet leaders felt threatened by the actions of the Azerbaijanis and sent their army to crush the independence movements. In doing this, the Soviet army killed more than a hundred civilians in Baku (Alaolmolki, 2001, p. 49). Thus, even more so than Armenia, Azerbaijan did not have a peaceful start regarding its independence. Moreover, Azerbaijan was utterly eager in cutting all ties it had with Russia and therefore went for support to Turkey and Iran, which aggravated Russia.

3.2.1 Continuing War in Nagorno-Karabakh

As mentioned in Chapter two, a struggle between Armenia and Azerbaijan that continued into the early years of their independence is the war on Nagorno-Karabakh. Although this conflict has been explained in the second chapter, the Azerbaijani angle on this conflict must not be overlooked.

This region, ruled by Azerbaijan but dominated by Armenians, was once part of Azerbaijan but through Soviet reformations the region received more autonomy, which gave the Armenians in Nagorno-Karabakh the opportunity to declare the region independent from Azerbaijan. As explained, this happened with the intent of uniting Nagorno-Karabakh with Armenia, an intent that was violently carried out by the Armenian army (Guluzade, 1998, p. 55). Naturally the Azerbaijanis could not look the other way while the Armenians were taking over a territory that belonged to Azerbaijan. Several battles between Armenia and Azerbaijan on Nagorno-Karabakh followed, which mostly were won by Armenia that had the military support of Russia (Robbins, 2005, pp. 51,54,55). Moreover, Azerbaijan never stood a real change towards Armenia. The Azerbaijanis were used by the Soviet Union as construction workers, whereas the Armenians were excellent trained soldiers (Kaeter, 2004, p. 76). In 1992, after a series of Armenian offensives, Armenia managed to occupy almost 20% of Azerbaijan, which of course included Nagorno-Karabakh (Guluzade, 1998, p. 55). Around the same time, the Armenians expelled the Azerbaijani's from Nagorno-Karabakh by which Azerbaijan was left with roughly one million refugees and internally displaced persons (Guluzade, 1998, p. 55). Armenia strongly supported its people in Nagorno-Karabakh in the repression of the Azerbaijanis. This repression eventually turned in to an ethnic cleansing. During this purification campaign a massacre took place in Khojali. This massacre intensified the feelings of hatred towards the Armenians among the Azerbaijanis and fostered their

longing for revenge. This way the conflict stayed alive for several years to come, in which both suffered from high numbers of war casualties (Robbins, 2005, p. 55).

3.2.2 The Khojali Massacre

The Khojali Massacre, that took place in 1992 during the war on Nagorno-Karabakh, forms a dark page in the recent history of Azerbaijan. In the middle of this war, after Azerbaijan had launched several attacks on Armenian villages, the Armenians stroke back. Their reprisal came on the February 25th when Armenian soldiers seized the town of Khojali. Khojali is a town in Nagorno-Karabakh and was at that time mainly inhabited by Azerbaijanis, which made it the perfect goal for the Armenian reprisal. In the days that followed the seizure of Khojali, the Armenians killed and wounded over 1,000 Azerbaijanis among whom were refugees and children (O'Ballance, 1997, pp. 57,58).

3.3 Russian Interests in Azerbaijan

From the first part of this chapter one could conclude that the relationship between Azerbaijan and Russia has for centuries been that of the oppressed and the oppressor. Russia regarded Azerbaijan mainly as an opportunity for territorial expansion. Although this can be said about how Russia regarded all the Transcaucasian countries and other soviet states, Azerbaijan did not have a friendly relation with Russia unlike Armenia. This can probably be explained by looking at the different amount of Russian influence in the history of the two countries. As mentioned earlier on, Armenia and Russia established their friendly relation during the Tsarist era while Azerbaijan never had a friendly outlook on Russia and was more focussed on Turkey because of their cultural similarities.

Nowadays the relation between Azerbaijan and Russia is becoming healthier than it was before. Over the last twenty years the bilateral relations, especially the economic relation, have been strengthened and improved. That especially the economic relation has been improved is not unexpected since Azerbaijan holds vast amounts of oil, gas and other natural resources such as minerals (Ismailova, 2002).

3.3.1 The Azerbaijan-Russia Relation

Whereas the relation between Armenia and Russia has always been somewhat special, the relation between Azerbaijan and Russia has always been, until recently, of a poor quality. There are different reasons that can explain the poor Azerbaijan-Russia relation. First of all, Azerbaijan was the first Transcaucasian country that declared its independence from the Soviet Union. After this declaration of independence, preventing re-domination by Russia has been a priority for Azerbaijan (Gul, 2008, p. 55). Secondly,

the first elected and non-communist President of the Republic of Azerbaijan, Abulfaz Elchibey gave priority to develop relations with Turkey. The Elchibey government strongly promoted dissociation from Russia and everything Russian as well. Because of this anti-Russian policy the relationship between Azerbaijan and Russia became worse than it had ever been before (Gul, 2008, p. 57). Thirdly, there are other issues that made, and from time to time still make, the Azerbaijan-Russian relation problematic. The most obvious one is that of the military support Russia gave Armenia during the Nagorno-Karabakh conflict. Besides this, there is the dispute over the legal status of the Caspian Sea. In short this conflict entails the following. Both Russia and Iran believe the Caspian Sea to be a lake and therefore feel that they should be allowed to exploit the Caspian's natural reserves. Azerbaijan on the other hand, believes the Caspian Sea to be a sea, which gives Azerbaijan and other countries surrounding the Caspian Sea the right of exploitation within their territorial waters (Gul, 2008, p. 60). All these issues combined clarify why Azerbaijan and Russia never had a very solid base on which they could start their relation. However, this changed when Elchibey was forced to resign and Heydar Aliyev became the President of Azerbaijan. Unlike Elchibey, Aliyev considered having a good relationship with Russia of great importance (Gul, 2008, p. 57).

Although Azerbaijan and Russia established their diplomatic relation in 1992 under the Russian President Boris Yeltsin, it was after Vladimir Putin became the President of Russia that the relation between Azerbaijan and Russia genuinely started to develop (Ismailova, 2002). On the 25th of January 2002 the former Russian President Putin and former President Aliyev signed several bilateral agreements. These agreements were signed in order to develop bilateral relations in political, economic, cultural and military fields. Moreover, during this deliberation both countries agreed on the need of special attention for industrial and long-term economic cooperation. Furthermore, President Putin placed special priority on cooperation within the spheres of energy and agriculture (Ismailova, 2002).

Nowadays the relation between Azerbaijan and Russia is a rather healthy one thanks to the efforts of Heydar Aliyev. Currently, Ilham Aliyev is the President of Azerbaijan and follows the international relations track set out by his father (Gul, 2008, p. 58).

3.3.2 Oil

The first reliable historical information on the discovery of oil dates back to the seventh and eighth century (Aliyev, 1994, p. 22). Although oil was discovered in the early history of Azerbaijan, it took over a thousand years before the commercial exploitation oil in Baku

started. In 1891 oil recovery in the world had reached about 22.5 million tons. Of this total amount 11.4 million tons came from Russia that extracted 95% of its oil from Azerbaijan. Because of the enormous amounts of oil in Azerbaijan, and especially in Baku, people from all over the world came to work in Baku. Near the end of the 19th century Baku had over 3,000 oil wells of which 2,000 were producing oil at an industrial rate. In the following century Baku would evolve into the centre of worldwide oil commerce and companies like Shell and The Rottschild Companies would become the main actors in Baku's oil business (Aliyev, 1994, pp. 22,23).

Despite Azerbaijan's long history of recovering oil, it still has considerable amounts to extract. Data from 2007 show that Azerbaijan produced around 860,000 barrels of oil per day and that the oil sector had profits of 5,272 million U.S. dollars that year. The estimated revenue for 2010 is set at 19,417 million U.S. dollars and in this year an oil production of 1.3 million barrels is expected (Administration Energy Information, 2007). Most of this oil comes from Azerbaijan's four largest off-shore oil fields, named Gunesli, Cirak, Azeri and Kepez. The first one, Gunesli, produces 57% of the oil that is currently extracted in Azerbaijan (Central Intelligence Agency, 2009). In total, producing and exporting oil accounts for almost 60% of the Azerbaijani economy (Kaeter, 2004).

3.3.3 Gas

Since the oil reserves in Azerbaijan were discovered rather early in history, attention was merely given to oil for a long time. It was only recently that the country started to pay attention to its gas resources (Cutler, 2008). Azerbaijan holds around two trillion cubic metres of natural gas reserves and it is assumed that Azerbaijan holds even more gas in association with its off-shore oilfields. However, large amounts of this gas turned out to be burned or blown away. Thus, although the amount of gas in Azerbaijan looks rather high, it has declined severely in the last years; therefore Azerbaijan has to import gas from Iran, Turkmenistan and Kazakhstan in order to realise its need (Curtis, 1995).

3.3.4 Natural Mineral Resources

Besides oil and gas, the soil of Azerbaijan holds a vast amount of minerals, metals and semi-precious stones. Some examples of these mineral resources are: iron ore, gold, aluminium, zinc, copper, mercury, rock-salt and bauxite (Shekinski, 1995). Most of the mineral resources are found in the Dashkesen Mountains, situated in the west of Azerbaijan (Encyclopedia of the Nations, 2008).

Since the investment in capital goods was centralised during the Soviet era, Azerbaijan got off with a late start in developing its mining industry. However, after the

collapse of the Soviet Union Azerbaijan discovered the true value of its mineral resources. Near 340 ore and non-ore deposits have been recovered. From these deposits 1.8 million tons of raw ore is processed on an annual basis. Moreover, Azerbaijan holds an aluminium reserve of around 130.2 million tons. From this reserve around three million tons of aluminium is mined each year (Shekinski, 1995). As mentioned above, Azerbaijan holds various stones which include: jade, turquoise, marble onyx and diamond (Shekinski, 1995).

4 Georgia

The third country that can be found in the Southern Caucasus is Georgia. Georgia borders on Armenia, Azerbaijan, Russia and Turkey. The capital of Georgia is named Tbilisi and is situated in the south-east of the country. With its 69,700 square kilometres of land the size of Georgia can be compared with the size of Belgium and the Netherlands combined. However with a population of only 4.4 million people, Georgia has the lowest density of the countries in the Southern Caucasus, namely 68 people per square kilometre. Compared with Armenia and Azerbaijan, Georgia's population is less homogeneous. Georgians make up 83.8 % of the population and the rest consists mainly of Azerbaijanis, Armenians and some Russians. Most people who live in Georgia speak Georgian. However, Russian, Armenian and Azeri are spoken as well among a considerable amount of people. The most supported religions are Orthodox Christianity and the Muslim faith (Central Intelligence Agency, 2009).

On an international level, Georgia is engaged in approximately fifty organisations. Some examples are: UN, WTO, IMF and Interpol. As well as other former Soviet Union states, Georgia is a member of the CIS (Central Intelligence Agency, 2009). The relation between the EU and Georgia was established in 1992, after Georgia's break with the Soviet Union. The bilateral relation is based on the *Partnership and Cooperation Agreement* which has been ratified in 1999 (European Commission, 2009). Besides a good relation with the EU, Georgia also has a strong relation with NATO. As with Armenia and Azerbaijan, the cooperation between Georgia and NATO is concentrated on democratic, institutional, and defence reforms. Furthermore, at this moment Georgia finds itself in the preparatory phase in order to become a member of NATO (NATO, 2009).

4.1 Important Moments in the Georgian-Russian History

Like Armenia and Azerbaijan, Georgia has a history that is characterized by being an occupied country. In the early fifth century the Persians conquered Georgia. After this Persian conquest, which lasted for more than three centuries, it took Georgia over two hundred years to merge all parts of the kingdom back together. At the end of the tenth century, when the Georgian kingdom was united again, the Georgian Golden Age began. From the end of the tenth century until the middle of the 13th century Georgia was a prosperous country. However, in 1235 the Huns invaded eastern Georgia. The Huns were followed by the Persians, the Mongols and the Ottomans who devastated Georgia and each conquered a part of the country. Between the 15th and 18th century internal wars

between the conquerors of Georgia followed (Plas, 2000, pp. 19,20). The (East) Georgian king Erekle II became desperate and in order to protect his country he requested Russia to safeguard his kingdom. However, the Russian protection was not what Erekle had anticipated (Schriek, 2004, p. 8).

4.1.1 Russian Georgia

In 1783 Georgia and Russia agreed upon the Georgievsk Treaty that recognised Russia as the protectors of East Georgia. Moreover, this treaty obliged Russia to give military support to king Erekle II in his struggle for reuniting Georgia. However, the Russian Empire did not fulfil its promises and annexed East Georgia in 1801 (Gachechiladze, 1995, pp. 26,27). Between 1810 and 1864 the Russian Empire conquered the other parts of Georgia and Russification throughout Georgia began. Although the Georgians lost their political, cultural and religious freedom due to the Russification, the Russian occupation held some advantages for the Georgians as well. Being a part of the Russian Empire enabled the Georgians to study at Russian universities and learn about western points of view, which brought Georgia closer to Europe (Schriek, 2004, p. 8).

The years Georgia belonged to the Russian Tsars elapsed rather calmly, though this came to an end in the 90's of the 19th century. Around this time Marxism reached Georgia where it gained widespread support and everywhere in the country the Georgians started to revolt against the Russian occupation. As if this did not cause enough disturbances in Georgia, a couple of years later the First World War would burst out causing even more tensions and political unrest in the country. However, after the First World War Georgia would become an independent state for the first time in 117 years (Plas, 2000, p. 25).

4.1.2 First Georgian Republic

After Georgia had functioned as a battleground for the battles between Russia and Turkey during the First World War and after the Georgian Mensheviks had overthrown the Russian Bolsheviks, Georgia finally saw the chance to declare itself independent from Russia. Georgia did so on the 26th of May 1918. Nevertheless, as with the independence of Armenia and Azerbaijan, the Georgian independence did not last long. In the middle of February 1921 the Soviet army invaded Georgia in order to annex it to the Soviet Union (Plas, 2000, p. 27).

4.1.3 Soviet Georgia

After the Soviet army annexed Georgia the oppression of different governmental institutes began. As in Armenia, Azerbaijan and other countries that were annexed by the Soviet

Union, national political parties, the army and other institutes such as churches were no longer allowed by the Soviet oppressor. In one year, between 1922 and 1923, the Soviets destroyed over 1500 churches, mosques and synagogues. Naturally, among the Georgians much disagreement existed on the Soviet policies. The Georgians displayed their disagreement through anti-communist actions that made their first appearance in 1924. However, these actions by Georgian rebels did not make a difference and most protests were cruelly suppressed by the Red Army (Mchedlishvili, 2008).

Throughout the years Georgia experienced the same treatment with regard to agricultural collectivism and forced industrialisation as other Soviet states did. Furthermore, just like the other Soviet states Georgia suffered gravely during Stalin's years of political terror. During these years thousands of innocent Georgians were murdered and even more were sent off to labour camps where almost all of them died. Like in the other Soviet states, the ones that suffered the most were the intelligentsia such as writers and scientists (Mchedlishvili, 2008).

Life started to look up a little after Stalin's death when Nikita Khrushchev became the new leader of the Soviet Union. However, it was the same Nikita Khrushchev who accused Stalin (who was a Georgian himself) of the most terrible crimes. Oddly, the Georgians who suffered from Stalin's deeds were offended by the words of Khrushchev. In order to rehabilitate Stalin manifestations were held in Tbilisi and although nothing about these manifestations was anti-soviet, Khrushchev ordered the Red Army to suppress the protests. On March 9, 1956 the Soviet army ended the manifestations in a cruel and bloody way, killing more than 100 protesters and wounding over 300 (Mchedlishvili, 2008).

Under the reign of Mikhail Gorbachev the Georgians started to express their longing for independence more intensively than ever. Riots that appeared were still struck down by the Soviet army and dozens of Georgians had to die in order to achieve independence from the Soviet Union. Nevertheless, on April 9 1991 Georgia proclaimed to be an independent state once again (Schriek, 2004, p. 16).

4.2 Recent Conflicts: the Last Twenty Years

In the years that would turn out to mark the end of the Soviet era and the beginning of new republics, nationalistic feelings ran rampant in Transcaucasia. In Georgia these feelings were not only shown by the Georgians but by the Abkhaz and South Ossetians as well. Both groups wanted their territory to become independent from Georgia causing clashes that eventually would turn into full-scale wars between the two regions and Georgia.

4.2.1 The War on South Ossetia: 1991-1992

South Ossetia is a so-called break-away region in the north of Georgia where it borders on Russia. It has 70,000 inhabitants of which nearly two-third is Ossetian; Ossetians are a minority in Georgia. The relation between Russia and South Ossetia has always been better than the relation between South Ossetia and the Southern Caucasus. During the Russian expansion in the 18th century the Ossetians did not put up any resistance against the Russians. Later on, in the 1920's the Ossetians supported the Kremlin when Soviet forces occupied Georgia which resulted in the division of North and South Ossetia. North Ossetia was formed in Russia and the southern part became the South Ossetian Autonomous Region within Georgia (BBC, 2009).

As mentioned earlier on, the nationalistic tendencies in Transcaucasia were running rampant in the years near the Soviet Union's dissolution. In 1988 the Ossetians reacted to the growing Georgian nationalistic feelings, which the Ossetians regarded as a threat, by creating their own nationalistic front named Ademon Nykhas (Popular Shrine). The open support Ademon Nykhas gave to the Abkhazian nationalistic movement caused the first clashes between Ossetians and Georgians in South Ossetia. However, a full scale war was not waged until 1991 (Danish Association for Research on the Caucasus, 2006).

After South Ossetia had declared itself independent in 1990 and more violent incidents occurred in South Ossetia than ever before, the Georgian parliament declared the state of emergency on South Ossetia on December 12, 1990. In the first days of 1991 Georgian and Russian troops entered the capital of South Ossetia, Tskhinvali where a massacre took place. This was the start of the full scale war between Georgia, which received military support from the pro-Georgia Russian government, and South Ossetia (Danish Association for Research on the Caucasus, 2006). In this war over a thousand people died and more than 100,000 people became refugees (Plas, 2000, p. 84).

In the summer of 1992 Georgia and South Ossetia, with mediation of Russia, agreed on a cease-fire and a CIS peacekeeping operation in South Ossetia (Danish Association for Research on the Caucasus, 2006). However, this cease-fire would turn out to be of a non-permanent kind since another war over South Ossetia would be waged in 2008.

4.2.2 The War on Abkhazia: 1992-1993

Abkhazia is situated in the north-west corner of Georgia. Much similar to South Ossetia, Abkhazia is also a break-away region that has a good relationship with the Russian

Federation. In 1810 Russia declared Abkhazia to be a protectorate of the Empire and later on it became an integral part of the Russian Empire in the same way as South Ossetia. During the early Soviet rule Abkhazia enjoyed a certain amount of autonomy; however this came to an end in 1931 when Stalin incorporated Abkhazia into Georgia. Georgian became the official language in Abkhazia and the Abkhazian culture and language were repressed (BBC, 2008).

Near the collapse of the Soviet Union the nationalistic tendencies in Abkhazia began to rise, as had happened in South Ossetia. In 1988 an Abkhaz letter demanded the restoration of the status Abkhazia enjoyed in the Soviet Union before 1931. The conflict continued in 1989 and 1990 but mostly in a non-violent manner and through the creation of legislation that put the adversary at a disadvantage. These first non-violent steps that the Abkhazians took towards independence were in essence tolerated by Georgia. However, in 1992 the real war between Georgia and Abkhazia broke out. The Georgian army was, owing to Russian support, better equipped and thus had an advantage on the Abkhazian soldiers. Nonetheless, the Abkhazians stood strong and defeated the Georgian army at Garga in 1992. In total, the war between Abkhazia and Georgia lasted for over a year and left a destroyed Abkhazia behind. During these years over 20,000 civilians died and even more became refugees (Krylov, 2001).

Finding a solution for this conflict seems to be impossible. Most Georgians believe Abkhazia should remain a part of the Georgian territory since the Abkhazians moved into Georgia in the 17th century and thus are relatively new in the country. The Abkhazians on the other hand, are convinced that their people have lived on the territory of Abkhazia for centuries and that they thus are entitled to their own country. Moreover, none of both parties are willing to acknowledge the crimes they have committed during the war of 1992-93 by which peace remains hard to achieve (Schriek, 2004, pp. 18-20).

4.2.3 South Ossetia Again: 2008

Although a cease-fire was agreed upon in 1992, clashes between South Ossetians and Georgians kept occurring. The tension in South Ossetia, and Abkhazia, worsened in 2004 when Mikhail Saakashvili won the Georgian Presidential elections by promising to reunite Georgia. This promise aggravated the South Ossetians who kept on (and still keep on) striving for independence. In the summer of 2008 the struggle for independence became more heated and the clashes between Georgian and South Ossetian forces got out of hand. In order to resolve the clashes the Georgian authorities launched an aerial bomb and initiated a ground attack on South Ossetia. As a response to this attack, Russia came

to South Ossetia's aid by sending troops to protect South Ossetia and bombing targets in Georgia (BBC, 2008).

How this war exactly started is not clear. Georgia claims that it initiated its assault after it had heard that Russian armour was smuggled in to South Ossetia. Russia, on the other hand, said to be protecting its Russian citizens in South Ossetia against the Georgian forces. Thus, both sides blame each other and are therefore not getting any closer to solving the South Ossetian situation, let alone solving the Abkhaz situation (BBC, 2008).

Since both break-away regions grant each other grave support it will be difficult to solve one of the region's problems before those of the other have been solved. Moreover, this poses a tough question on the Georgian government, because granting one of the territories autonomy will automatically signify autonomy for the other, since the support the two regions give each other is massive. Thus from a Georgian perspective it is probably less bad to keep going to war with the South Ossetians and the Abkhazians than having to lose both territories.

4.3 Russian Interests in Georgia

Taking no more than the first part of this chapter into consideration one could conclude that the relation between Georgia and Russia could not be too bad. Armenia has a very good relation with Russia; Azerbaijan's relation with the Russian Federation is improving day by day; so why should the Georgia-Russia relation be any different since the three countries share more or less the same history. It is true that the history of the Transcaucasian countries show many similarities, however the history of the Georgia-Russia relation shows to be more difficult than the Armenia/Azerbaijan-Russia relation since Georgia was the country that gave most resistance to the Russian occupation. Moreover, one could believe that Russia's reluctance to comply with the Georgievsk Treaty was the first step towards turbulent bilateral relations between the two countries. Furthermore, the supportive position Russia has taken towards Abkhazia and South Ossetia can also be referred to as a cause of the difficult Georgia-Russia relation.

At the present time the relation between Georgia and Russia is still not what it could be. Although both Russia and Georgia say to be improving their relation, none of them is willing to make the sacrifices that are needed to make their relation successful (Voice of America News, 2006).

4.3.1 The Georgia-Russia Relation

While the relation between Armenia and Russia can be considered to be good and the relation between Azerbaijan and Russia can be considered to be improving, the relationship Georgia and Russia have with each other can be considered to be less than fruitful. However, their bilateral relation has not always been like this.

In the 18th century the relationship between Russia and Georgia was rather impressive. In those years Russia provided hospitality to Georgian refugees who had to leave the country due to Iranian deportations. Moreover, Russia provided Georgia with great military support in its wars against the Persians and the Turks. Nevertheless, this all changed when the Bolsheviks crushed the newly independent state of Georgia in 1921 and granted autonomy to the regions Abkhazia and South Ossetia (Rayfield, 2006). Obviously, the Georgians felt very offended by these actions of Soviet Russia while Russia felt that it was acting righteously by protecting the Georgian citizens who were grateful for the Soviet occupation, namely the Abkhazians and the South Ossetians (Rayfield, 2006).

After the collapse of the Soviet Union, the relation between Georgia and Russia has become even more strained. The break-away regions Abkhazia and South Ossetia asked to be annexed to Russia (Voice of America News, 2006). Moreover, Russia supporting these regions during the wars between them and Georgia in the 1990's evidently did not improve the Georgian-Russian relation either. Although there have been periods in the 1990's, during the presidency of Eduard Shevardnadze, when the relationship between Georgia and Russia was relatively good: Georgia has always tried to keep Russia as far away as possible (BBC, 2008).

To illustrate the Georgian-Russian relation: in 2006 the former Russian President Vladimir Putin and the Georgian President Mikhail Saakashvili met to discuss how the political and economic relation between their countries could be improved. Former President Putin mentioned that both countries will work on improving their relation. President Saakashvili replied to this by saying that Georgia is a small county that is best left alone and that no country will ever get an inch of South Ossetia or Abkhazia (Voice of America News, 2006). Once again this shows how much the situation of Abkhazia and South Ossetia stands in the way of improving the relation between Russia and Georgia. Thus, in order to improve the relation notably the conflict about the break-away regions must be solved first. However, in the near future this does not seem likely and therefore it can take some time before the relationship between Russia and Georgia will improve.

4.3.2 Natural Resources

Unlike its Transcaucasian neighbour Azerbaijan, Georgia does not have of large amounts of natural resources at its disposal. Even the natural resources in Armenia, which are not impressive when compared to Azerbaijan's resources, are remarkable when compared to the resources of Georgia. Moreover, the extraction of natural gas does not take place in Georgia at all. In 2008 Georgia merely produced a thousand barrels of oil each day while the country consumes 14,000 barrels a day (Energy Information Administration, 2009). Compared to Azerbaijan that produced 875,000 barrels a day in that same year, the oil production in Georgia can easily be disregarded.

Besides the small amount of oil, the following mineral resources can be found in Georgia: ammonia, copper, manganese, gold, lead, zinc and volcanic glass. In 2006, 140,000 tons of ammonia were recovered and 400,000 tons of both lead and zinc have been found. Data from 2005 show that, in that year, Georgia produced 25,000 tons of manganese, 12,000 tons of copper and 2,000 kilograms of gold (IndexMundi, 2008). These amounts can be compared with the amounts produced in Armenia on an annual basis.

4.3.3 Transport

Although Georgia does not hold much wealth in natural resources, its position in the transport of oil and gas is all the more impressive. In the transport of oil and gas from the Caspian region to Europe and other regions, Georgia is the most important transit country in the Caucasian region (Taktakishvili, 2006, p. 1). The two large port cities Poti and Batumi, which have a capacity of respectively seven million and five million tons a year, do not only form a connection with the outside world for Georgia but also for Armenia and Azerbaijan (Schriek, 2004, pp. 50,51). Oil and gas arrive in these port cities by pipelines. For oil the most important ones are the BBP (Baku-Batumi/Poti) and the BTC (Baku-Tbilisi-Ceyhan). The first pipeline transports the oil from Baku to Batumi and Poti where the oil is shipped on a crude carrier (Taktakishvili, 2006, p. 3). The second transports the oil from Baku, via Tbilisi to Ceyhan in Turkey and transports around a million barrels of oil per day (Schriek, 2004, pp. 50,51). Perhaps even more important than the two mentioned oil pipelines is the South Caucasus Pipeline that transports gas from Azerbaijan to Turkey. Georgia benefits from this pipeline because it is entitled to 5% of the total amount of gas that runs through this pipeline every year. This results in Georgia becoming less dependent on Russian gas, which Georgia has been relying on for a long time (Schriek, 2004, p. 52).

Although becoming less dependent on Russia means progress for Georgia, for Russia this will mean less influence on Georgia. Russia has tried to buy a gas pipeline from Georgia in order to control the gas that runs between Iran and Armenia and thus increase its influence in the Caspian region. However, following the advice of the United States, Georgia has turned down Russia's offer (Taktakishvili, 2006, pp. 2,3).

Conclusion

By examining the information presented in this research, one could easily come to the conclusion that Russia could not have many interests in the Caucasus since the countries of Transcaucasia do not have much to offer. Although it might be true that the South Caucasian countries do not hold many tangible objects in which Russia could be interested, besides oil and gas, Russia does have strong interests in the Caucasus. While some writers and scholars believe that the interests Russia has in the Caucasus can be divided into several categories such as political, economic, social and military; the most important category that remains is that of Russia's geopolitical interest in the Caucasian region. This interest incorporates political interests and, in this case, economic interests as well.

Russia's geopolitical interest is characterized by its longing to increase its influence in the Caucasus. However this Russian longing is not limited to the Caucasus; it extends to the Caspian region and the international playing field. As explained in the preceding chapters, Russia has attempted to increase its geopolitical power through economic aid and cooperation. In this economic approach to extend its influence, oil and gas have been important tools for Russia. Russia has exonerated Armenia's public debt in exchange for a couple of state oil and gas enterprises. With Azerbaijan, Russia has concluded treaties on industrial and economic cooperation and from Georgia it has tried to purchase important pipelines that transport gas and oil. Although Russia applied a different strategy for each country in Transcaucasia, the final goal remained the same; namely increasing its geopolitical power in the Caucasus. When putting these economic strategies in further perspective, it becomes clear that by increasing its power in the oil and gas industry Russia will become more influential in international politics since oil and gas are rather scarce in this part of the world. In addition, more control over oil and gas supplies will give Russia even more power to pressure the international community since it will become more dependent on Russia to provide oil or gas.

Nevertheless, increasing its geopolitical power in the Caucasus is not as easy as Russia thought it to be. According to Thomas de Waal, a Caucasus expert, the most serious mistake Russia has been making recently in approaching the Caucasus is that it remains to think of the Transcaucasian countries as neighbours and former republics instead of independent republics with international relations of their own (Waal, Khaindrava, Mirkadyrov, & Grigorian, 2007). The main consequence of this approach is that Russia is losing its influence in the Caucasus as opposed to increasing its influence in the region.

As mentioned above, Russia still thinks of the Caucasian countries as its neighbours and former republics. Because Russia thinks like this, it believes that it should still have a certain amount of control of what goes on in these countries. Especially when it comes to their foreign relations Russia believes that they should be its primary partners. However, when things do not go according to Russia's plan it will put economic blockades on the Caucasus. As a result of these blockades the Transcaucasian countries, even Armenia, started to orient more on Western Europe and opened their economies for western investments by which the influence of Western Europe increased and the Russian influence diminished (Waal, Khaindrava, Mirkadyrov, & Grigorian, 2007).

With all this being said Russia's interests in the Caucasus plus the problems it faces in securing these interests have become clear. However, the second part of the research question remains unanswered. As mentioned earlier on, Russia's main interest is that of expanding its geopolitical influence by using economic approaches. Whether this can be an explanation for the repeatedly occurring conflicts in the Caucasus is difficult to say. Naturally, Russia is partially to blame for wars that occurred some centuries ago. However, regarding the Nagorno-Karabakh conflict the answer would be no. This is a conflict waged between Azerbaijan and Armenia and although Russia has given Armenia military support, it would be very unwise of Russia to interfere in this conflict any more since this would get in the way of its relation with Azerbaijan. The Abkhazia and South Ossetia conflicts on the other hand, are completely different from the Nagorno-Karabakh war. Both Georgian regions have demonstrated their preference for being a part of Russia instead of being a part of Georgia by which they have received Russian support on several occasions. In this case it could be true that Russian interests play a part in the wars both regions have had with Georgia. By giving the two regions military support Russia can be assured of their loyalty which brings Russia closer to Georgia since Abkhazia and South Ossetia still belong to Georgia. Besides, if the two regions were ever to become independent, they would already have a strong relationship with Russia and Russia would thus be able to influence them heavily.

In conclusion, one could thus state that Russia's main interest in the Caucasus is expanding its geopolitical power through economic cooperation. Eventually, this will enlarge Russia's position of power in international politics. However, recently Russia has lost more influence than it had gained through economic cooperation. The more recent wars in Georgia can be somewhat explained by this geopolitical interest, since these wars have created the opportunity for Russia to influence the two Georgian regions.

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Appendix 2: Map of Azerbaijan

(map.primorye.ru, 2007)



Appendix 3: Map of Georgia

(map.primorye.ru, 2007)



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Appendix 4: Map of Conflict Areas in the Caucasus

(Conciliation Resources)

