

RUSSIAN POLICY IN THE CASPIAN, BLACK SEA AND THE EASTERN MEDITERRANEAN

Fiona Hill

Abstract

This article analyses the potential resurgence of Russia's influence in international politics and its attempts to restore its "great power, status," both in the territories occupied by the former Soviet Union, and beyond. The major issues of Russian foreign policy in the Caspian, Black Sea and Eastern Mediterranean regions are examined, with main emphasis on Russia's complicated relations with Turkey and the implications for Greece and Cyprus.

Introduction

On the surface, current Russian foreign policy is contradictory. On the one hand, the Russian Atomic Energy Ministry sells nuclear technology to Iran, on the other, Russian parliamentary deputies and the Foreign Ministry debate the threat posed by the rise of Iranian-style Islamic fundamentalism on the southern fringe of the former Soviet Union, while *Rosvooruzhenie*, the state armaments agency, concludes arms deals with China and Russian analysts mark their giant neighbor as a potential adversary in the 21st century. In sum, Moscow is no longer the unitary political actor of the Soviet era, and no single agenda is pursued. New sub-state and non-state actors, including individual government ministries and agencies, Russian companies, business and financial elites, and *mafia* groups have emerged to influence the policymaking process, and to pursue agendas that are frequently out of step with the propounded policy of the Russian Foreign Ministry. This fact necessarily complicates any interpretation of Russian activity abroad.

In the seeming confusion, however, four trends in the totality of Russian activity, and thus in foreign policy, are discernible:

1) A general trend toward attempting to restore and maintain Russian prestige through the reintegration of the former Soviet Union;

- 2) A shift in Russian foreign policy emphasis from West to East;
- 3) An effort to pursue as independent a foreign policy as possible from Washington, and to position Russia as a counterweight to the US in traditional areas of former Soviet influence;
- 4) A premium on advancing Russian commercial and economic interests.

Reintegration

Since 1992, there has been a consensus among the Russian political elite in Moscow that one means for restoring and maintaining Russia's "Great Power" status is through the reintegration of the former Soviet space into a common economic, political and security structure with Russia at its head. Members of the elite - both inside and outside government - differ, however, over what form reintegration should take and how it should be achieved. In September 1995, President Yeltsin signed a decree on the integration of the Commonwealth of Independent States (CIS), which outlined Russia's policy in the former Soviet space and set ambitious goals for enhancing ties. The decree declared the CIS a "priority area" for Russia and stated that Russia's "principal vital interests" were concentrated in this region.¹

Both before and since the publication of the decree, there has been a flurry of inter-state summits and agreements. In January 1995, for example, Moscow concluded a payments and customs union with Belarus and Kazakhstan, and later with Kyrgyzstan. This was followed in November 1995 and January 1996 with an agreement on the creation of a Russian-sponsored joint air-defense system with Georgia, Kyrgyzstan, Tajikistan, Armenia, Kazakhstan and Uzbekistan; and in April 1996 with the conclusion of a treaty of economic and political union between Russia and Belarus. Although there has, as yet, been little concrete activity beyond meetings and protocols, the sheer volume of paper and ink expended on this venture implies that Moscow means business, and the attempts to strengthen the Commonwealth of Independent States will be a major element in Russian Foreign policy for the foreseeable future.

Shift in emphasis from West to East

In tandem with this focus on the consolidation of Russia's position in the former Soviet Union, over the last two years there has been a gradual shift in the orientation of Russian foreign policy from an almost exclusive concentration on relations with the West to strengthening Russia's position in the East. Relations with the West are still an important factor, as the expansion of bilateral ties with Germany and the securing of \$10 billion in IMF loans attest, but negative issues have dominated these relations since 1993: the escalation of the war in Bosnia and punitive actions against Serbia by the EU, US and later NATO; and, most importantly for

Moscow, the decision to expand the NATO alliance to the countries of Central-Eastern Europe and therefore to Russia's Western borders. Although Russia is now participating in NATO operations in Bosnia through the cooperative deployment of Russian troops in IFOR, and in NATO's Partnership for Peace, Russia's position in the Euro-Atlantic region is still very much determined by the actions of others. As a result, Russian foreign policymakers have increasingly turned to other former Soviet spheres of influence in the East, where the reach of the EU, US and NATO is not so long.

This decision to turn to the East was underscored in January 1996 with the replacement of pro-Western Foreign Minister, Andrei Kozyrev, by the former head of Russian foreign intelligence, Evgeny Primakov. Primakov is a Middle East specialist, fluent in Arabic, who grew up in Tbilisi Georgia, and went on to become director of the prestigious Institute of Oriental Studies in Moscow. He is Russia's most influential expert on Asia and the Middle East, and his whole life and career is thus caught up in the geopolitical area bounded by the Caspian, Black Sea and Eastern Mediterranean.

Shortly after Primakov's appointment, in March 1996, Mikhail Titarenko, the director of the Institute of Far Eastern Studies in Moscow, noted, in a clear reference to the Kozyrev era and Primakov's attempts to reorient Russian foreign policy, that "the traditional crest of Russia is a two-headed eagle, but for the past few years both heads have been turned toward the West."² Titarenko went on to suggest that Russia would now be the preeminent power in the Eastern Hemisphere, and that this would be part of a "long-overdue balancing that should not be interpreted as any kind of demotion of the importance of ties with the West." A key adviser to Russian President Viktor Chernomyrdin also proposed in an interview in April 1996, that instead of facing West, Russia now wants "to stand, one leg in Asia, and one leg in Europe."³ The question for Moscow is where to plant Russia's Asian leg.

As yet that question has not found a definitive answer, but relations with the CIS and Primakov's region of interest have certainly been pushed to the forefront since January 1996. Primakov's first state visits as Foreign Minister, for example, were to Ukraine, Belarus, and the Transcaucasus. Primakov has also made it clear that he intends to chart an independent policy for Russia in the East that builds on his expertise and experience, and includes re-establishing Russian influence and ties with radical revolutionary allies such as Iran, Libya and Iraq.

Counterweight to the United States

The new Russian Foreign Minister is part of the consensus in the Russian political elite about the importance of restoring Russia's international position. In 1994, while still the head of Foreign Intelligence, Primakov chided Western powers for trying to impede the reintegration of the former Soviet Union, and in his first major foreign policy address on January 12, 1996, he noted that "Russia was and remains a

Great Power ... [and] ... her foreign policy should correspond to that status."⁴

In a March 6 interview with *Izvestiya*, Primakov suggested that Russia's post-Cold War "Great Power" role would involve providing a "Counterbalance" to the United States and the West in the global arena.⁵ Russia's steps to rebuild links with China, the Middle East and support for Boutros Boutros Ghali, the UN Secretary General, in the face of the United States insistence on blocking his re-election,⁶ indicate that this end is being pursued.

Russian President Yeltsin's trip to China in April 1996 at the height of his re-election campaign and shortly after a state visit to Moscow by President Clinton, was certainly designed to mark Russia's reemergence as an Asian power. The signature of a Russo-Chinese non-aggression pact in Shanghai, and agreements on economic issues, borders, and military exchanges in Beijing were intended to set the tone for bilateral Russian-Chinese relations for the 21st century.⁷ Observers in the region, however, were more inclined to see the trip as arranged by both Russia and China with a US audience in mind rather than a domestic one. Russian and Chinese leaders were anxious to demonstrate to the United States that they had alternatives to relations with the West.⁸

In a commentary in *The Washington Post* on the implications of the visit for the United States, former US Secretary of State, Henry Kissinger, noted that the *communiqué* from President Yeltsin's visit was "nothing less than a declaration of independence by both Moscow and Beijing from the strategic triangle that had evolved in the two decades since Richard Nixon's opening to China and a deliberate effort . . . to reduce America's options in Asia"⁹ by bringing the two powers closer to each other. He further suggested that the selection of Shanghai for the signing of the non-aggression pact was the clearest signal of this effort, as it was "where Nixon and Zhou En-Lai completed the first Sino-American *communiqué*, committing the signatories to opposing hegemony in Asia-which meant the Soviet Union." For President Yeltsin, Kissinger continued, "the second Shanghai *communiqué* symbolizes Russia's reemergence as an equal player" with the United States in Asia.

Within a month of the Shanghai declaration, the game that Russia intended to play in Asia took a more ominous turn with rumors of an impending sale of inter-continental ballistic missile technology by Russia to China, which merited a strong protest to Moscow from US Secretary of Defense, William Perry.¹⁰ Since then, the Russian Foreign Ministry has announced that Primakov is slated to visit China at the end of November – a visit which will overlap with the scheduled arrival of outgoing US Secretary of State, Warren Christopher to Beijing – and that Moscow will be establishing a new representative office in Taipei to promote the expansion of ties with Taiwan. All of which suggests that Russia is attempting to insert itself into the existing United States relationships in China and Taiwan!¹¹

The deliberate overlapping of US visits to China with Russian initiatives has been

mirrored in the Middle East. In late October, Russian Foreign Minister, Evgeny Primakov, visited the region, against a backdrop of the faltering US-led peace process which had resulted in the US chief negotiator, Dennis Ross, returning to Washington empty-handed after a three-week stint of negotiations. Primakov visited Syria, Lebanon, Egypt, Israel, Jordan and the Palestinian self-rule territories. At each juncture, the Foreign Minister noted that Russia was an integral player in the Middle East peace process; that Russia would not be displaced from the process by the United States; and that Russia would not support Israel's attempts to renegotiate key provisions of the peace accords; and implied that Russia would support the Arabs over the Israelis if the peace process collapsed.¹²

Prior to his visit, Primakov also published a major article on Russian Foreign Policy and the new post-Cold War world order in which, after criticizing NATO expansion and urging the formation of a multi-polar world he stressed the importance of the Middle East Peace Process for global stability. In the article, he paid particular attention to the Palestinian, Syrian and Lebanese aspects of the process and insisted on a full partnership in the negotiations between the US, EU, France, Egypt and Russia as the only formula for success. Underscoring the shift in focus in Russian foreign policy from West to East, the Middle East was given priority in the discussion over Bosnia. Throughout the presentation, Foreign Minister Primakov also down-played the significance of unilateral US initiatives, focusing instead on the creation of a multi-polar world and international institutions and further underscoring Moscow's intention to constrain Washington as far as possible.¹³

Advancing commercial and economic interests

In spite, however, of the stress on "Great Power" national interests, and these attempts to undercut the United States, Russia is not pursuing a particularly aggressive foreign policy at present. As Evgeny Primakov noted at his first press conference, the rebirth of the old Soviet Union is not on the agenda, and outside the circles of the political and foreign policy élite, the majority of the Russian population is not interested either in the reintegration of the former USSR or in foreign entanglements. In part, the tragedy of Chechnya has done a great deal to rein in post-Soviet Russian ambitions. It has revealed the weakness of the Russian state.

The Russian assault on Chechnya has led to the largest and most destructive military operation on Russian soil since World War II. In September 1996, Russian Security Council Secretary and would-be Presidential candidate, Alexander Lebed announced that in less than 2 years, the war in Chechnya had resulted in the deaths of 80,000-100,000 civilians, 10,000 Russian troops, and an estimated cost of \$12-25 billion to the beleaguered Russian economy. Lebed's Russian combatant figures for the 2 year period are almost as high as the approximately 13,000 Soviet deaths in 10 years of fighting in Afghanistan.

Chechnya has dealt a serious blow to the Russian military and thus to Russian

prestige. Since December 1994, in spite of official reports to the contrary, the anti-Moscow Chechen forces have remained in effective control of the bulk of Chechnya's territory. Their repeated seizures of Grozny, culminating in the spectacular takeover and rout of Russian Interior Ministry forces in early August 1996, have underscored this point. As in the Crimean war, the Russo-Japanese War, World War I, and most recently in Afghanistan, the myth of the invincible Russian army has been vanquished. An article in *Nezavisimaya Gazeta* in January 1996, summed up the situation in the following way: "our former army, at one time unbeatable and legendary, is little by little falling to pieces."¹⁴

As British commentator Anatol Lieven notes in a recent piece on the Russian Military and Chechnya,¹⁵ as a result of Chechnya, "The great majority of Russians are "cheap hawks"; and whatever may be possible in ... the areas that matter most to the West is not possible on the cheap." Aggressive statements between 1992-1994 made by members of the Russian political elite, including President Yeltsin, about the need to protect Russians in the near abroad and attempts to bolster Russia's position by meddling in regional conflicts,¹⁶ have been tempered by the debacle in the Caucasus. In the recent Russian Presidential elections, against the backdrop of the Chechen War, Communist Party leader, Gennady Zyuganov, lost many votes because of his Party's seeming intention of involving the country in a potentially costly struggle to reintegrate the former USSR.¹⁷

Thanks to Chechnya, the revelations about Russian military collapse, nationalists and radicals denied power, and public opinion opposed, Moscow has neither the inclination nor the ability to pursue an aggressive Russian foreign policy. Indeed, according to Western military *attaches* in Moscow, Russia's ability to project its power militarily (in conventional terms, as it still has a considerable nuclear capacity), is not likely to return for at least 10 years and only then under favorable economic conditions.¹⁸ A strong economy has thus been identified both by the elite and the general population as the key to Russia's future.

Although the economy seems to be improving, there is still a sense of crisis. In 1996, for example, GDP and industrial production began to rise slightly in the summer and inflation hit 0% in August for the first time since 1991, but the ruble continued to lose value *vis-a-vis* the dollar, the budget deficit reached 4.3% of GDP, and by November wage arrears had reached 2.7 trillion rubles against a backdrop of miners strikes, suicides in the scientific sector and military leaders threatening mutiny if soldiers were not paid.

In spite of this sense of economic crisis, however, the last couple of years in Russia since 1993, have seen the generation of considerable wealth. Banks and independent entrepreneurs have become major political players, as have huge financial industrial groups. Financial Industrial Groups (FIGs) are perhaps one of the most interesting recent developments in the Russian economy. They are

alliances between industries, financial institutions, and the state to share capital and technology and compete in the market. As of May 1996, there were 32 officially registered FIGs in Russia, employing 2.2 million workers and generating 6% of Russian GDP. FIGs have now become extremely successful as they obtain special state investment credits and loan guarantees, tax privileges, and protection from international competition, among other benefits. They also match available capital with investment starved companies.

Russian business leaders see the FIGs as the solution to Russian economic crisis – a solution where a handful of powerful banks own shares in and help finance and manage companies. Russian FIGs follow the Japanese and Korean models where key industries are protected and nurtured so they can capture a greater foreign market share and avoid being taken over by large foreign companies while the country is in transition. As Mikhail Khodorovsky, the President of *Menatep*, one of Russia's largest financial groups, puts it "the state is forming large companies which will be able to cooperate as equals on the world market ... if *Mitsubishi* has say, \$200bn in sales, then a company that wants to compete with *Mitsubishi* will need a level of sales a roughly the same level." Khodorovsky has stated that he would like to see 30% of Russia's industrial workforce concentrated into industrial giants protected by the state and oriented toward foreign markets. Some analysts see FIGs as a useful mechanism for providing a reliable source of capital for the development of the Russian economy in the absence of large-scale foreign investment; but others, such as Andrei Illarionov, Director of Moscow's Institute for Economic Analysis, fear that FIGs will give the government an overly large role in the economy, concentrate wealth in a few hands, and prevent the creation of an open and transparent economy.¹⁹

As yet, FIGs are still developing in Russia and it is not clear what role they are playing or will eventually play both in the domestic economy and in foreign policy. Most groups still have a domestic profile, although *Iterros-Mikrofin*, financed by *Uneximbank*, holds 24 companies, including enterprises in Kazakhstan, which gives Russian business a multi-national profile for the first time. Aside from FIGs, huge Russian companies with state backing are already playing an international role, most notably, the oil and gas giants *LUKoil* and *Gazprom*.

A Scandinavian foreign policy expert recently noted that "NATO may or may not expand eastward, but Russia's *Gazprom* has already moved West."²⁰ *Gazprom*, which owns 30% of the world's known gas reserves, has acquired infrastructure in East-Central Europe, has expanded its sales in this region and is the first Russian company preparing to develop an international equity market with up to 9% of its shares to be traded in Europe's leading financial centers. *LUKoil*, which has the second largest oil reserves of any private oil company in the world, is participating in huge international projects in Azerbaijan and Kazakhstan, has begun exploratory drilling in Egypt, and is interested in projects in Algeria and Iraq. According to its

Vice-President, Vitaly Schmidt, *LUKoil* aims on becoming "a world-class company" that can compete with the likes of *EXXON* and *Royal Dutch Shell*,²¹ and has already embarked on ambitious joint ventures with the US oil company *ARCO*, and the Italian firm *Agip* to increase its international profile.

Oil and gas reserves have become Russia's most important source of revenue and thus its most vital economic issue. As a result of oil, gas and other raw material exports, Russia had a more than \$20 billion trade surplus at the end of 1995. Oil and gas barons, including the heads of *LUKoil* and *Gazprom* dominate the league table of Russia's most powerful business leaders.²² This power and influence at home and performance abroad are inextricably linked. Prominent Russian government officials, and the government itself, have a considerable stake in oil and gas. Russian Prime Minister, Viktor Chernomyrdin, is the former head of *Gazprom*, Yuri Shafrannik, the Russian Fuel and Energy Minister owns shares in *LUKoil*, leading Russian financiers, such as Vladimir Potanin, who is now a Deputy Prime Minister, and Mikhail Khodorovsky, the head of *Menatep*, have all acquired Russian oil companies, and the Russian government still holds a 40% stake in *Gazprom*.

Oil and gas are not, however, the only sources of international revenue, arms exports and technology sales from military industrial complex, which were formerly a major moneymaker for the USSR remain important. According to Alexander Kotelkin, the director of *Rosvooruzhenie*, the state arms export firm, Russia had more than \$7 billion in arms export orders for 1996, more than twice the total for 1995 when it brought in \$2.7 billion.²³ Russia now sells arms to 51 countries with India, China, Syria and Malaysia among its biggest clients and is trying to break into lucrative Latin American and Asian markets.²⁴

As a result of the size of the potential revenues from these sectors and the need to boost the economy, oil and gas, and arms sales issues have begun to dominate Russian foreign policy, and have increasingly brought it into direct competition with United States policy in Latin America, Asia and the Middle East. This is particularly evident in Russia's dealings in the arena that has become a focus of foreign policy with the advent of Primakov: the Caspian, Black Sea and the Eastern Mediterranean.

Major Issues for Russian Foreign Policy in the Caspian, Black Sea and Eastern Mediterranean Region

The Caspian, Black Sea and Eastern Mediterranean need to be seen as an organic whole – an interconnected system of trade and communication routes from the landlocked Caspian, across the Caucasus to the Black Sea and to the world's seaways through the Mediterranean. Oil and gas are the region's key resources, with estimates of up to as much as 200 billion barrels of oil in the Caspian basin, for

example, making it the location of the world's second largest reserves after the Persian Gulf.²⁵ Prior to the collapse of the USSR, Moscow monopolized oil production in the region, and dominated the northern and eastern approaches to the Caspian and Black Seas – and thus the principle communication routes along this axis. Since the dissolution of the Soviet Union and the outbreak of serious conflicts on Russia's southern borders, Moscow's strategic position has deteriorated, in particular where its control of production and Caspian-Black Sea oil and gas pipelines routes is concerned. Russian policy in the region has, therefore, sought to restore Russian influence and protect its state and commercial interests in oil and gas.

In 1993-1994, it seemed as if other regional players were trying to cut Russia out of the so-called "Deal of the Century" between Western oil companies and the government of Azerbaijan to develop offshore Caspian oilfields and transport the oil to world petroleum markets. This deal hinged on the utilization of an existing former Soviet pipeline system running from the Azerbaijan capital, Baku, through Grozny, the capital of Chechnya, to the Russian Black Sea port of Novorossiisk, or the construction of alternative routes through neighboring states to the Black Sea. In November 1994, Turkey proposed to Georgia that the pipeline for exporting Caspian oil from Baku should be routed West through Georgia and into Turkey and away from the Russian Federation and its existing pipeline and ports. The subsequent war in Chechnya in December 1994 and the inevitable disruptions in transportation along the Russian pipeline system, also raised concerns in Moscow that Western oil companies, operating in both Central Asia and Azerbaijan, would avoid Russia in oil transportation issues and that Chechnya would prove to be the death knell of Russia's monopoly over Caspian oil.

As a result, the Russian Foreign Ministry has had a tendency to see oil and competition for it in the broader Caspian region as a "zero-sum game" and not one where there is opportunity for mutual benefit. In Summer 1994, Russian President Yeltsin and then Foreign Minister Andrei Kozyrev signed a directive "On Protecting the Interests of the Russian Federation in the Caspian Sea"²⁶ which marked a Foreign Ministry policy of pushing for a resolution on the status of the Caspian that would turn the sea into a lake, prevent its division into national sectors and ensure a Russian veto over all oil deals.

In spite of this stance by the Russian Foreign Ministry, however, the Russian oil industry and energy ministry has fully participated in the international negotiations and projects for developing Caspian oil. *LUKoil* won a stake in the "Deal of the Century" in April 1994 with the backing of the Fuel and Energy Ministry and Russian Prime Minister Viktor Chernomyrdin. Since then it has secured inclusion in international consortia developing oilfields and pipelines in Kazakhstan and additional offshore fields in Azerbaijan. All of which implies an acknowledgement of the *de facto* division of the Caspian Sea into national sectors on the part of *LUKoil* and, therefore, on the part of certain players in the Russian government. In fact, under the

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influence of those in favor of the development of Caspian oil and the infusion of Western capital and advanced technology, Moscow and the Foreign Ministry now seem to be backing away from the hardline stance on the Caspian Sea regime.

In October 1996, for example, *Interfax* and other publications reported that Moscow may be prepared to reach a compromise on the status of the Caspian Sea. According to Ambassador Feliks Kovalev, the head of the Russian Foreign Ministry's working group on the Caspian Sea, "to unblock the current deadlock and achieve mutual understanding with Azerbaijan and Kazakhstan, Russia is ready to drop its tough opposition to dividing the Caspian Sea into national sectors" and is moving in the direction of agreeing to the creation of 35-40 mile national sector along the coastline of each Caspian state with the area outside these sectors "recognized as a common asset of all the five states, open for their joint use."²⁷

This emphasis on oil, gas, communications routes, and the influence of commercial interests on Russian policy can be seen in Russia's bilateral relationships in the Caspian-Black Sea-Mediterranean region-and especially in its relations with its former Soviet neighbors in the Caucasus and Central Asia.

*Russian policy in the Caucasus and Central Asia*²⁸

Russia sees the Caucasus (its own North Caucasus republics and the three newly independent states of Armenia, Azerbaijan and Georgia) as the key strategic region in the post-Soviet space. The Caucasus link the Caspian and Black Seas and form Russia's border zone with Turkey and Iran. The three Caucasian states are too weak individually to completely control their own destiny, but since 1994, Russia has become increasingly concerned that the states will unite to construct new East-West communications corridors-for crucial roads, railways and pipelines – from Central Asia and the Caspian to the Black Sea, avoiding Russia's North-South axes. The reorientation of communication routes, cooperation between the three Caucasus states, the expansion of ties between the Caucasus and Central Asia, and the potential alignment of these two regions with Iran, Turkey or both would pose a formidable geopolitical challenge to Russia.

This is no idle concern. Since the outbreak of conflicts in the Caucasus in the late 1980s, and especially since the wars in Abkhazia and Chechnya, Russian communication routes with the Caucasus have been cut off. Russia's rail route along the Black Sea coast from Sochi to Sukhumi was severed by the war in Abkhazia; its major road route along the old Georgian Military highway was blocked by the war between Georgia and South Ossetia-although this has now been partially restored – and its rail route from Southern Russia through Chechnya and then through Dagestan along the Caspian coast to Baku was cut off by the war in Chechnya. Furthermore, Russia's border with Azerbaijan has been closed since 1994, because of the war in Chechnya and Russian accusations of Azerbaijani material support for the Chechens. As a direct result, Russia's economic influence in the Caucasus has

faded. Russia still remains the region's primary creditor, and its political and military importance persists as a result of military basing rights in Armenia and Georgia and mediation efforts in regional conflicts, including Nagorno-Karabakh, but Russian-Caucasian trade has fallen precipitously, and the Caucasus states are beginning to look elsewhere to sustain themselves.

Prior to 1994, 70% of all Azerbaijan's trade – exports and imports – passed through Russia. Trade now passes through Iran and Turkey, and Russia has fallen to third place among Azerbaijan's trading partners – after Iran and Turkey. For Georgia, Russia has dropped to 7th in its major trading routes, after Turkey, Turkmenistan, Azerbaijan, Iran, Rumania and Bulgaria. Turkey's volume of trade with Georgia now exceeds Russia's by 6%, largely as a result of the existence of an extensive Turkish-Georgian border and a major crossing point at Sarp, just south of the Georgian port of Batumi, which was opened back in August 1988. Although Russia is still the main source of support for Armenia, as a result of the Azerbaijani blockade Iran has now become Armenia's main trading partner after Russia and Turkmenistan. Georgia is also building a major 130 km railway from the southern Georgian city of Akhalkalaka to Turkish city of Kars. The railway is entirely financed by Turkey with some support from the European Union and will gradually be extended to link Tbilisi and Istanbul. Significantly for Moscow, this project was announced shortly after the declared construction of a major rail link between Iran and Turkmenistan with the prospect of an extension into Armenia. In addition, in Spring 1996, Levon Ter-Petrossian, the President of Armenia, publicly announced for the first time that after the resolution of the conflict in Nagorno-Karabakh, Armenia would be prepared to embark on a strategic partnership with Azerbaijan and coordinate the construction of new road, rail and pipeline links between them.

Ukraine, Russia's most important Western neighbor and an emerging power on the Black Sea, has also been implicated in these developments. Since independence in 1991, Ukraine has increasingly looked for ways to counterbalance its relations with Russia. Shortly after independence, for example, Ukrainian Vice-Premier, Anatoly Kinakh traveled to Iran to conclude a packet of documents on economic cooperation, including an exchange of grain for oil to offset its dependence on Russia for oil and gas. Kinakh also initiated a discussion with Iran about the possible creation of an Iranian-Azerbaijani, Georgian-Ukrainian energy company, that would involve the eventual creation of a communication route from Iran stretching across the Caucasus and the Black Sea to Ukraine and thus to Western Europe completely bypassing Russia.

Although these more ambitious plans were put on hold due to the conflicts in the Caucasus, Ukraine has continued to pursue the creation of a major terminal at its principle Black Sea port of Odessa which would have the capacity to receive large volumes of oil from the Caspian basin and the Middle East.²⁹ In November 1996, Ukrainian Prime Minister, Pavlo Lazarenko, also held discussions with Georgian

President, Eduard Shevardnadze, in Tbilisi regarding Kiev's participation in Georgian trade and transit projects, specifically in projects related to the transport of oil from Kazakhstan's Tengiz field and crude oil and liquefied gas from Azerbaijan. The discussions centered on the transport of fuel supplies across Georgia by rail and then across the Black Sea to Odessa and Ukraine's second port, Nikolaev, beginning as early as 1997, with plans to approach the European Bank for Reconstruction and Development (EBRD) for credits to fund the venture. The Ukrainian Prime Minister also expressed an interest in joining a Georgia-Azerbaijan-Turkmenistan-Uzbekistan agreement on transit facilities and preferential tariffs along a route from Central Asia to the Black Sea.³⁰

These new communication routes are also not simply projected lines on the map. They have already begun to function. The corridor – running from Central Asia and Uzbekistan across the Caspian Sea to Azerbaijan and then to the Black Sea ports of Georgia, across the Black Sea and up through Ukraine, and then to Lithuania and its Baltic Sea ports – is being used by Uzbekistan for the export of cotton rather than its traditional export route through Russia. In October 1996, Russian analysts also noted that the US oil company *Chevron* is transporting oil from its Tengiz fields in Kazakhstan by tanker across the Caspian and then by train across the Caucasus to Georgian Black Sea ports, rather than using the existing Russian pipeline to Novorossiisk.³¹

Russia's reaction to all this has been to try to prevent the further decline in its regional position by maintaining its the upper hand in the resolution of Caucasus conflicts in Georgia and Azerbaijan, retaining its basing rights and border patrols in Armenia and Georgia, and attempting to extend its military control to Azerbaijan. Russian analysts, however, also recognize that economic issues in the region are paramount, given the high stakes in Caspian oil and inter-state trade, and an aggressive Russian foreign policy is counterproductive – there has to be more to Russian relations with the Caucasus than conflicts and military bases. In May 1996, for example, in a major article on the Caucasus in the Russian newspaper, *Segodnya*, Vladislav Shorokhov a senior analyst from the Institute of Europe of the Russian Academy of Sciences, urged Moscow to counteract its political and military influence in the region with improved economic ties. Shorokhov noted that Moscow would only succeed in its goal of influencing the choice of transportation routes for Caspian oil by forging alliances with local elites, improving bilateral relations with the governments of Georgia and Azerbaijan, and improving its transportation infrastructure.³²

Since Summer 1996, Russia has tried a more constructive approach in its relations with the Caucasus, primarily through its endorsement of Georgian President Eduard Shevardnadze's initiative for an all-Caucasus Summit in June 1996. This Summit emphasized Russia's leading role in the region with its site on Russian territory in the North Caucasian spa town of Kislovodsk, but did so in a positive man-

ner with the stress during the meetings laid on shared responsibility for regional problems, cooperation, mutual problem-solving and the defense of all states territorial integrity. Given Russia's preoccupations in the region, the major issue at the Summit was, notably, a discussion about restoring and upgrading Russian communication links with the area.ss

Moscow has also taken steps to improve its bilateral relations with Ukraine. Although there are still considerable problems between the two states over Ukraine's seeming intention to join NATO, and continued claims from the Russian political elite on the Crimean port city of Sevastopol, Moscow is no longer playing the Crimean card in the same manner as it was in 1992-1993,³⁴ and a settlement of the persistent Black Sea fleet dispute seems to be in the offing after a late October meeting between President Yeltsin and President Kuchma in Moscow. In addition, Moscow has also promised to seek the rapid conclusion of a bilateral Friendship Treaty which has been on hold since 1992.

*Russia's relations with Turkey*³⁵

Beyond the Caucasus, Central Asia and Ukraine, Russia's most complicated relations in the Caspian-Black Sea-Eastern Mediterranean region are with Turkey. Although relations are pragmatic with a great deal of bilateral trade, and high-level visits, Russia and Turkey are rivals of longstanding and have fought thirteen wars with each other over the past five centuries. Turkey guards all Russia's approaches to the Eastern Mediterranean and thus the world's seaways and has similar long-term ambitions to Russia for political and economic penetration of Central Asia, the Caucasus, the Balkans and the Middle East. Turkey is also seen by Russia as proxy of the United States in the Caucasus and Central Asia, and Russia and Turkey have fallen into diametrically opposed camps on the crucial issues of Bosnia and Chechnya, due to Turkey's close involvement with the Turkic Muslim peoples of the region and the presence of significant Balkan and Caucasus Muslim diasporas on Turkish territory. NATO expansion and Turkey's position in NATO have further rankled Russia, along with Turkey's insistence that Caspian oil flows should be routed long-term through a pipeline running from Baku to its Mediterranean terminal of Ceyhan.

Turkey and Russia ended up on a collision course soon after the collapse of the USSR with Turkey's overly enthusiastic support for an independent Azerbaijan, which resulted in a Russian-backed coup to overthrow the pro-Turkish Azerbaijani President, Albufez Elchibey, and the alienation of Armenia.³⁶ Turkey, has since modified its approach to treat the Caucasus as a single strategic unit, as suggested above. As well as signing a ten year treaty on friendship and cooperation and extensive commercial and cultural agreements with Azerbaijan in 1994, Turkey is courting both Armenia and Georgia, having recognized their importance for regional communications and oil transportation issues.

For Turkey, like Russia, Caspian oil is a crucial issue. The oil terminal at Ceyhan was initially constructed to handle exports from Iraqi oilfields to the West, and was then largely closed in 1990 after Iraq's invasion of Kuwait – a fact which has resulted in a serious loss of revenue in the realm of several billion dollars of transit and storage fees. After an agreement by the Azerbaijan international oil consortium in October 1995 that early oil from the Caspian would be transported through two pipelines from Baku – north through Russia to Novorossiisk and West through Georgia to its port of Supsa – Turkey pushed for a major new pipeline to be constructed from Supsa through Eastern Anatolia to link in with the existing pipeline from Iraq to Ceyhan. Turkey also called for restrictions on Russian tanker traffic from Novorossiisk through its Bosphorus straits, which would make the overland route even more attractive.

As befits this era of high technology, foreign policy is now conducted through the *Internet* and the Turkish government sponsors a site on the Caspian oil issue on the *World Wide Web* with a section on 'The Bosphorus: A Waterway at Risk.'³⁷ This site outlines the risks to shipping, safety, the environment and the well being of the local community posed by the potential increase in Russian tanker traffic through the Straits. The site's text reads, for example, "over half of Russia's total oil exports – between 30 and 35 million tons annually – travel through the Bosphorus. By the year 2010, the projected ... output from the Caspian Sea is estimated to be more than 36 million tons of oil annually ... [which] would more than double the current shipments of oil from Russia through the Bosphorus Even greater amounts are expected to be transported from Kazakhstan's oil fields to the Russian Black Sea port of Novorossiisk for shipment to the West. The combined additional volume would put immense pressure on the Bosphorus Straits." The text concludes by outlining the comparative advantages of the pipeline route from Baku through Supsa to Ceyhan and the benefits to the West if this route is chosen of having the final terminal for Caspian Sea oil located in a NATO country and secure from shipping accidents in the Bosphorus.

Russia has not yet begun to wage war on the *Internet*, but in response to Turkey's actions it has put political pressure on the Caucasus and Central Asian states to limit their relations with Turkey. This pressure has been fairly successful as Turkey does not have the economic wherewithal to establish itself as the dominant power in the region. In spite of the increasing volumes of bilateral trade, Ankara has mostly engaged in barter deals and extensive cultural and technical assistance programs rather than offering itself as a real alternative to continued regional dependence on Moscow, both economically and militarily. There is still a discrepancy, given Turkey's unstable domestic economic and political situation, between what it aspires to do and what it can actually achieve.

Turkish overtures to both Armenia and Azerbaijan to mediate in Nagorno-Karabakh, or to provide troops for a prospective OSCE peacekeeping force, have

also been consistently rejected by the parties under Russian pressure – most forcibly in May 1994, when Russia succeeded in unilaterally brokering a ceasefire between the three warring sides (Armenia, Karabakh and Azerbaijan) which has held ever since. Russia has also taken steps to ensure its domination of Armenia and Georgia's borders with Turkey, including the conclusion, in February 1994 in the wake of Georgia's military defeat in the war with Abkhazia, of a major Russian-Georgian friendship and cooperation treaty which provides for Russian military base rights in Georgia in return for the restoration of Georgian control across all of its territory.

In addition, Russia has used the war in Chechnya to justify a revision of the Conventional Forces in Europe Treaty (CFE), which will now enable it to station more forces and equipment in the Caucasus on Turkey's borders. This move and the establishment of Russian bases in Georgia and Armenia are intended as a signal to Turkey that Russia fully intends to remain active in the Caucasus. Turkey's support for the Chechens during the war has also led to indirect expressions of Russian sympathy for the PKK and the Kurdish insurgency in southeastern Turkey. A *Kurdish House* has been opened in Moscow which sends the additional signal that Moscow will not tolerate any exploitation by Ankara of its Caucasian diasporas.

Russia is, furthermore, trying to head off the construction of the Supsa-Ceyhan oil pipeline - unless there is some significant stake for it in the project. So far the *Azerbaijan International Operating Company* (AIOC) which is spearheading the development of the oilfields and has the final decision over transportation routes has not taken up Turkey's offer to fully finance the construction of the pipeline if there is a definite commitment from the AIOC. Russia has also succeeded in increasing its share in *Kazakhstan's Caspian Pipeline Consortium* deal to 44% which will bring oil through pipelines from the Tengiz field across Russian territory to Novorossiisk, and result in the upgrading of Russia's existing infrastructure. Moscow clearly hopes that this will encourage the AIOC to consolidate regional oil flows and route them through Novorossiisk.

One recent development does, however, also suggest that in addition to putting political pressure on Ankara, as in the Caucasus, Russia is not averse to a different, more pragmatic and conciliatory approach on specific issues. In early November, 1996, it was reported that *Gazprom* is planning to construct an underwater pipeline from Russia's Black Sea coast to Trabazon in northeastern Turkey to transport Russian natural gas to the Balkans. This venture would replace an earlier Russian-Bulgarian initiative begun in 1995 but stalled by Bulgarian feet-dragging. Energy analysts in assessing the *Gazprom* announcement noted that in addition to attempts to prompt a response from Sofia, Moscow – or at least certain key actors in Moscow – is beginning to put money above geopolitics. *Gazprom* already has deals with Ankara to supply Turkey with natural gas into the next century which also puts the Russian-Turkish relationship on a solid business footing.³⁸ In this case,

however, it is important to note that the natural gas is originating in Russia, not in one of the Caucasus states, and Russia already has control over both the supply and the transportation routes.

Russia's relations with Greece and Cyprus

In spite of the growing premium on economic and commercial interests in the region, geopolitics are still important for Moscow. As a further counterweight to Turkey in the Caspian-Black Sea-Eastern Mediterranean, Russia has pursued relations with Greece and the Republic of Cyprus. Greece is seen as a key regional ally, especially given historic cultural and religious ties between Russia and Greece, Greek fears of Turkish dominance in the Aegean and the Eastern Mediterranean, and the continued Greek-Turkish conflict over the division of Cyprus. Russia, therefore, has many potential issues to exploit. Greece and Russia also share an interest in breaking the Turkish monopoly on the Bosphorus straits, and since June 1995, the two countries have jointly pursued a project with Bulgaria to construct a pipeline across the Balkans for the transportation of oil brought by tanker from Novorossiisk to the Greek port of Alexandroupolis on the Aegean.³⁹ If this project succeeds it will greatly enhance Russia's case for routing Caspian oil through Novorossiisk and thus strengthen Russia's position *vis-a-vis* Turkey in the region.

As far as Cyprus is concerned, the outbreak of violence on the island in August 1996, and Turkey's heavy-handed response in conjunction with the rise of the pro-Islamic *Welfare Party* have enabled Russia to paint Turkey as a potential rogue state. This Summer, having previously paid little attention to events on the island, Russia raised the Cyprus question in the UN Security Council, and several related articles were published in the Russian press. Mikhail Demurin, a representative of the Russian Foreign Ministry, announced in August that Russia was opposed to the present *status quo* on Cyprus and would push for the eventual demilitarization of the island.⁴⁰ The Russian press also noted that the August events on Cyprus justified Russia's concerns with Turkey's regional ambitions. In one article, a Russian diplomat was cited as stressing that the Cyprus incidents demonstrated the potential threat posed by Turkish military might from the Caucasus and Central Asia to the Middle East – a threat which justified both Russia's demands for the reevaluation and renegotiation of the CFE Treaty, and Russia's interest in the Black Sea fleet to balance Turkish military and naval presence in the region. The significance of the Black Sea Fleet to offset the Turkish threat was also stressed by Russian Foreign Minister Evgeny Primakov in a press interview on August 3, 1996 in the midst of negotiations with Ukraine on the resolution of Black Sea fleet issues.⁴¹

Russian policy in the Middle East

While looking to counterbalance its major regional rival Turkey in the Caucasus, Central Asia and the Eastern Mediterranean, Russia is attempting to head off its global rival, the United States, in the Middle East – in particular in relations with

Iran, Iraq, Syria and Libya. In January 1995, for example, Russian Minister for Atomic Energy, Viktor Mikhailov, concluded a \$1 billion deal with Tehran to construct light-water nuclear reactors. In September 1996, Russia also unanimously opposed the United States missile attacks against air defense installations in southern Iraq in retaliation for Saddam Hussein's offensive against the Kurds in Northern Iraq in late August. Foreign Minister Primakov was particularly outspoken in his criticism of the US decision, putting it down to electioneering on the part of the Clinton administration. In March 1996, Alexander Kotelkin, the head of *Rosvooruzhenie*, was reported by *Interfax* to have discussed arms sales with Syrian President, Hafez al- Assad, and Deputy Russian Prime Minister, Oleg Davydov, announced that Russian and Libya were pursuing \$10-11 billion worth of joint ventures.⁴²

Russian analysts are quite clear about Moscow's motives in the Middle East. As Alexei Malashenko, a Central Asian analyst with the *Carnegie Endowment for International Peace* in Moscow has suggested: "the main point of maintaining the relationship with [these countries] is to demonstrate to the United States and Western Europe that Russia is capable of conducting an independent foreign policy."⁴³ Andrei Poniatowsky of the *Moscow Center of Strategic Studies*, has also noted that "Developing relations with Iran and Iraq is not based on any principle of friendship, but instead on increasing anti-Americanism, which seems to be a growing part of Russian foreign policy."⁴⁴

In addition to the challenge to the United States, however, as elsewhere in the region economic issues are key. Financial pressures were a major factor in determining Russia's nuclear technology sales to Iran, and even though many in the Russian Foreign Ministry were opposed to the deal they were unable to constrain the activities of the relatively powerful Ministry of Atomic Energy. Prior to Evgeny Primakov's visit to the region in October 1996, articles in the Russian press also discussed the decline in Russian trade with the Middle East since the collapse of the Soviet Union and chided the Russian government for failing to capitalize on its long-standing economic ties with the Arab countries. Syria in particular and the Soviet-era volume of trade between the two was singled out as the potential "economic gate" for Russia in the Middle East.⁴⁵

There is also a great deal of money at stake for Russia in Iraq, which owes Russia an estimated \$5-10 billion in Soviet-era loans. Since 1992, Russia has pushed to have the UN sanctions against Iraq dropped. In Summer 1996 prior to the US missile strikes against Saddam Hussein, Deputy Russian Foreign Minister, Viktor Posuvalyuk headed an economic mission to Iraq. During an interview with Russian TV following the visit, Posuvalyuk underscored the fact that Iraq "is a country in which [Russia has] some very serious plans, and we need to prepare now for the time when the race, the rivalry and the competition begin for Iraqi business." Posuvalyuk claimed to have received assurances during his trip that Russia would have priority in economic relations with Baghdad.⁴⁶

Oil is a key factor in the Iraqi-Russian relationship and in the Soviet-era, Iraq was heavily dependent on Russian technology for the extraction and refinement of oil. In February 1996, Russia and Iraq signed a \$10 billion cooperation accord to revitalize Iraq's oil industry and boost its production by one million barrels a day, once UN sanctions have been lifted. This was the first bilateral accord of its kind signed since the UN Security Council imposed sanctions on Iraq in 1990 for its invasion of Kuwait. *LUKoil* was a major player in this accord and confirmed its readiness to begin the implementation of projects as soon as the UN embargo was lifted. In 1995, *LUKoil* secured a 70% share in Iraq's *Western Kurna* oilfield production-sharing consortium.⁴⁷

Economic issues aside, Russia also needs to counter its seemingly anti-Muslim positions at home by bolstering its ties with Islamic countries abroad. The war against Chechnya and the related persecution of Muslims from the North Caucasus have severely damaged Moscow's relations with the Russian Federation's large Muslim population in the Upper Volga and the Caucasus, and diminished Russia previously high-standing in the Muslim world as a counterweight to the United States. In the most recent incident in early October, for example, Moscow police stormed one of only two mosques in Moscow, arrested two-dozen members of the congregation in the middle of prayers, and accused them of being criminals from the Caucasus, meriting a stream of protests from Islamic groups. Russia's relations with Iran, Iraq, Syria and Libya, are therefore an antidote to abuses at home as well as a snub to the United States. Sherman Garnett, a Senior Analyst at the *Carnegie Endowment for International Peace*, has described Russian policy toward Iraq and Iran as "a dual embrace" as opposed to the United States "dual containment."⁴⁸

Conclusions

In sum, although many actions may seem contradictory, such as concluding deals to transport natural gas across Turkey on the one hand and trying to prevent the transport of oil across Turkey on the other, Russian activity in the Caspian-Black Sea-Eastern Mediterranean region is in keeping with the four major trends in Russian foreign policy. Russia is trying to maintain its prestige by pursuing reintegration with the republics of the former Soviet Union - attempting to bolster its somewhat unfavorable position in the Caucasus and Central Asia by limiting Turkish influence, building up its military presence, and improving bilateral ties and communication links. Moscow has also begun to concentrate its attentions on this region to plant one leg firmly in Asia and to counterbalance the United States - capitalizing on the Soviet legacy of regional relations to chart a policy that is independent, and even in direct opposition to Washington in the courting of pariah states such as Libya, Syria and Iraq. Finally, Russia is simultaneously pursuing the pragmatic goal of protecting its commercial interests and strategic sources of re-

venue to boost the economy and the revenues of key actors with ties to the government. As a consequence, oil and gas export issues and arms sales tend to dominate bilateral relations and thus Russian foreign policy.

In all these trends, the ultimate goal is the same: to restore Russia's status as a "Great Power" and thus as a major international player - now economically as well as politically and geopolitically.

Notes

1. "RF-SNG: Strategicheskii kurs. Ukaz Prezidenta Rossiiskoi Federatsii ob utverzhdenii strategicheskogo kurca Rossiiskoi Federatsii s gosudarstvami-uchastnikami Sodruzhestva Nezavisimyykh Gosudarstv, N. 940, 14 sentyabrya, 1995 g." *Dipkur'er*, No. 16/18, August 1995.
2. Cited in Carol Williams, "Russia Redirects Foreign Policy Sights Eastwards," *Los Angeles Times*, March 25, 1996.
3. Cited in John Helmer, "Shift in Russia's Strategy on Asia," *The Straits Times* (Singapore), April 18, 1996.
4. See Alessandra Stanley, "Russia's New Foreign Minister Sets a More Assertive Tone," *New York Times*, January 13, 1996.
5. Cited in "Russia and the World," Editorial, *The Christian Science Monitor*, March 8, 1996.
6. See Bruce Clark, "UN Lifted by Payments from Russia, US," *Financial Times*, October 7, 1996.
7. See Lev Delyushin, "New Day Dawns in Russia-China Ties," *The Daily Yomiuri*, April 30, 1996.
8. See Lu Ning, "A Partnership from Positions of Weakness," *Business Times* (Taiwan), May 2, 1996.
9. Henry Kissinger, "Moscow and Beijing: A Declaration of Independence," *The Washington Post*, May 14, 1996.
10. "Russia Reckless to Sell ICBM Technology to China," *Newsday*, May 23, 1996.
11. See Paul Goble, "Russia Playing Two China Cards," *RFEIRL*, November 8, 1996.
12. See, Paul Goble, "Back in the Middle East," *RFEIRL*, October 31, 1996.
13. Evgeny Primakov, "Na gorizonte - Mnogopolyusnyi mir," *Nezavisimaya Gazeta*, October 22, 1996.

14. *Nezavisimaya Gazeta*, no. 2 (6) January 1996.
15. Anatol Lieven, "Russia's Military Nadir: The Meaning of the Chechen Debacle," *The National Interest*, Summer 1996.
16. See Fiona Hill and Pamela Jewett, "Back in the USSR: Russia's Intervention in the Internal Affairs of the Former Soviet Republics and the Implications for United States Policy Toward Russia" (John F. Kennedy School of Government: Strengthening Democratic Institutions Project, January 1994).
17. See Vladimir Shlapentokh, "Bonjour, Stagnation: An Outcome of Yeltsin's Victory," NATO Special Adviser for Central and Eastern European Affairs, Working Paper CND(96)432, September 13, 1996.
18. Lieven.
19. Information from Matthew Lantz, "Financial Industrial Groups (FIGs) in Russia," *Internal SOI Memorandum*, September 16, 1996.
20. Cited in Paul Goble, "Private Firms and Moscow's Foreign Policy," RFE/RL, Washington, October 25, 1996. The same remark was also relayed to me directly from a Gazprom official by Russian analyst, Andrei Kortunov, in a private interview in September 1996.
21. Cited in "Russia's LUKoil to Compete with Oil Majors," (*Reuters*) *The Moscow Tribune*, March 30, 1996.
22. See, Chrystia Freeland, "Oil Barons and Bankers Top Russian Business List," *Financial Times*, February 8, 1996.
23. Cited in "Did White House Make Arms Control Concessions to Russia in Exchange for Lifting Chicken Ban?" *Russian Reform Monitor*, no. 117., March 31, 1996.
24. See Alexander Ignatov, Alexander Volkov, "Russia Competes for Arms Trade Again," *Moscow News*, March 28-April 3, 1996.
25. See Rosemarie Forsythe, "The Politics of Oil in the Caucasus and Central Asia: Prospects for Oil Exploitation and Export in the Caspian Basin," *Adelphi Paper* 300 (*International Institute for Strategic Studies*, 1996).
26. See Robert V. Barylski, "Russia, the West and the Caspian Energy Hub," *Middle East Journal*, vol. 49, no. 2, Spring 1995.
27. "Moscow Ready to Compromise on Caspian Status, Government Source Says," *Interfax*, no. 2, October 22, 1996, and "Russian Government Seems to be Changing View of Caspian," *Pipeline News*, no. 35, October 22-November 1, 1996.
28. For an excellent discussion of Russia's policy in the Caucasus, see Vladislav

Shorokhov, "*Rossiiskaya politika na Kavkaze: shto dal'she?*" *Segodnya*, May 24, 1996.

29. See, for example, Azer Mursaliev, "*Ekonomicheskii patsifizm*," *Ezhenedel'nik Kommersanf*," May 28, 1996.

30. See "Georgia Will Act as Conduit for Azeri Crude Oil, Liquefied Gas Going to Ukraine," *Pipeline News*, no. 36, November 2-8, 1996.

31. See, for example, Rustam Narzikulov, "*Rossiia proigryvaet zapadu kaspiskuyu neft*," *Nezavisimaya Gazeta*, October 22, 1996.

32. Vladislav Shorokhov, "*Rossiiskaya politika na Kavkaze: shto dal'she?*" *Segodnya*, May 24, 1996.

33. See Nodar Broladze, "*Eduard Shevardnadze: Poseem mir, pozhnem blagopoluchie*," *Nezavisimaya Gazeta*, June 15, 1996.

34. See Hill and Jewett.

35. See Lowell Bezanis, "Turkey: Rethinking Peace at Home, Peace Abroad," and Elizabeth Fuller, "Turkey: The Tussle for Influence in Central Asia and the Transcaucasus," in *Transition*, June 14, 1996, pp. 6-15.

36. See Hill and Jewett.

37. See <http://www.access.ch/tuerkei/GRUPF/caspian.html>

38. See "Does an Underwater Gas Pipeline to Turkey Signal a Sea Change in Russian Policy?" *Pipeline News*, no. 36, November 2-8, 1996.

39. See Beth Heinsohn and Michael Gulyayev, "Experts: Pipeline no Lock on Profits," *Moscow Times*, July 2, 1995, and "Moscow, Sofia, Athens Reiterate Interest in Pipeline," *Pipeline News*, no. 35, October 22-November 1, 1996.

40. See, Vladimir Abarinov, "*Ozabochennost' turetskoi ugrozoi vstrechaet ponimanie v Moskve: Sobytiya na Kipre napominili sosedyam o voennoi moshchi Ankary*," *Segodnya*, August 17, 1996.

41. See, for example, Eduard Aslanian interview with Alekos Mikhailidis, "*Nam blizka Rossiia*," *Segodnya*, June 7, 1996.

42. See Interfax, March 26, 1996.

43. Cited in Mike Trickey, "Rise of Islam Sets off Alarms in the Kremlin," *The Ottawa Citizen*, October 4, 1996.

44. *Ibid.*

45. See, for example, Vladimir Grande, "*Nevostrebovannyi potentsial*," *Nezavisimaya Gazeta*, October 16, 1996.

46. Cited in Mark Matthews and Ann LoLordo, "Iraqi Money Appeals to Russia: Leaders Eager for the Day UN Drops Sanctions," *The Sun* (Baltimore), September 8, 1996. See also interview by Yelena Kalydina with Viktor Posavalyuk, "US, Russia Fall Out Over Iraq," *Moscow News*, September 12-18, 1996.

47. "Russia, Iraq Sign Cooperative Oil Agreement," news bulletin, *The Dallas Morning News*, February 9, 1996; Yelena Suponina, "Oil Games Around Baghdad," and Sergei Strokan, "Russia Betting on Iraqi Oil," *Moscow News*, February 29-March 6, 1996; Michael Gulyayev, "From Russia to Saddam," *Russia Review*, March 11, 1996.

48. Cited in Mark Matthews and Ann LoLordo, "Iraqi Money Appeals to Russia: Leaders Eager for the Day UN Drops Sanctions," *The Sun* (Baltimore), September 8, 1996.

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