

# Chapter VIII

CONTESTED BORDERS IN THE CAUCASUS

## Turkey's Policies in Transcaucasia

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### 1. Introduction

The independence of the former Soviet republics raised high hopes in Turkey. Turkish politicians, who had until then been only vaguely aware of the existence of "other Turks" in the Soviet Union, re-discovered "Turan", the world of 120 million Turkic speakers. The independence of Azerbaijan, Kazakhstan and the Central Asian republics of Turkmenia, Uzbekistan and Kirghistan seemed to pave the way for a unification of all the Turkic populations in the region, including the Turkish-Tatar populations in the Russian Federation. It also looked as if Turkey would be able to extend its model as a secular state in the Islamic world and strengthen its strategic position as a bridgehead between East and West. It was striving for a leading role in a region extending from the Adriatic Sea to China, including the Central Asian republics, the Caucasus, the region around the Black Sea and the Balkans. Finally, Turkey expected important economic benefits from the dissolution of the Soviet Union. The Turks received support from the former Soviet Union itself. Leaders like Islam Karimov of Uzbekistan dreamed of a unified parliament for a Great Turkey. Even the Christian Gagaouzians in Moldova turned to Ankara for assistance.

Western support for Turkey's plans to extend its sphere of influence was unequivocal. During the cold war, Turkey's long common border with the Soviet Union gave it a very strategic position in the Western camp. It was also a neighbour of Israel's enemies, Syria (with whom it had a territorial dispute) and Iran. Turkey again proved its strategic position before and during the Gulf War against Iraq. And, as a country rich in water, it had a very important asset in its relationship with its Arab neighbours. In November 1992, the Wall Street Journal summarized thus the new perception of Turkey in leading circles in the West: "Turkey is trying to help new Muslim countries become secular democracies. It is acting as a bridge between the West, the Balkans and the Middle East. It is continuing its role as

the West's vital security arm... In a region of old hostilities where weapons are everywhere and ethnic unrest is commonplace, Turkey's friendship is more vital to the West than ever".(1)

Five years have passed since the demise of the Soviet Union, and many of the Turkish expectations have not materialized. Turkey has been confronted by serious obstacles in extending its sphere of influence. It is cut off from the new Turkish world, except for a few miles of common border - a bridge, in fact - with Nakhichevan, an Azeri enclave in Armenia.

In the cultural sphere, there have been only limited gains. During his trip through his "new world" in the spring of 1992, for example, Prime Minister Suleyman Demirel achieved some success when he promised Turkish satellite TV, by diverting eastwards a project to provide Turkish TV for the Turkish population in Germany. In Azerbaijan and elsewhere, Turkey waged - and, in December 1991, won - an alphabet war with Iran and Saudi Arabia to replace the Cyrillic alphabet with the Latin instead of the Arabic one.(2) The cultural unity of the Turkic-speaking world should not be exaggerated. The first "Turkic summit", in November 1992 in Ankara, had to engage Russians to interpret between the participants. Turkish embassies in the new republics had to employ Meskhetes - Turkified Georgians who were deported by Stalin to Central Asia and are regarded there as "Turks". The embassies were also confronted by enmities between "Turks": in 1989, one hundred or so Meskhetes were slaughtered by Uzbeks.

Turkey has only limited political and economic resources for extending its influence in the former Soviet Union. The war entered into to counter the Kurdish struggle for autonomy damaged the country's democratic and human rights credentials in the rest of the world. Although it generally manages to take advantage of its close links with the West, Turkey is always in danger of being seen as a Western tool. Nor is the Turkish economy - with its high inflation rate and structural unemployment - in good shape for meeting the new challenges.

The dream cherished by Turkey in 1991 - of becoming a leading power in the region - has not come true. This failure may be judged more clearly in the light of Turkish policies in the Karabakh conflict and in the negotiations on oil and pipelines. In both cases, the gap between expectations and real possibilities became obvious.(3)

## **2. Karabakh**

Turkey could not avoid taking a position of its own in the war between Azerbaijan and Armenia over Nagorno-Karabakh. The issue was not just a diplomatic one: it spilled over into internal policies in which the president, Turgut Ozal, became very much involved.

For obvious geographical reasons, Azerbaijan forms the principal link between Turkey and Central Asia. Together with the Crimea, it had been the cradle of the Pan-Turkism which emerged among Turkic intellectuals. These had developed a concept of linguistic and cultural unity in order to protect themselves against a tide of Russification under tsarist rule. This idea spread to their neighbours in the dying Ottoman Empire and was revived briefly in Turkey after the collapse of the Soviet Union. In 1991, it seemed for a while

as if old dreams could come true.

As soon as Azerbaijan became independent, in 1991, the leaders of that republic established close relations with Turkey in order to receive technical and cultural assistance and to counterbalance the Russian influence. Relations between Azerbaijan and Turkey became even more intense after the 1992 election victory of Abulfaz Elçibey, the Popular Front candidate. Elçibey promised that the country of Atatürk would participate fully in the exploitation of Azerbaijani oil wealth - for which Turkey had already fought after the first world war.

But despite its victory in the dispute over the alphabet in December 1991, and notwithstanding cultural bonds and the rhetoric of the Azeri leadership, Turkey still ended up as a bystander in the ensuing events. In particular, it failed to play a leading role in the Armenian-Azeri conflict. As it happened, the Turkish leaders had to take into account factors other than their relations with Baku. In the first place, Turkey was striving to build good relations with Russia. Secondly, the large Armenian diaspora in France and the United States, which was exerting strong pressure in favour of Armenia, hindered Turkey in its diplomatic efforts to help Azerbaijan. Thirdly, the NATO partners were reluctant to take too great a risk in such an explosive region. Fourthly, the unstable internal political situation in Turkey did not favour the government's ambitions.<sup>(4)</sup>

In 1992 and 1993, public opinion in Turkey was shocked by reported massacres of Azeris by Armenian militias. The events received widespread coverage in the Turkish press, and President Turgut Özal spoke for many Turks when he warned the Armenians that Turkey could not simply stand by and watch their victories on Azerbaijani territory. When, in May 1992, Armenian attacks were reported on the Azerbaijani enclave of Nakhichevan, even the possibility of Turkish military intervention was seriously discussed in Ankara. Turkey considered that the 1921 Treaty of Kars with Moscow gave it the right to intervene in a conflict regarding the status of the Nakhichevan enclave. The Russian Minister of defence immediately put an end to this speculation by declaring that such intervention could trigger a third world war.

Suleyman Demirel, Turkish prime minister until Özal's death in April 1993, was less outspoken than the late Turkish president. He even incurred Baku's wrath when, at the start of the winter of 1992, he gave the go-ahead for Western help to "suffering Armenia". Because of the Azeri blockade and bomb attacks on the pipelines running through Georgia to Armenia, in 1992-1993 the Armenians were suffering a very severe, cold winter. The inhabitants of Erevan were cutting down all the trees they could find. The Armenian diaspora, meanwhile, was very efficiently organizing material support and putting pressure on the American and French governments to send help, and fuel first and foremost. The only way this could be done was through Turkey.

Azeri disappointment was particularly acute when, in the summer of 1993, the Armenians launched highly successful attacks against their positions in southern Azerbaijan. Throughout the winter, Turkey had opened its borders to humanitarian aid, which provided Armenia with energy supplies - part of which seemed to have been used for military purposes. In the eyes of many

Azerbaijanis, this dealt a strong blow to Turkish credibility and prestige.(5)

Turkey's allowing humanitarian aid for Armenia to pass through its territory did not prevent Demirel from giving all the diplomatic support he could to Azerbaijan, especially in the United Nations. Turkey wanted to prevent Iran from playing the role of peacemaker, and also to prevent Russia from reinforcing its position in Transcaucasia, by military means or otherwise. The same day that Karabakh-Armenian troops captured Kelbadjar, Demirel declared that his country wanted to establish good relations with its neighbours, Armenia and Azerbaijan - on the same terms.(6) Turkey's reaction to this Armenian aggression against Azerbaijan was strong, but only verbal. Most of the statements from Turkish leaders carried a threatening tone. In April 1993, Prime Minister Demirel said that nobody should imagine that his country would abandon Azerbaijan to its fate. But he added that Turkey was trying to solve the problem with a cool head. Ankara did indeed undertake numerous diplomatic initiatives, mainly in the UN and at the CSCE. Turkey conveyed its views to the five permanent members of the UN, saying that Armenia was not complying with UN resolutions and that its expansionist policy was unacceptable. Together with the US and the Russian Federation, Ankara devised a peace plan for Nagorno-Karabakh in May 1993 and later, in July 1993, launched what the Turkish press called "a diplomatic attack". This was strong wording for "telephone diplomacy" with US President Bill Clinton, President Boris Yeltsin of the Russian Federation and French President François Mitterrand, and for summoning the representatives of Sweden, the then chair of the CSCE and Italy, chair of the "Minsk group" of the CSCE. In the meantime, it used the Turkic news networks to spread Turkey's views (satellite TV broadcasting to the Turkic world and the "Union of Turkic World News Agencies", which held its first meeting in Ankara on 8 and 9 April 1993).(7)

The summit of ECO (the Economic Co-Operation Organisation, which included Turkey, Afghanistan, Iran, Kazakhstan, Kirghistan, Uzbekistan, Turkmenistan, Tajikistan, Pakistan and Azerbaijan) in Istanbul in July 1993 was another opportunity for condemning Armenia and calling for an immediate ceasefire. The conference took place just after the overthrow of Elçibey by Gaidar Aliyev. Whereas most of the member states were represented by their heads of state, Azerbaijan sent its deputy prime minister, Resul Guliyev. In diplomatic terms Turkey stated that Azerbaijan "had been experiencing internal conflicts and changes in administration".(8)

Aliyev reversed some of his predecessor's pro-Turkish decisions, among them a very important oil deal. He also decided to join the Commonwealth of Independent States, hoping that Russia would take a more balanced stand in the Azeri-Armenian conflict. After Aliyev returned to power, the new Turkish president - Demirel - and his prime minister - Tansu Ciller - stressed the importance of good relations with Russia. Meanwhile, the emphasis in bilateral relations shifted more and more to oil-related issues: the transport of Caspian oil to the Mediterranean; the exploitation of the oil fields; Russian oil deliveries to Turkey.

The war in Nagorno-Karabakh did not stop. After the Armenian attacks on Fizuli and Cebail and in the area around Agdam, Turkey took the issue to the UN Security Council on 17 August 1993. At its meeting on 18 August, the Council issued a statement demanding the immediate, complete and

unconditional withdrawal of Armenian forces from the recently occupied areas. In the same statement, the UN also demanded that Armenia should not support the occupying forces, and it reconfirmed the territorial integrity of Azerbaijan. Turkey insisted that, if Armenia continued to disregard this statement, sanctions would be necessary "against the aggressors". Russia, however, would probably have vetoed such a proposal for sanctions in the Security Council. Russia did not accept Turkey as a negotiator on Nagorno-Karabakh: "Some people think that Turkey should fill a vacuum... There is no vacuum. Russia has considerable historical, economic and political interests in this region", explained Albert Chernichev, the Russian ambassador in Ankara, in the Turkish press in April 1993.<sup>(9)</sup>

After the fall of Elcibey in June 1993, it was some time before the "new" leadership in Baku gave clear signals to Ankara that it should not be regarded as a mere tool in the hands of the Russian leadership. Azerbaijani Foreign Minister Hasan Hasanov paid a short visit to Turkey on 28-29 December 1993. The two sides "agreed that using force to change the border of the Azeri enclave of Nakhichevan violates the 1921 Treaty of Kars".<sup>(10)</sup> Aliyev was the strongman of Nakhichevan, where he had his power base even during what were (for him) the worst periods. Opposition circles in Baku even complained about the strong influence the Nakhichevan people had in the central Azerbaijani power structure. Hence the importance of the Nakhichevan issue at the diplomatic level. But this was also a signal from Baku to Moscow that the Treaty of Kars could be used as a diplomatic lever to counterbalance the growing Russian influence.

Gaidar Aliyev visited Turkey shortly afterwards, from 8 to 11 February, 1994. On his visit he was accompanied by an 80-person strong delegation, reflecting the importance he attached to closer relations with Turkey. President Demirel once again stated that Turkey would continue to support Azerbaijan's "just claims" in international forums. He strongly condemned the "Armenian attacks" and - despite the fact that Aliyev had been a prominent KGB and party leader - promised "help to our Azeri brothers in their efforts to rebuild a civil democratic state after seventy years of longing". Aliyev said he wanted to recover the lost territory and that he was trying to get support from Turkey, the USA and Russia in order to end the war over Nagorno-Karabakh by peaceful means. "Azerbaijan lives only with its own soldiers and it will continue to do so... I consistently repeat that our Turkish brothers, our friends, should never doubt that we will ever, under any circumstances, give up the independence of Azerbaijan".<sup>(11)</sup> Both leaders used the formula "one nation, two states" to describe the bonds joining them. At the same time, Aliyev tried to persuade Turkish investors that his country had great economic potential and was safe to invest in.

After signing the "Partnership for Peace" in Brussels on 5 May 1994, Aliyev went straight to Ankara for a short "working visit to discuss future political and military strategies", as the Turkish press reported. An official statement from the Turkish Presidential Press Centre mentioned that "during their meeting, the two presidents had a comprehensive exchange of views regarding bilateral relations and regional problems". Demirel repeated once again that the Armenian attacks on Azerbaijan "upset stability in the region" and "must be stopped" and gave his support to the CSCE's Minsk Group. By demonstrating close co-operation with Turkey, with whom Russia was involved in a bitter dispute on oil issues, Aliyev hoped to persuade Moscow

to use its influence on Armenia.<sup>(12)</sup> Shortly afterwards, Demirel went on a state visit to the Ukraine and Moldova, where he called on the Crimean Turks (Tatars) to "act with caution". He wanted to demonstrate the moderating role Turkey could play in the former Soviet Union. In Moldova he discussed the issue of the Gagauz Turks, described as a bridge between Turkey and Moldova. Moscow disliked high-level Turkish contacts with the breakaway Republic of Chechnya, regarding them as a form of support for the separatist leadership of Dudayev.

At the same time, Turkey was building stronger relations with Iran. 13 June 1994 in Ankara saw the start of a Turco-Iranian summit on terrorism with the participation of the Turkish Minister of the Interior, Nahit Mentese, and an Iranian delegation headed by Minister of Interior Ali Muhammed Besarati.<sup>(13)</sup> On 25 July, Demirel paid a three-day visit to Teheran. Besides the "terrorist issue" (Turkish Kurds and Iranian "Mujaheddin"), other bilateral and regional subjects were discussed: Nagorno-Karabakh and the pipeline projects for Azerbaijani and Kazakh oil.

Turkey could not prevent the growing Russian influence in Transcaucasia. Dogan Gures, General Chief of Staff of the Turkish Armed Forces, declared that he was prepared to send to the Karabakh conflict as many soldiers as the government of Azerbaijan requested.<sup>(14)</sup> "We will not permit interference by Turkish troops" was the quick reaction of Pavel Grachev, the Russian Minister of Defence, who added that "Russia has its own interests in Azerbaijan".

### **3. Oil Interests**

The implosion of the Soviet Union presented Turkey with new prospects not only in Central Asia and Transcaucasia, but also in Russia itself, especially in the economic field. Turkey granted Russia a credit of 1.15 billion dollars. In 1994, more than 250 Turkish firms were working for the Russian market, especially in the construction business. Russia was easily the most important trading partner Turkey had in the CIS, accounting for about five times its volume of trade with all the Turkic republics combined.<sup>(15)</sup> In May 1994 a framework economic agreement was concluded, but the Russian officials who were due to travel to Ankara to sign it did not arrive. This was not the first time that Moscow showed signs of irritation, especially where the many issues involving oil were concerned.

In Soviet times, the oil wealth of Azerbaijan and Kazakhstan had already been the centre of a struggle between several states and oil companies. With the help of Eduard Shevardnadze, Chevron had struck a major oil deal on the Tengiz fields in Kazakhstan. Turkey was hoping to get its share of the Caspian region's oil wealth by participating in the exploitation and by transporting this oil to its Mediterranean coast. In March 1993, when Elcibey was in power, a first oil pipeline agreement was signed between Turkey and Azerbaijan. A pipeline was to carry crude oil from Azerbaijan (and possibly Kazakhstan), via Iran, to Turkey's Mediterranean port of Ceyhan. The pipeline was designed to carry 40 million tons of oil a year (25 million from Azerbaijan and 15 million from Kazakhstan). As the pipeline had to pass through Armenia, an end to the turmoil in Transcaucasia was more necessary than ever. Turkey therefore put pressure on Elcibey to accept a Turkish-Russian peace proposal. The Turkish project had to compete with others, such

as the one favoured by Georgia. This project presented different geopolitical risks. It involved a pipeline under the Caspian Sea, which would transport oil via Azerbaijan to the Georgian Sea port of Poti. The Oman-backed Caspian Pipeline Consortium proposed to pump oil from Kazakhstan to the Russian Black Sea port of Novorossiysk.

Russia strongly opposed any pipeline project that would neglect Russian interests. Its favoured option included Novorossiysk, the Black Sea port from which the oil would go through the Straits of the Bosphorus and the Dardanelles to the Mediterranean. Turkey rejected this project as not feasible on ecological and security grounds. According to the "Straits Report", published jointly in April 1994 by the managers of the Turkish oil company Botas and the Transport Ministry, traffic in the Straits was already so heavy that any addition to it, especially tankers, should be refused. The Turkish report concluded that neither the Baku-Poti nor the Baku-Novorossiysk routes had any future.<sup>(16)</sup>

Oil policies changed after the fall of Elcibey. Aliyev reversed some oil decisions made by his predecessor, under whose leadership a consortium had been formed for the exploitation of the offshore oil. The consortium consisted of the American companies Amoco, Pennzoil, McDermott and Unocal, the British BP, Norwegian Statoil, Turkish TPAO and Azerbaijani Socar. Aliyev suspended the agreements with these pending the results of further study. The Turkish press reported in August 1993 that Aliyev had assured Turkish President Demirel, during a telephone conversation, that Azeri fuel supplies would travel by pipeline to Turkish port facilities. This message came at a time when Azerbaijan was in serious trouble on the battlefield and Baku had to be able to count on diplomatic support from Turkey. Aliyev also needed support in Moscow to put Russian pressure on Armenia, leading Russia to adopt "a more balanced attitude" in the conflict. This could only be done by taking the Russian oil interests into account. Russia's Lukoil won a 10 percent share in three of Azerbaijan's main oil fields. Aliyev denounced the agreement signed by Elcibey with Western oil companies. He strove for a larger share than the 30 percent the Elcibey government had been promised.<sup>(17)</sup> In order to pressurize Moscow, in May 1994 the leaders of the Azerbaijani state oil company welcomed the decision taken by the foreign oil concerns at a meeting in Istanbul, to favour the Turkish option for transporting Azerbaijani, Kazakh and also Russian oil to the world markets. Turkey tried to convince Moscow that this project would serve Russian interests, by holding out the prospect of far greater economic co-operation - it proposed, for instance, to buy more Russian oil and military hardware.

The Turkish Ministry of Foreign Affairs, the state-run pipeline company BOTAS and TPAO (Turkish Petroleum Partnership Company) declared at a press conference on 3 August 1993<sup>(18)</sup> that the pipeline project across Turkey via Georgia was gaining favour among the oil companies involved in Azerbaijan. They added that transit through Armenia had lost support because of the Armenian military operations in the region. In August 1993, the Turkish newspaper Hurriyet<sup>(19)</sup> reported that some of the Western oil companies belonging to the consortium (which was to drill for oil in Azerbaijan) had held a separate meeting in London without informing either the Azerbaijani authorities or its Turkish partner Botas. At that meeting, an alternative pipeline project emerged, with a route from the Thracian Black Sea coast to the Gulf of Saros in the Aegean Sea. Turkey had said it would

not oppose this option in principle, but called it "uneconomic". To complicate matters, "Occidental Petroleum", which was working independently from the consortium, was said to be insisting on a second pipeline - Baku-Georgia-Erzurum-the Mediterranean - as one pipeline would not be enough for all the Azerbaijani and Kazakh oil.(20)

At the same press conference on 3 August, the Turkish officials repeated that heavy tanker traffic would jeopardize the security of Istanbul. Already about 5 million tons of crude oil were being shipped annually through the Straits, but that figure could increase to 45 or 50 million tonnes as a result of the exploitation of oil in Azerbaijan and Kazakhstan.(21) In August, Prime Minister Tansu Ciller received the ambassadors of Germany, the USA and Russia to explain that stricter regulations were needed for traffic through the Straits. She declared to the Russian ambassador, Chernishev, that the situation had changed a great deal from the time the Montreux Convention (of 1936) was signed. In an interview with the newspaper "Hurriyet" on 7 August 1993, the Russian ambassador mentioned the very sensitive "Kurdish factor" as a possible threat to the Baku-Ceyhan pipeline. This was not meant as a warning, he said after being summoned to the Foreign Ministry. But a warning it was.

It became obvious in the summer of 1993 that the oil wealth of Azerbaijan (and Kazakhstan) - its exploitation as well as its transportation - was becoming an ever more important element in relations between Moscow and Ankara. Security was an important factor for the Western companies, who gave a rather cool reception to the idea of a pipeline going through Iranian territory to Turkey. The conflicts in Transcaucasia, and particularly the one between Azeris and Armenians, was inextricably bound up with the oil interests. Moscow could use insecurity in Transcaucasia as a trump card in its negotiations with the West.

For Russia, the continued use of Russian ports as refineries would have the advantage of making the new oil states dependent on Russia. In pushing for their pipeline, the Turks were challenging Russian economic power at a time when Moscow, like Ankara, was desperate for the hard currency that accompanies oil flows. In a diplomatic letter to Britain in April 1994, Moscow demanded veto rights over any resource development project in the Caspian region, claiming that without its approval any deal would be illegal. The representative of BP in Baku characterized this Russian demarche as "a political delaying action, not a legal move".(22)

The disaster that took place in the Bosphorus on 14 March 1994 - when the Greek Cypriot tanker "Nassia" collided with the Greek Cypriot-registered freighter "Ship Broker", causing several deaths - was used by the Turkish side as proof that it was too dangerous to use the Straits as a "petrolway" near a city of ten million inhabitants like Istanbul. Ankara said that the new regulations on the Straits would definitely come into force on 1 July 1994.(23) On 25 May, the UN International Maritime Organization (IMO) approved the Turkish proposals for a security package. This was regarded by Ankara as a major diplomatic victory over Russia. But Russia did not give up easily.(24) The Russian Energy Minister, Yuri Shafranik, warned international oil companies in June 1994 that oil and gas investments in the Caspian area were fraught with risk because there was no agreement on how to divide up the Caspian Sea.(25) The Russian attitude, together with the uncertainties in

Baku, led to stalemate in the negotiations between the Western oil consortium and the Azerbaijani authorities.

In July 1994, the Russian press circulated rumours of a possible coup against Aliyev, who was still refusing to sign a Russian-sponsored peace plan for Karabakh and was not taking a clear stand on the oil question. The Russian press suggested that a come-back by Azerbaijani leader Ayaz Mutalibov would be favourable for Russian interests.<sup>(26)</sup> Aliyev did not hesitate to look for allies in Saudi-Arabia, Oman and Iran as possible competitors with Western interests.

In an interview with Reuters on 28 June 1994, Volkan Vural, an influential foreign policy adviser to Turkish Prime Minister Ciller, explicitly linked the question of instability in the Caucasus to the pipeline issue, stating that "Karabakh is stabilising and peace efforts would have a positive impact... There is no alternative to peace. Both countries [i.e., Azerbaijan and Armenia] are exhausted and the parameters of the solution are there - Karabakh would remain Azeri territory but with cultural autonomy and ties to Armenia, with a special status to be agreed". Vural also emphasized that Ankara had no interest in excluding Russia from plans to transport oil from Azerbaijan to the West.<sup>(27)</sup>

In this context, the conflicts in Transcaucasia - mainly the war between Azeris and Armenians - became just one factor in the rivalry between Russia and Turkey, with a number of other important players in the game - the oil companies and their states. Russia used the Karabakh conflict to put pressure on Baku to accept the idea of a common defence space for the CIS, to obtain a greater share of the oil exploitation and to get support for Russian-bound oil transport. As Turkey was much weaker in the field, it used the Bosphorus regulations to overcome objections about lack of security, while hoping that the Armenians would yield to any pressure that might come from Russia. Baku had most at stake: giving in to Moscow meant accepting serious limitations on its sovereignty, but its weak position in the war with Armenia, together with the fact that Moscow had other allies to fall back on, did not leave Baku with much choice.

On 20 September 1994, a nine-member consortium led by British Petroleum and Statoil (a Norwegian company) agreed to invest about 8 billion US dollars over 30 years in developing three Azerbaijani fields (the Azeri, Chirag and Guneshli fields), which contain about 4 billion barrels. This exploitation would triple Azerbaijani oil production. But the question of how to get the oil from the Caspian Sea to the world market had not yet been settled. Moscow stuck to a Russian route, if not through the Bosphorus then by transporting the oil from Novorossiysk to Northern Turkey and from there by pipeline to a Turkish harbour. That same week, the Bulgarian Minister of Construction, Hristo Totev, announced that the decision on building a new oil pipeline from Russia to Greece across Bulgarian territory would be taken by the end of the year. Tankers would ship the oil from Novorossiysk to the Bulgarian Black Sea port of Bourgas, and a pipeline would carry the oil from there to the Greek port of Alexandropolis. Moscow immediately expressed its opposition to the 20 September oil agreement signed in Baku. Despite the fact that the Russian company Lukoil was party to the agreement, the spokesman for the Russian Ministry of Foreign Affairs said that Russia did not recognize the deal because Caspian resources must be jointly managed. In other words, no

deal without Russian consent.

This hostile attitude simply confirms Moscow's aims in the area. Russia wants to re-integrate the economies of the former Soviet Union on its own terms. It wants to keep Azerbaijan within its orbit, regarding it as a part of the vast Turkish ex-Soviet world where Moscow fears the growing influence of Islam and of its old rival, Turkey. The September 1994 agreement meant a further and important internationalization of the area, and of the conflicts. The Azerbaijani leadership was convinced that the involvement of western oil companies would make western governments more supportive of Azerbaijan in its struggles with Armenia and Russia. Baku was also convinced that not everyone in Moscow shared the Foreign Affairs Ministry's opposition to the deal, that the Lukoil company would easily overcome this opposition and could persuade the Russian government to take a more pragmatic stand. So the oil issue put a different perspective on one of the main conflicts in Transcaucasia - that opposing Azerbaijan and Armenia. The oil wealth is an important issue in itself, and the Karabakh conflict became intertwined with it. For Baku, this meant that Russian pressure intensified because of the stakes involved, but, at the same time, it got greater leverage thanks to the international dimension. By giving Russia a share of the oil agreement, master-player Aliyev was betting that the Russian diplomats would have to give in to the oil establishment, which would have implications for the conflict with Armenia. But Moscow will undoubtedly continue to put pressure on Baku to accept the notion of a common defence space for the CIS, pressurizing the West - Turkey included - to accept this idea. Turkey has weak cards compared with Russia. It is counting on the pragmatic government and business circles in Russia, and on its membership of the Western alliance, to make geopolitical and economic gains in Transcaucasia.

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## Footnotes

1. Wall Street Journal, 20 November 1992
2. On the alphabet wars, see: Oleott, Martha Brill, 'Central Asia's Catapult to Independence', *Foreign Affairs*, summer 1992, p. 128.
3. *Le Monde*, 9 January 1993.
4. Tamara Dragadze in: *Le Monde Diplomatique*, May 1993, p. 23.
5. *Hürriyet*, 13, 24, 25 and 27 November 1992.
6. Tamara Dragadze in *Le Monde Diplomatique*, May 1993, p. 23.
7. *Newspot*, 29 July 1993.
8. *Newspot*, 15 July 1993.
9. *Milliyet*, 14 April 1993.
10. *Newspot*, 19 January 1994.
11. *Newspot*, 23 February 1994.
12. *Newspot*, 13 May 1994.
13. *Hürriyet*, 14 June 1994.
14. *Moscow News*, 15 July 1994.
15. *The Independent*, 11 June 1993.
16. *Newspot*, April 8 1993.
17. *Assoc. Press*, 10 August 1993.
18. *Newspot*, 12 August 1993.
19. *Hürriyet*, 11 August 1993.
20. *Cumhuriyet*, 16 August 1993.
21. *Financial Times*, 9 September 1993.
22. *Moscow News*, 8 July 1994.
23. *Financial Times*, 15 March 1994; *Independent*, 15 March 1994.
24. *Reuters*, 7 July 1994.
25. *Reuters*, 23 June 1994.

26. Moscow News, 22 and 29 July 1994.

27. BBC Summary of World Broadcasts, 30 June 1994; Middle East Economic Digest, 4 July 1994.

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