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**THE ROLE OF INFRASTRUCTURE IN INTERNATIONAL RELATIONS:
THE CASE OF SOUTH CAUCASUS****Abstract:**

The role of infrastructures has always been appreciated by the leading powers of the world while pursuing their own goals in the global policy-making process. Though the level of infrastructural development was not so high (in comparison with that of nowadays), in almost all periods of human history states have shared a prominent interest in preserving a total control over infrastructures and undermining the influences of their enemies on them. For example, the Silk road has always been a trouble point in international relations of the Middle East, as it played a key role in regional wars between the Roman Empire and Persia, Byzantium and Arab Caliphate, Ottoman Empire and Safavid Persia.

Taking into consideration the fact that the evolution of the world society, the progress in high technologies, the diversification and intensification of economic, political and financial relations have increased the importance of infrastructures, the research is concentrated on the impact of hard types of infrastructure on international relations in one of the most complicated regions of the world, South Caucasus. The point is that transport, energy and water management infrastructures have always played a key role in the formulation of foreign strategies of Armenia, Georgia, Azerbaijan. The dislocation of various types of infrastructure has highly influenced the level of relations between Armenia and Azerbaijan, Georgia and Armenia, Georgia and Azerbaijan. Sometimes the economic and political relations of South Caucasian republics with the neighboring states (i.e. Russia, Turkey and Iran) have been conditioned by the "quantity" and the "quality" of infrastructural development that Georgia, Armenia and Azerbaijan possessed.

Therefore the research aims at investigating impact of regional infrastructures on regional affairs in the post-Soviet era, simultaneously drawing parallels with the pre-Soviet period, i.e. during the existence of independent regimes in Armenia, Georgia and Azerbaijan (1918-1921). The immense progress in high technologies has had a prominent impact on the factor of communications in the national security concepts of the region. Thus, the struggle for "more infrastructures" becomes more and more important in the context of geopolitical terms, therefore the struggle "through infrastructures" is considered to be one of the efficient ways of policy-making process in "South Caucasian concert".

Keywords:

Infrastructure, South Caucasus, International Relations, Geopolitics

JEL Classification: F50, F51, F54

1. Introduction

Historically the term “infrastructure”, according to Online Etymology Dictionary, has been used since 1927 and has had the meaning of “*installations that form the basis for any operation or system. Originally in a military sense*” [Dictionary.com, n.d.]. Nevertheless, the term gained a great importance after the WWII when the science started to develop in almost all and absolutely new directions (nuclear weapon, space discoveries, automotive industry, intercontinental ballistic missiles etc.). The globalization and the phenomena adjacent to that (liberalization of markets, evolution of foreign direct investments, interdependence and internationalization of economic relations among the states) highlighted the role of infrastructures in international relations as they became an effective tool to reach the national goals in a newly organized and globalized world. Actually this circumstance promoted the thesis that logistic companies are nowadays considered to be the new actors of world politics due to their supremacy over the infrastructural system.

Though the concept of infrastructures had never existed previously and has not ever been perceived as in modern times, the importance of those “installations” has always been noticed and calculated in the scope of national interests. The protection of national trade system was highly connected with the preservation and defense of seaports and seaways, as well as land trade routes which often became a real casus belli for long lasting and exhausting wars. In time, new types of infrastructures were created, thereby adding a new stimulus to international economic relations and putting a new shape to political relations between the Great Powers. For example, at the end of the 19th century and at the beginning of the 20th century “the railway factor” became a unique criterion for the dependency of a state upon another one. This criterion effectively showed the level of influence of great powers in different regions of the world. It was not by accident that the German Empire sought to create a tremendous railway system in the Ottoman Empire, connecting Central Europe with the Persian Gulf. The history of the WWI shows that the Baghdad Railway played an immense political, economic and military role in the German foreign policy.

Summarizing the aforesaid, we must underline that the gradual intensification of international relations caused the diversification of infrastructures as well. In time the infrastructures were divided into “hard” and “soft” ones which have their own subdivisions nowadays.

Coming to the case of South Caucasus, it is necessary to state that the possession of even small amount of infrastructures had a vital importance for small states like Georgia, Armenia and Azerbaijan. It was stipulated by the fact that the control over infrastructures gave a strategic advantage for one state and put some threats for the others respectively. That is the reason why the infrastructural systems of the South Caucasus have always

conditioned the foreign policy priorities of Armenia, Azerbaijan and Georgia. Taking into consideration the fact that the confrontation between the European states and Russia has existed both in 1918-1921 and in the post-soviet period, infrastructures have gained a special mission in the framework of regional international relations. From the viewpoint of external actors of the South Caucasus (USA, EU, Russia, Turkey, Iran) the regional infrastructures have a significant impact on the crossroads of international relations of the Middle East and Central Asia which is generally conditioned by their transit status, serving as a unique corridor to the above mentioned regions.

The main literature, relating to the theme, includes scientific journals/digests, reports, official websites, governmental documents and books (especially for the historical context). Generally all materials, authored by European/neutral experts, have presented purely economic aspect of the issue, without linking it with international relations. As to those, authored by Georgian, Armenian or Azerbaijani scholars, the main impact is made on geopolitical and geo-economic aspects, analyzing their relationship with national securities of Caucasian republics.

2. The Role of Infrastructure in South Caucasus (1918-1921)

2.1. Seaports

The sea industry, seaways and seaports along with the navy constitute a united maritime system. In order to secure the long lasting progress in economic and political affairs ocean-bound empires had to pay a sufficient attention to all elements of the system, i.e. the whole foreign policy cannot succeed if one of the inalienable components of that chain is ignored. As to the terrestrial states (in terms of geopolitics) of the South Caucasus, the seaports served as the most efficient and, what is more important, the safest way of communication between newly independent states of Armenia, Georgia, Azerbaijan and European nations.

There are 3 major seaports that have had a huge impact on international relations of the region: Sukhumi, Poti and Batumi. These ports are considered to be “the sea gates” of the South Caucasus because the control over them gains an invincible advantage in the struggle for influence. For example, the Russian Empire was considered to be a superpower in the Black Sea region only after the treaty of Adrianople (September 2, 1829), according to which Russia gained the vast eastern shores of the Black sea, including Poti [Encyclopedia Britannica, n.d.]. Actually the territorial enlargement along the eastern Black sea was a sine qua non for Russia, without which it could not reinforce its stance in the Middle East. Among all the three ports Batumi was and still remains the most important trump card of the South Caucasus. In 1901 90% of the kerosene was transported from Baku to India and the Far East through Batumi which proves that seaports have had not only regional, but also a world scale importance, especially in economic relations [Darabadi, 2007, 126].

Taking into consideration the flimsy balance of power after the collapse of the Russian Empire, as well as perceiving the significance of the seaport of Batumi, the government of already independent Georgia decided to keep it under its control at any price. Thus, the strategic seaport highly affected Georgia's relations with the Ottoman Empire and Armenia in 1918-1921. After the Bolshevik revolution in 1917 and the withdrawal of Russian troops from Transcaucasia Batumi became a real bone of contention. In terms of geopolitical chaos the capture of Batumi will provide the capture of Georgia as well, ultimately entailing the military takeover of the whole region. It was not by accident that the capture of Batumi by the Ottoman troops (1 April, 1918) spread a sheer panic in Georgia and prepared the capitulation of the scared Georgian delegates at the Batumi negotiations (May-June, 1918) [Avalov, 1924, 35].

After the total defeat of the Central Powers in the WWI the Ottoman troops were withdrawn from South Caucasus and replaced by the British ones. The British military "headquarters" in the region was dislocated mainly in the Batumi Oblast. As long as the British leadership still controlled the seaport (December, 1918- July, 1920), the whole region remained under the non-official protectorate of the Great Britain, leaving no possibility for the Russian or Turkish intervention.

The political status of the Batumi Oblast, including that of the seaport, left a negative impact on Georgian-Armenian relations. The point is that the settlement of political borders between the states of the South Caucasus and the Ottoman Empire was one of the priorities of the Allied Supreme Council in this region. "The issue of the seaports" became the most tangled problem for the regional diplomacy which was thoroughly discussed in 3 major meetings: London conference (February-March, 1920), Paris non-official meeting (April 13-16, 1920) and San-Remo conference (April 19-26, 1920). The main differences were conditioned by the Georgian intention to deprive Armenia of the access to the Black sea through the province of Trabzon which was adjacent to the port of Batumi. Moreover, the Georgian delegation to the Paris peace conference offered to grant an unlimited access to Armenia and Azerbaijan to use the seaport in case of recognition of the district of Batumi as an inalienable part of Georgia [Ibid, 256-257]. The dispute was solved in the treaty of Sèvres (August 10, 1920) which recognized Batumi as *porto franco* and granted a free access to the Black sea for Armenia, Persia and Azerbaijan. Eventually the aforesaid clauses of the treaty were not implemented, but what is the most interesting, the 335-345th articles of the treaty referred to some ports of international concern (including Batumi) which underpins the importance of the seaport on international relations of the South Caucasus.

Batumi was also the guarantee for the national security of the Republic of Armenia. The point is that antagonistic relations with the Ottoman Empire and Azerbaijan and the lack of communications with Persia forced Armenia to make connections with the world predominantly through Batumi. Being a land-locked nation, Armenia had to purchase and

import all necessary things (oil, kerosene, food, humanitarian relief, arms etc.) through the seaport. It was the only transit route through which the Armenian government managed to purchase military materials during the Armenian-Turkish war of 1920. Perceiving its strategic advantage over Armenia, Noe Zhordania's government always tried to receive some economic and political dividends. According to the bilateral agreement on the arms dispatch to Armenia (June 12, 1920), the latter was obliged to hand in the 27% of the arms to Georgia, so that the latter would provide the transportation of the rest 73% to the Armenian-Georgian border [Hovhannisian, 2007, 566-567].

Unlike Armenia, Azerbaijani strategy towards the Georgian seaports was stipulated generally by the energy factor. Since 1907 the complex of oil industry in Azerbaijan was connected to Batumi through oil pipelines. The oil supplies were considered to be the national wealth of Azerbaijan, sharing some common interests with Georgia and the Ottoman Empire as well. Due to its strategic importance, the issue of Baku-Batumi pipeline became a separate matter of legal regulation. The recognition of new states by the Ottoman Empire was immediately followed by an agreement on the exploitation of the Baku-Batumi oil pipeline between the Ottoman Empire, Georgia and Azerbaijan (June 4, 1918) [FPDM, 1998, 22].

Defending the Georgian position on the political status of the seaport, Azerbaijani statesmen have always emphasized their vital ties with Batumi at both bilateral and multilateral levels (e.g. the memorandum of the minister of foreign affairs of Azerbaijan, Fatali Khan Khoyski, to the representatives of the Allied Powers at Paris peace conference) [Ibid, 598-603]. Despite the budget deficit, both Armenia and Azerbaijan had their consulates in Batumi in order to protect their national interests at "the crosspoint of international concern".

Sukhumi and Sochi are the other ports of the Eastern Black sea region that influenced the international relations in South Caucasus. The possession over the major ports of the Eastern Black sea (from Batumi to Sochi) was to secure an advantageous position in the whole Black sea basin. When launching a military campaign from Abkhazia to Tuapse (June-July, 1918) the Georgian government actually followed the aforesaid intention and that was one of the many reasons of antagonism between Russia and Georgia. Georgia's control over the seaports of Poti, Sukhumi, Gagra, Sochi and Tuapse was reacted by the Russian counterattack and the British mediation. The result of this "military spark" was the return of Gagra, Sochi and Tuapse to Russia [Menteshashvili, 1990, 28-34]. The problem is that the total control over the ports would multiple the political and economic might of Georgia, so that fact did not come along with the British and Russian interests in South Caucasus.

2.2. Railways

The first railways in South Caucasus were constructed in early 1870s which were designated to connect the “capital” of the region, Tiflis, with the seaports of the eastern part of the Black sea. The most important investment in this sphere was made through the construction of the Baku-Batumi railway in 1883 [GSE, 1932, 761]. In almost all regions of the world, the natural resources, the railways and the seaports form an inalienable industrial complex which serves to the national interests of states. The existence of such a complex in South Caucasus demanded a safe and secure oil transportation between Baku and Batumi which highly depended on the political circumstances of the region. The international pressure and the external threats to the national security of Georgia and Azerbaijan (i.e. the dislocation of Denikin’s anti-Bolshevik Volunteer Army along the mountain range of Greater Caucasus) forced both states to establish cordial relations.

In relatively small region like the South Caucasus, the railways had a strategic importance in terms of military control over the territory. Moreover, the treaties, signed between the Ottoman Empire and Georgia and Armenia (separately) provisioned special clauses on the Ottoman free military access to Armenian and Georgian railways [Avalov, 41-42]. As far as the state railways were under the Ottoman Turkish control, the Ottoman Empire practiced a total hegemony in South Caucasus. In some cases South Caucasian railways have been a matter of discrepancy between the Great Powers. For example, when the Turkish intention of capturing the Georgian railways was revealed, German representatives in Poti initiated the signing of a German-Georgian agreement (May 28, 1918) which underpinned the German non-official “protectorate” over Georgia. According to the treaty a special commission of the railway control was created, consisted of Germans only [Pipia, 1978, 104-105]. The rapid reaction to the Turkish expansionism was generally stipulated by the German foreign strategy in South Caucasus which supposed to limit the influence of its ally in the whole region, as well as to take the maximum usage of the Caspian oil.

The issue of common ex-Tsar rolling stocks was another bone of contention between the Ottoman Empire, Georgia, Armenia and Azerbaijan, despite the fact that the states had signed a separate agreement on South Caucasian railway stocks (June 4, 1918). The point is that the majority of rolling stocks was concentrated in Tiflis, but Zhordania’s government did not express willingness to share the common heritage with Armenia and Azerbaijan. In such circumstances Armenian railways were sentenced to uselessness and despite the long-term period of negotiations between Arshak Jamalyan (Armenian diplomatic representative in Georgia) and the Georgian government, the problem remained unsolved [Jamalyan, 2011, 110-113].

The Armenian-Georgian war of 1918 perfectly shows how the railways can influence the interstate relations and international relations on the whole. Bilateral relations in the first couple of months of independence (June-November, 1918) were continuously exacerbating and leading to an open conflict which, in its turn, was escalated into a serious war. Though the problem concerned the territorial dispute over the region of Lori, Georgia put a railway blockade on Armenia on 9th of November, 1918 which was, in fact, an informal declaration of war [Virabyan, 2003, 102]. Whatever was the real reason for the blockade, it was obvious that Armenia could not bear that situation because Yerevan-Tiflis-Batumi railway was the guarantee of Armenian national security.

The railway issue was thoroughly discussed even at the global level, especially at San-Remo conference. Moreover, the regulation of bilateral relations and the delimitation of interstate borders between Georgia, Armenia and Azerbaijan highly depended on the possession of railway infrastructures. In order to avoid the contact with Batumi through Tiflis, which was actually inconvenient and too expensive, Armenian delegates sought to initiate the construction of Kars-Batumi railway (Yerevan-Kars railway already existed), given it would belong to the Republic of Armenia (*en toute propriété*) [Avalov, 271-272]. It was obvious that the new railway would cause some new consequences: 1) reaching a kind of diversification in railway policy, Armenia would soften its dependence on Georgian transit, 2) Armenia would gain equal conditions for foreign economic policy along with Georgia and Azerbaijan, 3) as a result of successful construction and exploitation of the new railway the city and the seaport of Batumi would get a direct railway connection with Julfa which was situated at the Armenian-Persian border. This point was of strategic importance for Armenia as, due to Batumi-Julfa railway, it would become a transit state for the communication with Persia and India. Besides, the new railway would somehow diminish the role of Baku-Batumi railway, therefore both Georgia and Azerbaijan protested against the aforesaid project.

Yerevan-Julfa railway had a great potential for the prosperity of Armenian economy. The perspective of construction of possible new railway stations along the Araks valley would certainly reform the regional balance of power against Turkey and Azerbaijan. Historically the district of Nakhijevan, which was a matter of dispute between Armenia and Azerbaijan, has been the crosspoint of international trade routes between Russia, the Ottoman Empire and Persia. After the sovietization of belligerent states Nakhijevan was conceded to Azerbaijan. By gaining a direct border with Turkey, confiscating Armenian railways and minimizing the length of Armenian-Persian border, both Turkey and Azerbaijan highly damaged Armenian economy and national security.

Despite all conflicts that emerged in different periods and on different occasions, it was obvious that the states had to establish a regular railway communication. The latter was the vital precondition for all three states to make the newly proclaimed independence stronger which was expressed in a myriad of agreements signed between Armenia,

Georgia and Azerbaijan. For example, on 8th of March, 1919 a treaty on railway communication was signed by Georgia and Azerbaijan. On 4th of March 1919, the railway communication between Georgia and Armenia was officially restored, on 9th of November the two states signed an agreement on free transit for railway cargos.

3. Infrastructures & International Relations in South Caucasus: changes of the post-soviet period

3.1. The massive industrialization and the power ratio: new perspectives

Despite the fact that infrastructures had a constant impact on bilateral and multilateral relations in South Caucasus, the three states did not reach the level of industrialization that existed in European countries. The period of newly independent states expressed the correlation between national interests and infrastructures that were constructed under the auspices of the Russian Empire. Though the state had an immense military might, it could not compete with the almighty industrialized economies of the USA, Great Britain and France. Unlike the Russian Empire, the USSR launched a tremendous program of massive industrialization all over its territory, including Soviet Socialistic Republics of Armenia, Azerbaijan and Georgia. In a relatively short period of 70 years the three republics were transformed from agrarian societies into industrial ones. The process of industrialization was accompanied with increasing number of infrastructures. Taking into consideration the fact that soviet socialistic republics were deprived of the right for independent foreign policy, infrastructures had solely economic importance and did not seriously influence the interstate relations within the USSR.

The next challenge was the fact that irreversible progress in science and technologies, as well as global economic trends made the international relations run in a more sophisticated way. Emergence of new types of infrastructure (airports, roads, highways, canals, water reservoirs) reshaped the modern phase of international relations and put them into a new pattern. The increasing use of natural resources caused the massive construction of gas and oil pipelines. The realization of economy-based foreign policy proved that nowadays economic diplomacy takes a more constant place in international relations, therefore political interests are gradually succumbed to economic ones. In terms of economically new world order, infrastructures gain a political nature along with its original (economic) one. Considering its new "mission", infrastructures have a big impact on not only political and economic, but also military relations. The aforesaid was obviously expressed in almost all regions of the world, including South Caucasus. Therefore after the collapse of the USSR infrastructures highly contributed to the creation of a new balance-of-power system in the region, thereby reshaping the bilateral relations between Armenia, Georgia and Azerbaijan. In terms of infrastructural development the three states are currently positioned in relatively equal rankings. According to the Enabling Trade Index developed by the World Economic Forum, Armenia, Georgia and

Azerbaijan respectively occupy the 63rd, 66th and 69th positions for transport and communications infrastructures [Z. Lawrence, Drzeniek Hanouz and Doherty, 2012, 10-11]. Nevertheless, the ongoing process of enlargement programs will surely make some changes in world rankings.

3.2. Seaports

Despite the shift in power ratio and wars, forcing the emergence of unrecognized states (Nagorno Karabakh Republic, Republics of Abkhazia and South Ossetia), the concept of “the sea gates of the South Caucasus” still remains actual and perspective. Strategy towards the seaports of Batumi and Poti, that was set up during the period of “first republics” (1918-1921), became the backbone of the modern external economic strategies of Georgia, Armenia and Azerbaijan. When researching the contemporary period of regional international relations and its correlation with seaports, two main realities should be taken into consideration:

1) Liberalization and intensification of economic relations led to a new phenomenon, namely interdependence, which was expressed through foreign direct investments and large-scale exports and imports. Though Armenia, Georgia and Azerbaijan are still in a process of economic transformation, passing from plan-based economy to market-based one, the trend has brought its impact on South Caucasus too. Intensification of trade relations with Russia, the EU and the USA led to annual rapid growth in the spheres of import and export. When comparing the statistics of 2010 with those of 2009, it turns out that the foreign trade turnover of Armenia increased by 8.9% with imports growing 14% and exports by 42% [DBA, 2011, 2]. Armenia’s main trade partners, the EU and Russia together account for 46.49% of the entire international trade of the state. Taking into consideration the fact that both Turkey and Azerbaijan have blocked their borders with Armenia, the foreign trade is generally organized through Georgia, including Batumi and Poti. A small part of the trade turnover goes through the port of Bandar-Abbas, Iran, which is much more expensive and inconvenient. Armenia is the only state in South Caucasus that has not signed agreements on trading navigation with other states [LPM (Armenia), 2013, 9-10]. In short, the external economic policy of Armenia is based on safe and secure communication through the seaports of Batumi and Poti.

Unlike Armenia, the correlation between seaports and the external economic policy of Azerbaijan has some unique features. The foreign trade turnover of the state is generally based on the export of gas and petroleum products which is organized through the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum oil and gas pipelines respectively, thereby leaving the Georgian seaports behind. Besides, Azerbaijan uses the port of Baku to bolster bilateral economic ties with Kazakhstan and Turkmenistan. The consulate general in the port of Aktau provides the protection and representation of Azerbaijani interests in the eastern parts of the Caspian region. In order to facilitate the bilateral trade through

the seaports Azerbaijan has signed agreements on trading navigation with Georgia, Kazakhstan, Ukraine, Turkey, Bulgaria and Turkmenistan.

The Georgian external economic policy has a west bound direction and is based on a comprehensive cooperation with the states of the Black sea basin, America and the EU. According to the statistics of 2010, the imports to Georgia come from the EU (nearly 30%), America (8.12%), Turkey (15.85%) and Ukraine-Moldova (together 10.62%). Export destinations include the EU (nearly 34%), America (15.14%), Turkey (11.28%) and Ukraine-Moldova (together 5.63%). The foreign trade turnover with the leading partners is organised predominantly through the ports of Batumi and Poti and respective ports of the Black sea region [LPM (Georgia), 2013, 15-17]. In order to promote the foreign trade in the western direction Georgia has signed agreements on trading navigation with Bulgaria, Romania and Turkey which are considered to be “the key transit corridors” to Europe.

2) As a result of the Russian-Georgian war in 2008 Georgia ultimately lost the last chance to restore its control over Abkhazia and South Ossetia. The rupture in diplomatic relations and the escalation of mutual antagonism led to total interruption of communication through the disputable territories. Besides, immediately after the war Abkhazia and South Ossetia were officially recognized by the Russian Federation, thereby putting them into diplomatic isolation. As a result of the aforesaid, Abkhazia and its capital, Sukhumi, were excluded from the trade turnover in South Caucasus and joined the Russian market. The halt of economic transactions through the seaport of Sukhumi strengthened the role of the remaining ports.

The permanent interest towards the seaports stipulated the establishment of consular missions in Batumi. Azerbaijani Republic currently has 9 consulates general all over the world, one of which is situated in Batumi [EMC, 2014]. Out of Armenian 8 consulates general one is situated in Batumi [DMA, 2014]. Apart from Armenia and Azerbaijan, Ukraine and Turkey also have their own consulates general, thereby underlining the international role of the seaport in diplomatic affairs [mfa.gov.ua, 2014, Ministry of Foreign Affairs of the Republic of Turkey, 2014].

Summarizing the role of seaports on the foreign policies of South Caucasian republics, it should be underlined that seaports constitute an important element of national security of Georgia, Armenia and Azerbaijan. Unlike the period of 1918-1921, the seaports have one more important function: they provide the exportation of national goods all over the world, thereby influencing the GDP and the economic might, as well as the foreign policy of the three states.

3.3. Railways

The massive industrialization in all parts of the USSR led to the enlargement of the railway network, thereby strengthening the bonds between different regions of the Soviet Union. Hence, receiving the upgraded network of regional railways, Armenia Georgia and Azerbaijan inherited an immense fortune which currently serves to their political and economic interests. Railways constitute the alternative way of communication with the outer world. The considerable part of the national foreign trade turnover is realized through railways, therefore the high level of railway coverage within a state promotes not only the home policy, but also the foreign interests, especially in economic and military spheres.

Armenia. The railway network is connected to all neighboring states, except for Iran. Anyway, the only railway connection, that is open up to now, is the Georgian one (Gyumri-Kars railway communication was unilaterally stopped by Turkey) which is predominantly used for the transportation from and to Batumi and Poti. As it was already mentioned, the seaports along with the Yerevan-Poti-Batumi railway constitute one of the most important elements of the national security of Armenia. During the Russian-Georgian war of 2008 the transportation through the Georgian seaports and railways was stopped: the penetration of Russian military forces into the Georgian heartland caused a deep anxiety in Armenia as it put a real threat of collapse to Armenian economy [Kakachia, 2009, 64]. As a result of the Abkhazian conflict Armenia is currently deprived of the possibility to join the international railway network. In terms of dual blockade Tbilisi-Sukhumi railway can be one of the most efficient ways of communication with Russia and Europe, thereby mitigating the difficulties Armenia faced because of closed borders with Turkey and Azerbaijan. As a key point in Armenian foreign policy, the issue of the restoration of the railway is included in the National Security Strategy of the Republic of Armenia (approved on 26th of January, 2007) [NSC (Armenia), 2007]. Therefore, Armenia has always called for the peaceful solution of the problems and has welcomed any attempt to regulate the Georgian-Russian relations.

The most influencing expression of the railway factor on Armenia's foreign policy is the project of a railway connection between Iran and Armenia which has always been included in the agenda of bilateral relations. The point is that the railway project is of strategic importance for both internal and foreign policy of Armenia. In order to understand its impact on international relations, geopolitical and geo-economic consequences should be taken into consideration. First of all, Armenia will successfully overcome the dual economic blockade, getting much easier and less expensive access to Iranian market. Secondly, due to Iranian railway network Armenia can improve its foreign trade turnover with Central Asia. Thirdly, Armenia may serve as a railway bridge between Georgia and Iran, thereby getting some political and economic dividends. Fourthly, in case of restoration of the Abkhazian railway, Armenia will obtain not only regional, but

also international transit status, unifying the Black sea basin with Iran and the Persian Gulf. Fifthly, much easier access to the Gulf seaports will be available, thereby diversifying the ways of exportation of Armenian goods. Eventually this project will upgrade the relations between Armenia, Georgia and Iran to the level of strategic partnership which supposes a distinct shift in the foreign policy of Armenia, Georgia and Azerbaijan, as well Turkey, Iran and, to some extent, Russia, the EU and the USA.

Georgia. The railway network is connected to all neighboring states (except for Turkey). Because of the Abkhazian conflict Georgia is currently deprived of direct connection with international railway networks. During the presidency of Mikheil Saakashvili (2003-2013) antagonism between Russia and Georgia reached its climax in 2008 when the war erupted. Therefore, the first decade of the 21st century could not be a period of reconciliation and restoration of the railway communication. Meanwhile after the 2012 parliamentary elections both Bidzina Ivanishvili and the current Prime minister, Irakli Gharibashvili, expressed willingness to start a process of normalization of Russian-Georgian relations [Mikhelidze, 2013]. *“Since we [“Georgian dream” coalition- E.D.] came to power in 2012 after the parliamentary elections, the new government changed our attitude towards Russia and we try to normalize our relations with them”*, I. Gharibashvili said in his interview with “France 24 TV” (February 12, 2014) [Talking Europe, 2014]. Thus, it is obvious that Abkhazian railway is strongly connected with the foreign strategy of the two states, as well as other states of the region. The railway restoration will surely influence the foreign policy of Armenia, Azerbaijan and, to some extent, Iran, Turkey and the EU, thereby challenging the power ratio in South Caucasus.

Nevertheless, the main emphasis in the railway sphere is currently made on Baku-Tbilisi-Kars project (under construction) which is partly stipulated by the radical shifts that took place in the Georgian foreign policy after the Rose revolution in 2003. In terms of gradual deterioration of Russian-Georgian relations Saakashvili reshaped the foreign strategy, heavily relying on a trilateral regional cooperation with Turkey and Azerbaijan, serving as a transit state for the realization of energy and railway projects. The geopolitical and geo-economic importance of the new railway is illustrated in the National Security Concept of Georgia (2005), according to which *“the Baku-Tbilisi-Kars Railway project is noteworthy since it will increase the transit role of Georgia and Azerbaijan, connecting them fully to international railway networks. This railway line will support the further deepening of economic ties between east and west and will move Georgia closer to the European economic space. It is important to maintain the competitiveness of this transit corridor through cooperation with Azerbaijan”* [NSC (Georgia), 2005]. Due to the new railway Georgia can strengthen trilateral economic ties with Azerbaijan and Turkey, thereby mitigating the consequences of disruption of Russian-Georgian relations and limiting the Russian political influence in South Caucasus.

Azerbaijan. The railway network is connected to all neighboring states except for Iran and Turkey. Actually the railway communication exists only with Georgia and Russia. Azerbaijan seeks to promote the realization of two strategic projects in order to internationalize its railway network, along with oil and gas pipelines. According to the National Security Concept of the Azerbaijani Republic, *“Implementation of the geo-strategically important “Baku-Tbilisi-Kars railway link” project is an important step in fostering and expanding regional cooperation and at the same time creates new global opportunities”* [MTK, 2007, 14]. In order to facilitate the cooperation Georgia, Azerbaijan and Turkey have signed an agreement on coordination of the activity for the realization of the railway connection Baku-Tbilisi-Kars (February 7, 2007) [LPM (Azerbaijan), 2013, 9]. Along with the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum pipelines, the railway project constitutes a complex initiative to strengthen the economic ties between Europe, Turkey and the South Caucasus, thereby circumventing Russia in the region and reducing Azerbaijani dependence on Russian pipelines and railways. As to its correlation with Armenia, it was clearly expressed in Aliyev’s speech at the 2nd Congress of World Azerbaijanis (March 16, 2006). *“To connect Turkey and Azerbaijan by railway - to launch the railway route Kars-Akhalkalaki-Tbilisi-Baku is one of our key objectives and we will achieve this. In this case, both Turkey and Azerbaijan will be connected by railway; all cargo will be carried out via this route. At the same time, it is clear that the occupational country occupying [a part- E.D.] of our lands, conducting aggression against us - Armenia will be kept out of all these projects”*, Aliyev said [railway.gov.az, 2014].

The other railway project is the plan for the “North-South” international transport corridor which was initially launched by Russia, Iran and India, by signing the inter-governmental agreement on international North-South transport corridor (September 12, 2000, St. Petersburg) [cargo.rzd.ru, 2014]. Unifying the Baltic region with the Persian Gulf, the corridor is designed to pass through Azerbaijan. In order to join the railway networks of Russia and Azerbaijan with that of Iran, the three states have initiated the construction of a new railway from Astara (Azerbaijan) to Qazvin (Iran) [rwg, 2014]. Eventually the realization of this project will lead to the intensification of Russian-Iranian relations and reinforcement of Russian economic presence in Central Asia, Iran and, to some extent, in South Asia. When analyzing the foreign policy of Azerbaijan, it is obvious that the two projects seek to strengthen the transportation with both Europe and Russia. Thus, Azerbaijan tries to balance its foreign policy towards the EU and the Russian Federation, trying not to give preference to a certain side and reinforcing its national security.

3.4. Roads

Roads are considered to be the most common and comprehensive means of communication, especially for those states that have limited access to international

markets. Taking into consideration the fact that the enlargement of railway networks is very expensive and needs a state financing backing, land-locked states heavily rely on international roads, especially highways. On the other hand roads have a dual function: creation of dense road network within a state promotes not only foreign trade turnover, but also the projects of provincial and municipal development. There are two projects, having intrastate, regional and international importance: “Georgia East-West Highway” and “North-South road corridor investment program” (Armenia).

The East-West Highway is the main artery for long distance road traffic in Georgia which is used by the three republics for a regular communication with the Black sea region, as well as central and western parts of Europe. Besides, the highway is a part of the pan-European corridor, linking the EU with Central Asia through South Caucasus [EU, 2013, 39]. Due to tremendous investments in the program the EU successfully reinforces its economic and political influence in the region, getting a kind of green light to Central Asia, circumventing Russian territories.

The “North-South road corridor investment program” is currently the only large-scale program, concerning the road network of Armenia. It aims at connecting the southern borders of the state with the northern ones by the Meghri-Yerevan-Bavra highway. According to the official interpretation, the project objectives are *“facilitating communication with neighboring countries, expanding and facilitating access to foreign market towards Central Asia and Europe, developing major economic spheres and export expansion (industry, agriculture, mining industry, construction, tourism) etc”* [northsouth.am, 2014]. In other words, it aims at reinforcing the transit role of Armenia and becoming the major highway corridor between Europe, Iran and Central Asia, thereby softening the dual blockade, imposed by Turkey and Azerbaijan.

The road networks of Armenia, Georgia and Azerbaijan are the most comprehensive tools of communication, used to intensify the exportation of national goods and secure the permanent importation of necessary materials. In order to reach this goal, the three states have signed a myriad of agreements on international road transport with almost all member states of the CIS, as well as Turkey, Romania and Bulgaria.

3.5. Oil and Natural Gas Pipelines

Considering the fact that natural resources play an increasingly strategic role in both economic and political and military affairs, the struggle for energy security has become one of the most important components of international affairs. Therefore, energy infrastructures heavily influence the policy-making process in almost all states, especially in developed ones. Supremacy over oil and gas fields, refineries and pipelines is the cornerstone of a state’s energy security, thereby defining the place of natural resources in international relations. As to the South Caucasus, the past 20 years have shown that the energy infrastructures have evolved a unique way of influencing the regional interstate

relations. The struggle in this sphere may be described as an “industrial competition” among Armenia, Georgia, Azerbaijan, as well the main actors of the region. Besides, oil and gas pipelines are actually the only guarantee for the safety of the industry of a state, so this circumstance adds an extra impact on the foreign policies of exporting and importing countries.

During the whole post-soviet period the South Caucasian republics have realized 4 major energy programs which can conditionally be divided between two groups of states: Armenia, Russia, Iran (the first group) and Azerbaijan, Georgia, Turkey (the second group). The realized programs clearly show the geopolitical axes, emerged in South Caucasus, especially after the Rose revolution in Georgia (2003). The only oil project, realized by Russia and Azerbaijan, was the Baku-Novorossiysk pipeline which provided the Russian political and economic influence in Azerbaijan at the beginning of the 21st century [Magomedov, 2005, 83].

From the viewpoint of foreign policies of Armenia, Georgia and Azerbaijan, energy programs aimed at protecting their flimsy energy security and preserving the balance of power in the region. Armenia’s energy policy, as it was already mentioned, was generally connected with the Russian Federation. Realizing a joint gas pipeline program with Armenia, Russia actually became the only gas supplier to the Armenian market. In terms of Russian national interests the geopolitical importance of the pipeline was the reassurance of the Russian influence in the region which was washed away after the collapse of the USSR. Along with the gas pipeline, the Russian 102nd military base in Gyumri is a considerable leverage in Armenia and, to some extent, in Georgia and Azerbaijan. Moreover, according to the deal, reached by Russia and Armenia (January 16, 2014), Russian Gazprom bought the full package of shares in ArmRosGazprom [gazprom.ru, 2014]. In other words, the “gas factor” has shaped the foreign policy strategy of Armenia (towards Russia) and somehow has reacted on the national economic priorities of Georgia and Azerbaijan. The second energy program, connected with Armenia, is the gas pipeline with Iran. Geopolitically the new pipeline was a new step towards reinforcing Iranian interests in South Caucasus. Despite the fact that a part of the pipeline was constructed by ArmRosGazprom [president.am, 2014] Armenia reached a diversified gas supply network, thereby protecting its energy security.

Unlike Armenian energy infrastructures, the projects initiated by Georgia, Azerbaijan and Turkey have not only regional, but also international importance. The Baku-Tbilisi-Ceyhan (BTC) oil pipeline and the Baku-Tbilisi-Erzurum (BTE) gas pipeline are actually considered to be the most prominent step towards influencing international relations in South Caucasus which is predominantly stipulated by the ultimate targets the interested states follow: both BTC and BTE supply natural resources to the EU, circumventing Russian transit pipelines. In fact the two projects aimed at undermining Russian political and economic leverage in the region. The BTC is the constant basis for the trilateral

comprehensive cooperation between Georgia, Turkey and Azerbaijan which was confirmed in Trabzon declaration (June, 2012) [Hikari Cecire, 2013, 7]. Besides, it was not secret that both Turkey and Azerbaijan sought to accomplish the pipeline projects in order to emphasize the isolation of Armenia and its exclusion from global energy programs. As I. Aliyev said in his interview with "New Europe", *"as long as the conflict remains unresolved, the Armenian state will remain sidelined from all transnational and regional projects, the plight of the Armenian people will continue, and the already frugal potential of the country will be completely exhausted"* [neurope.eu, 2014].

The BTC and BTE have considerably contributed to the EU policy of reducing European dependence on Russian oil and gas imports. As S. Frederick Starr said, *"it goes without saying that the Baku-Tbilisi-Ceyhan pipeline is, and should be, "all about oil," as critics charge. But it is, equally, about economic, social, and civic development, not only within the individual participating countries but among them, and also between this western-most zone of Asia and the Euro-Atlantic world"* [Frederick Starr, 2005, 10]. Upgrading its status in international energy networks, South Caucasus became a potential corridor for direct communication and cooperation (including the energy sphere) with Central Asia.

4. Conclusion

In terms of new trends of 20th and 21st centuries the world politics has obtained some constant features which have reshaped the system of international relations and the attitude of the states towards them. As it was already mentioned, economic factor plays an increasingly important role in the policy-making process which is highly expressed in the correlation between infrastructures and international relations. So, investigating that correlation in South Caucasus, some important conclusions have been reached: 1) despite the fact that in 1918-1921 the military factor was dominant in regional political affairs, in some cases the struggle for infrastructures reached its climax, causing even regional crises, 2) infrastructures became an important part of national security concepts which proves their essentiality in security studies, 3) infrastructural projects proved to be the most effective way of reinforcing the influence of great actors in Armenia, Georgia or Azerbaijan, 4) as an important index of economic might, infrastructures heavily influence the defense policy and the military budget of a state, 5) realization of some energy programs raised the international importance of the entire region, thereby challenging the regional geopolitics, 6) taking into consideration the increasing interaction of political and economic interests, infrastructures obtain a political, rather than purely economic meaning.

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