TITLE: THE SECURITY DIMENSIONS OF NONPROLIFERATION EXPORT CONTROL DEVELOPMENT IN THE CAUCASUS

AUTHOR: C. BROUGHER CRAFT, University of Georgia

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The Security Dimensions of Nonproliferation Export Control Development in the Caucasus

Executive Summary

by

C. Brougher Craft

Center for International Trade and Security at the University of Georgia

Theories of nonproliferation export control development postulate that states will develop such policies under varying conditions. From a Realist perspective, export controls are a result of fears for the state's security and need to balance the power of others. Rational Institutionalists posit that states will develop policies when the benefits of doing so outweigh the costs. The Domestic Politics and Pluralist perspective argues that nonproliferation efforts will follow societal pressures which influence decision-makers. Liberal Identity theory examines the role of psychological factors which allow members of a government to affiliate themselves with some groups ("friends"), while considering others as "enemies."

This paper uses the above theories to examine the development of nonproliferation export controls in the Caucasus, an area that has been mostly ignored by international security thinkers and policy analysts. First describing the proliferation threat of the Caucasus states, this paper then provides an element by element assessment of their export control systems. It is clear from the evidence gathered by the author, Armenia has the most developed export control system, followed by Georgia and then Azerbaijan. However, none of the states of the Caucasus have export control systems that meet western common standards. Indeed, they are far from it.

Evidence is presented for each of the theories above in order to examine which has the greatest explanatory power concerning the countries export control development. In the Caucasus, security considerations seem to play the most prominent role, especially because of the concomitant need to ensure the control of borders, territorial waters and the transit of

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2This paper is the draft manuscript for a book chapter In Word and In Deed: The Development of Nonproliferation Export Controls in the Former Soviet Union. Not for Attribution.
the concomitant need to ensure the control of borders, territorial waters and the transit of commerce. Domestic pressures appear to play little, if any role in export control development to date. To varying degrees, sense of community with the West as exemplified by the desire to be a part of the international nonproliferation regime has driven Caucasus officials to interact with their western colleagues, and to develop nonproliferation mechanisms. Cost-benefit calculations also contribute to officials’ efforts toward developing nonproliferation export control programs because of the need to balance these activities against others. However, assistance from the West has been somewhat beneficial in reducing the “costs” side of the equation and increasing the lure of the purported “benefits,” in the development of nonproliferation export controls.

Continued development of nonproliferation activities, especially export controls, is important in the Caucasus. This is true in terms of the national security of the individual states, regional security in this area of economic, political and cultural crossroads, and international security for the world community. Because of these security needs, it is recommended that western efforts to assist the Caucasus states in developing nonproliferation mechanisms receive higher priority than in the past, when the focus was only on the so-called “nuclear four.” Western assistance programs should be designed with monitoring, verification and implementation in mind. Since corruption dominates the region, care needs to be given in program design so that linkages with other efforts (such as anti-drug activities) are managed in a way that will preserve (and enhance) the integrity of implementing officials. Finally, because the Caucasus states are each dominated by a political, economic and security environment created by Russia, the West should take steps to ensure that this regional hegemon is working toward the development of nonproliferation efforts, rather than against them.
The Security Dimensions of Nonproliferation Export Control Development in the Caucasus

by

C. Brougher Craft

Center for International Trade and Security
204 Baldwin Hall
University of Georgia
Athens, GA 30602
voice: (706) 542-2985
fax: (706) 542-2975
e-mail: eastwest@uga.cc.uga.edu
This chapter provides data and analysis for important, and yet understudied, states of the FSU—the Transcaucasus republics of Armenia, Azerbaijan and Georgia—and their attempts to control the spread of weapons of mass destruction. Nonproliferation issues in these regions have thus far received scant scholarly attention and very little western assistance (e.g., Nonproliferation Disarmament Fund programs), and yet these countries have the potential to play vital roles in the proliferation, or nonproliferation, of WMD. Despite the fact that countries in the Transcaucasus did not inherit a share of the Soviet nuclear arsenal, they did inherit significant component parts (such as nuclear reactors, production facilities, military industrial enterprises, etc.) of its WMD producing infrastructure.

In addition, they are often seen as areas ripe for proliferation activities due to internal instability, being described by one analyst as "mafia 'hotbeds', [areas of] ethnic strife, ethnic cleansing, [and] border clashes." Of attendant importance, though, is these states' geographic location. Their location makes them ideal as transit points (for legal commerce and illegal smuggling) to other regions of the world—especially regions which pose the greatest proliferation concern (such as Iran and Iraq) to the West. It is therefore important to assess the magnitude of the proliferation threat presented by the Transcaucasus.

In this chapter, we first look at the strategic threat of the Caucasus states in terms of their potential to promote or inhibit the spread of WMD. Next, we examine the level of export control development in the Caucasus through the analytical "lenses" of the Craft-Grillot methodology. After an element-by-element description of export control development, an overall assessment of the progress of nonproliferation efforts—especially focussing on export controls—is offered. Next, the explanatory framework developed in chapter 1 is applied to the states of the Transcaucasus. After a presentation of the evidence for each approach, I present findings and suggest an interpretation of these results. Finally, a short synthesis of the chapter is offered which will posit a means to address the shortcomings identified in the section concerning export control development while attending to the findings of the explanatory framework.

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1 The author would like to thank the University of Georgia, the Center for International Trade and Security and the National Council for Soviet and East European Research for their support of work related to this project. The views expressed herein are, however, the sole responsibility of the author and none of the parties mentioned above are responsible for their content.

The Strategic Threat from the Transcaucasus

The geographic location of the Transcaucasus states makes them a primary concern to the West. While Armenia, Azerbaijan, and Georgia have only limited weapon production capabilities, they can, and do serve as conduits for products (whether it be drugs, conventional weapons or WMD materials) going elsewhere and thus serve as threats to Western security. Along these lines, the U.S. State Department in 1996 notified Congress, for example, that “we have periodically received reports of proliferation-related transfers of weapons of mass destruction involving Armenia.” Striking in this regard is the promotion of relations between Armenia and Russia, and Armenia and Iran, along with the potential for Russian products (illicit or otherwise) to transit Caucasus (especially Armenia, Nagorno-Karabakh, and the Georgian enclaves of Abkhazia and Ajeria) territory en route to Iranian markets. Likewise, Turkish officials have arrested several individuals who reportedly tried to sell part of Georgia’s weapons grade uranium (and who claim that the original supplier of the HEU was Georgian President Eduard Shevardnadze’s chief bodyguard). Despite the somewhat sensationalist character of some of the claims surrounding the transfer of WMD or materials in the Caucasus, the potential or real proliferation problem is serious because the flow of weapons, materials, and technology—if it does take place—is to the southeast. Iran and other Middle Eastern states of proliferation concern who are likely recipients of any WMD “leakage” from the FSU have foreign policies sometimes violently averse to Western interests.

3 Concerning drugs, see Bureau for International Narcotics and Law Enforcement Affairs, “U.S. Department of State International Narcotics Control Strategy Report,” March 1996. Other types of transits are covered in the text.


5 Azerbaijan is positioned to serve a similar role as “roadway to Iran” for Russian goods except that the Aliev government there has strained relations with the Yeltsin regime, which includes disagreements between the two governments concerning whether Russian military units should be stationed in Nagorno-Karabakh as CIS mandated peacekeepers. This may not matter in terms of illicit transfers of materials, although the fact that Azerbaijan is the only one of the countries covered here which does not rely on Russian troops for border control makes it probable that illicit transfers from Russia to Iran via this route would require additional payoffs within the Azerbaijani government. Even if relations between the two states remain sour, Russian products may in any case transit unpimped across the Caspian Sea to Iran.

6 “Georgia with Libya, Russia, Switzerland and Turkey,” Nonproliferation Review 4 (Fall 1996), p. 121. Georgian officials assert that 600 grams of HEU from Sukhumi has turned up missing or is unaccounted for. It is unclear what their sources of information are since the government does not control the Abkhaz region (personal interviews with Georgian Ministry of Foreign Affairs officials, July 1997).

7 See the Statement of Glenn E. Schweitzer Before the Permanent Subcommittee on Investigations, Committee on Government Affairs, United States Senate, March 13, 1996.
Of further importance, but ranking slightly behind their potential as transhipment points, is the indigenous production facilities and expertise in the Transcaucasus which have potential for WMD proliferation. It must be stressed here that much of this threat is not from the activities of the governments themselves, but again from the activities of criminal elements who may have the wherewithal to divert important materials to the "wrong people." Armenia's type 440 VVER V230 nuclear power plant at Metsamor represents a low-level proliferation threat due to the expertise of its scientists (who have been recruited by Iran). Further, the lowly enriched uranium (less than 4%) contained in spent fuel and storage facilities represents a possible source of radiological weapons material. There is also a slight danger that any enriched or reprocessed uranium fuel being transited from Russia to the Metsamor plant could be hijacked or otherwise diverted. However, Armenia is probably not a significant nuclear proliferation threat itself (in terms of its own acquisition of nuclear weapons) because light water reactors, as noted by Hannerz and Segerberg, are not an attractive means of obtaining fissile materials for nuclear weapons due to the substantial technical obstacles, economic costs, and difficulty in hiding clandestine reprocessing or enrichment facilities that would be necessary to convert the spent fuel to weapons-grade materials. This is especially true, if—as in the case at Metsamor—the facilities are subject to IAEA safeguards and inspections.

However, Armenia has recently proven to be a proliferation threat in terms of ballistic missiles. During the 1993-1996 period, there were perhaps $1 billion worth of weapons clandestinely transferred from Russia to Armenia. Included in these transfers (allegedly shipped across the Caspian and Black Seas and then through Iran without the knowledge of the Russian or

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9 Such a theft might be attractive for a group with black market contacts in a country with a clandestine nuclear weapons program and an established enrichment plant. See Rotblat, "Nuclear Energy," p. 403.


Iranian governments) were 32 Russian-made SCUD-B ballistic missiles. These missiles are a serious proliferation threat in and of themselves because they represent a new weapon-type introduced into an area where there is a simmering—if not boiling—conflict between two Caucasus states (Armenia and Azerbaijan over the Nagorno-Karabakh enclave). In addition, there have been corresponding allegations by Azerbaijani officials (not always the most reliable sources for information on Armenia; but not completely discountable, either) that these weapons are chemical-warhead capable, and that Armenian engineers had recently been trained in Russia to make such adjustments for combat usage. If these rumors are true, then these transfers would again represent a dangerous escalation of military capabilities in a region that plays an important role in the national security of one former superpower (Russia), and two purportedly aspiring regional powers (Iran and Turkey), one of which is a part of the NATO alliance. Given this, any instability caused by weapons transfers into the Caucasus (especially WMD transfers) has important ramifications for international security, as well.

Of the Transcaucasian states, only Azerbaijan seems to possesses little industry or facilities vital in the production of WMD. At the same time, however, a former Azeri Interior Minister, Iskendor Khamidov, has made claims that Azerbaijan possesses the capability to produce or acquire nuclear weapons, and on another occasion that he "has a pair of nuclear weapons in the trunk of his car." Such claims are not taken seriously by most observers.

The state of Georgia also represents a WMD proliferation threat. Georgia possesses an IRT-M nuclear research reactor in Tbilisi at the Institute of Physics, as well as machine tool and maraging steel production facilities. The 8 mega-watt (MW) reactor at Tbilisi (which was shut

12 Information on arms transfers from Russia to Armenia is available from various sources. Prominent among these are the Stockholm International Peace Research Institute's SIPRI Arms Transfer Database (1997), and Jane's Defence Weekly, April 1997, p. 15.


down in 1988) contained approximately 4 kg of weapons-grade uranium. Georgia also has nuclear research and training facilities— including two isotope-production reactors—and perhaps several locations rumored to contain radioactive wastes.

In addition, each state in the Caucasus is a member of the Joint Institute of Nuclear Research, a former Soviet-bloc nuclear training facility that remains active in training nuclear scientists and engineers in the post-Cold War era. While membership and activity in JINR is certainly not indicative of proliferation activity, the development of such scientific expertise can potentially become a proliferation threat if the member states cannot, or will not, control the movement of these scientists. While much has been written about the potential “brain drain” from the Russian Federation, the same dynamic operates, albeit on a smaller—but nonetheless important—scale, in Transcaucasia.

General instability in the Transcaucasian region is very obvious because of the civil conflict in Georgia over Abkhazia and Ajeria and the sporadic warfare between the Azerbaijani military and ethnic Armenians in the enclave of Nagorno-Karabakh. These conflicts result in weakened political and economic structures that leave each of these states underdeveloped in terms of their security structures. This underdevelopment—when combined with the harsh political and economic climates, growing and strengthening organized criminal elements, and incentives offered by Iran and other relatively affluent Islamic states near their borders—requires increased attention from the West. Furthermore, the security issues raised by these conflicts, which are inherently concerned with control of borders (especially where one is to draw the borders between current states and regions that have aspirations toward statehood), exacerbates problems of control because of the influx of conventional weapons into the region.

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17 There have been reports in the open source literature that Georgia sold part of its cache of HEU from this reactor to Uzbekistan, which personal interviews with Georgian government officials confirm. Also, the US apparently made a deal to purchase this uranium at market value and have it reprocessed in Russia. However this deal was held up, apparently, by Russian protests over the US not paying $1 million in reprocessing costs. See Misha Dzhindzhikhashvili, “Georgia Uranium Sale,” Associated Press wire report, 7 January 1997; personal interviews with Georgian Ministry of Foreign Affairs officials, July 1997; and “Moscow Said Ready to Thwart Nuclear Safety Deal,” Reuters, 6 January 1997 and “Russia Ready to Accept Uranium from Georgia,” OMRI Daily Digest, 13 January 1997. It is puzzling to both this researcher and Georgian government officials why the US has not offered to buy this HEU from Georgia outright. Georgia officials assert that this could probably be done for less than the inflated price that the Russians are insisting upon to reprocess the material.

18 CNS Database.

19 The “flow of conventional weapons into the region,” (i.e. conventional weapons sales) while important, is not the only means by which military items find their way to the Caucasus states. Besides the sensational sales of Russian equipment to Armenia noted above and discussed further below, and illicit transfers which we know little about, there have apparently been a large number of weapons transfers from Russian border and “peacekeeping” units to governments and insurgents in the region. Personal interviews with Georgian and Azerbaijani government and non-government analysts confirm this. Armenian officials deny any transfer of Russian weapons to or through their country or Nagorno-
While the development of the state and corresponding export control apparatuses has been inhibited by internal instability, other elements within Transcaucasus societies thrive on such environments. Primary among these are militarists groups (sometimes separatists, at times "rebels" seeking to overthrow the government, and at others within the government itself) and criminal elements. The rise of the former has led to what one scholar has described as "the most militarized area in the world."20

Export Control Development in the Caucasus

In the Transcaucasus states, export control systems—just as in the other non-Russian former Soviet states—had to be created from scratch. As yet, these countries have been unable to develop systems that approximate the well-developed export control systems of the West. In fact, it may be argued that the countries of Transcaucasia cannot be seen to have export control systems at all. It is more realistic to state that these countries have partial development of individual elements of export controls, but lack the necessary channels of interaction between elements that typifies a system.

Probably the most immediate and pressing concern of the Caucasus states after their independence and consolidation periods has been the development of border controls. Border Controls in the Transcaucasus have received considerable governmental and international attention in light of the potential and actual transit of drugs and weapons through the region. However, relatively little emphasis has been placed on border controls for WMD proliferation materials. Despite the importance of this element in terms of WMD nonproliferation, border controls in these regions are haphazard, rife with corruption, tied to important elements of foreign policy which favor states of high proliferation concern (especially Iran and Russia), and generally controversial.21

Corruption is rampant in the Transcaucasus, as in the other states of the FSU, with complete border posts being abolished in periodic shakedowns. For example, according to the former Customs Department Chairman of Georgia, by May 1994 the entire staffs of three of the country's border posts had been fired--as well as a fourth post's chief of operations--due to


20 Light, "Russia and Transcaucasia," p. 51.

21 Personal experience indicates that passage may be occasioned between states in the region without inspection of vehicles. How commonplace this type of transit is remains open to question.
evidence of corruption. The role of organized (and unorganized) crime in the Transcaucasus region cannot, and should not, be ignored. As part of what can be viewed as either transnational criminal groups or petty, local thugs, criminal elements by nature undermine the sovereignty of states. In doing so, they perpetuate the weakness of states and thus serve to enhance the proliferation potential of the region. If criminal groups have successfully integrated themselves into the governing coalition of the state, their influence on state policies will necessarily be to the detriment of nonproliferation efforts—especially when these efforts are closely tied to programs to control the black markets in conventional weapons or drugs, as is increasingly the case as the United States relies on the Federal Bureau of Investigation, Department of Defense, and Customs Service to promote nonproliferation in these regions.

Throughout the young histories of the Caucasus states, the Russian Federation has played an important— if not altogether welcome— role in border control. After the fall of the USSR, the Transcaucasian Border Troops district was disbanded and responsibility for controlling former borders of the Soviet Union was transferred to the new states of Armenia, Azerbaijan, Georgia. Because of the dearth of technical and financial resources, lack of experienced personnel and the extraordinarily tenuous control that these states have over their geo-political space, they proved largely incapable of performing the most basic border control functions. Thus, Russian troops continued their occupation of border control bases in the Transcaucasus, with the North Caucasus Border Troops District first being formed, and then abandoned. In March 1994, Russia created the Caucasus Special Border District, stretching from the Black to Caspian Seas and maintaining troops in both Armenia and Georgia. However, Azerbaijan has staunchly resisted the stationing of Russian troops in the country, either for the purposes of border control or as CIS peacekeepers deployed to implement the cease-fire in Nagorno-Karabakh. At this time, it is the only state in the Caucasus where Russian forces to not provide border patrols although Georgian commitment to this Russian “service” has waned. During a recent Commonwealth of Independent States meeting of the “Council of Border Forces,” Azerbaijan and Georgia did not sign onto the resulting declaration.

While the Russian Federation’s provision of border control forces provides a commonality of sorts for the custom’s authority for the states considered here, in respect to many of the other elements there are few similarities. Those that exist, however, can be summarized succinctly: a) export control functions are levied by decree from the executive branch, and b) most elements are either wholly undeveloped or severely underdeveloped.

Armenia represents the zenith of export control development among the states examined here, with a system that is about 47% developed, according to the Craft and Grillot methodology.

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However, enforcement and implementation of these controls, as in the rest of the Caucasus, is less than uniform (see table 4). On paper, the Armenian export control system is relatively sophisticated, with 1992 and 1993 decrees requiring special permission to export radioactive materials and establishing a structure for the system (the Commission on Export Control) which includes the Deputy Prime Minister, the head of the State Department on National Security and the first deputy of the head of the Military and Industrial Commission. While the actual structure of this system is in the process of being reconstructed due to a shakeup of the Ter-Petrosian government (including the abolition of the Ministry of Finance, which previously played a key role in export controls), in functional terms the export control system will be the same. On September 27th, 1993, the Armenian government adopted an itemized export control list, which has four main divisions of materials, substances, devices and dual-use technologies; bacteriological and poisonous weapons related; nuclear related; rocket weapons-related; and chemical weapons related. These decrees established that exporters of sensitive materials, which are all government owned industries, are required to provide full technical specifications and supporting documentation with any export application before it is processed by an “export controls working group” which was formerly housed in the Ministry of Finance. A “council of experts” (made up of academics, scientists, and industry officials) was created to give technical support for this processing. Munitions and dual-use items can be exported only to prescribed destinations—all end-users and countries subject to “international embargo” are proscribed, according the Armenian officials. All illegal exports of items included in the control list (there have been none such illegal attempts to date) are to be viewed as illegal exports of weaponry, for

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See Craft and Grillot, “Tools and Methods.”


Interviews with Armenian government officials from the former Ministry of Finance and Ministry of Foreign Affairs, July 1997.


According to Armenian officials, there are at most 1 or 2 exports per year which fall under these controls. Despite this small number, no Armenian official was willing or able to say to what countries or end-users such exports had been made in the past. Personal interviews with Armenian Ministry of Foreign Affairs and Ministry of Finance officials, July 1997.

Personal interviews with members of export controls working group, Government of Armenia, July 1997.
which the acting criminal law envisages penalties from 3 to 8 years of imprisonment.30

In addition, Armenia has developed lists of proscribed items which cannot be imported or transshipped through the country.31 Transit items include all types of weapons, ammunition, army equipment, components for their production, explosives, nuclear materials (including heat producing materials) and sources of ionized radiation. Customs units are responsible for verifying the contents of transit loads when transit of prohibited items is suspected, and has the legal power to inspect and seize suspect transit shipments if there is any doubt as to their veracity. However, there have been no such detainments to date, which is somewhat curious given the amount of weaponry commonly accepted to have transited Armenian territory on the way to Nagorno-Karabakh (and less commonly, Iran and the Kurds in Turkey). Dual-use items require an export certificate from the country of destination to guarantee that the imported items will not be used for military purposes. Items prohibited from import include weapons, explosives and army equipment.

Armenia’s intelligence and security forces are tasked with the verification of end-users of imports and exports. However, given the dearth of government resources for such activity, there are questions as to whether this function is being performed. Training facilities where licensing, customs, and law enforcement officials can be trained in the technical aspects of nonproliferation policy have not been established, although Armenian officials are quick to point out that their border forces are trained, in part, by the security apparatus of other states such as Russia and France.32 Finally, the Armenian export control apparatus lacks a “catch-all” clause which would prohibit exports to states or end-users who are suspected of being involved in clandestine WMD programs.33

The other states lag behind in terms of nonproliferation export control development (see table 3). Georgia lies somewhat below Armenia in terms of the development of an export control structure (scoring about 24%). As is the case in other states covered here, exports are controlled

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32 Personal interviews with Armenian government officials, July 1997.

33 Armenian officials described the authority given to their border controls officials as a “catch-all” mechanism on the basis of their empowerment to stop any export, import or transit that was “suspicious” (personal interviews with Armenian Export Control Working Group officials, July 1997).
by decree. On September 8th, 1992, the Georgian Government issued a decree “On Provisional Rules for Restricting and Licensing the Export and Import of Goods (Works, Services) on the Territory of the Republic of Georgia,” which controls the export and import of all goods (presumably including those of proliferation potential). This document indicates that a list of goods will be established, provides licensing procedures and institutional responsibilities, and establishes the State Department of State Border Forces as the enforcement body. Georgia also has provisions for the control of all weapons and military hardware exports.

However, this control is very shaky, with the most important defense industry in the country, Tbilisi Aviation Enterprise, having been accused by the State Parliamentary Committee of Defence and Security of having produced and delivered equipment to both domestic and international purchasers without a customer's order. Inspections also revealed that some related documents were drawn up in an illicit way. To further complicate matters, the government of Georgia does not control, nor does its Border Forces patrol, its entire geographical space. The areas of Abkhazia and Ajeria are both patrolled by Russian border forces. There have also been disputes between Georgian border control forces and their Russian counterparts in the ports of Poti and Bakumi, where Russian forces are present under the mandate of the CIS agreement on border forces (which Georgia no longer desires to be a part of). Finally, disputes in Abkhazia are unlikely to be over, either between the Georgian government and the breakaway region, or Georgia and Russia. The Russian Federation was committed to withdraw all CIS peacekeeping forces (all of whom are Russian) from Georgia by 31 July 1997. However, as this deadline approached, Georgian President Shevardnadze backed down from this deadline, and the Russians

34 However, this will shortly change. In the spring of 1997, the Georgian parliament was presented with a draft export control law which had been constructed by the Military-Industrial Subcommittee of the Committee on Defence and Security (with the assistance of the Commission on Export Controls, Ministry of Trade and Foreign Economic Relations, Ministry of Foreign Affairs, and State Department of State Border Forces). Personal interviews with officials in these offices (including parliament) indicate that they see little threat of serious alteration of this bill when it is voted on in the next session of parliament (fall 1997).


36 Georgian officials assumed that the Ministry of Trade and Foreign Economic Relations would retain all licensing and list maintenance functions under the new law. This staff, according to the Chairman of the Export Control Commission, would be about 6-8 people. These officials also assumed that the Border Forces would retain the enforcement function, and that the Ministry of Foreign Affairs would handle all bilateral and multilateral issues concerning nonproliferation aid and cooperation as well as compliance with dictates of the various arrangements of the nonproliferation regime (NPT, IAEA, Wassenaar Arrangement, NSG, MTCR, CWC, BWC, Australia Group). From personal interviews and correspondence, July-August 1997.

Tbilisi Aviation Enterprise has operated since 1941 in the construction of various aircraft types, including its current product, the SU-25 TK (a ground attack aircraft). The Aviation Enterprise also produced K-10 wing rockets which were designed to carry nuclear warheads delivered by TU-16 and TU-95 strategic bombers. See Irakli Aladashvili, “Problems of Developing a Military Industrial Structure in Georgia,” Army and Society in Georgia 4 (November 1996).
remain. Although this probably does increase the nascent peace between Georgia and Abkhaz rebels, it remains a source of tension in the region.\textsuperscript{38} Even if Russian peacekeepers were to leave, given the political state of affairs in Abkhazia and Ajeria and the lack of political desire in Tbilisi to force the issue of these regions' independence (or lack thereof), the Georgian government could probably not attain political (military) control over its territory.\textsuperscript{39}

Azerbaijan is behind the other Caucasian states in developing an export control policy and an effective border and customs regime (about 19% development according to the Craft and Grillot methodology—see table 3). Few laws exist on export controls, customs or trade, although a 1992 decree introduced customs regulations and border controls.\textsuperscript{40} Azerbaijan prohibits the export of weapons, explosives, radioactive materials and wastes, narcotics and psychotropic drugs. It also requires that importers provide certain information concerning imports, and prohibits outright the import of radioactive and wastes and narcotics, and requires special permission for the import of weapons, explosives and certain "radioactive equipment" used in the oil industry. This decree establishes the illegality of the sale of weapons (although the sale of conventional weapons in Azerbaijan is, at least in Nagorno-Karabakh, without doubt a regular event). The Ministry of Foreign Economic Relations controls the export of all goods from Azerbaijan and is charged with export license evaluation, while the customs service is charged with implementation of border controls.

Yet even these scores are misleading, because they largely represent only the development of legal bases for controlling exports, not the development of institutions nor the implementation of export controls. When we look at the development of the institutional component of export controls in the region, we see even less development (Armenia scores only about 23% in this area and the others experience similar decline in ranking—see table 4). Finally, if we look at what is actually being implemented in these countries, we are left with little to explain in terms of nonproliferation export control development (Armenian scores fall to 8% and the others are even lower—with Azerbaijan probably not implementing anything in the way of nonproliferation export controls).

\textsuperscript{38} Interviews with Georgian Ministry of Foreign Affairs officials, July 1997. See also, "Abkhaz Peacekeepers' Future Unclear," RFE/RL Newsline 1 August 1997.

\textsuperscript{39} Interviews with Georgian State Department of State Border Forces and Ministry of Foreign Affairs officials, July 1997.

Table 3: Comparison of Element Scores in Four States, 1996
(Weighted Score/Percentage of Ideal Score)

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<th>Catch-All</th>
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Table 4: Export Control Development in the Southern Tier by Subparts: 1996

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Competing Explanations for Export Control Developments in the Transcaucasus

Realism

Realist explanations for development of nonproliferation export controls do apply to the Transcaucasus, in varying degrees. These states uniformly have legal decrees that prohibit the sale, transfer or transshipment of any type of weapons through their territories. This indeed fits with Realist expectations of state behavior in terms of concerns about external threats, balancing the power of others, preventing gains in others' military capabilities, and enhancing state security, although these controls are designed to halt the flow of conventional weapons rather than those of WMD. Only Armenia initially controlled WMD technologies, and these controls fit both Realist expectations and Rational Institutionalism (covered below). Indeed, these states officially have no nuclear, chemical, or biological weapons (Armenia's missiles have only been obtained recently—and illicitly) and only inherited a small portion of the Soviet infrastructure in these areas. Thus, they have little indigenous capability of proliferation concern and do not see proliferation as posing a great risk to their national well-beings. In turn, they see little reason to devote scarce resources to the development of nonproliferation export controls except insofar as they help the state guarantee its borders. As an Armenian government official states, “we do not have the luxury of leisure by which to ponder the best way to develop an export control system. We are fighting wars and trying to stabilize an inherently unstable region.”

Control of conventional weapons makes sense, in Realist terms especially, when one considers that all but one of these states (the exception being Armenia), internal security problems threaten the very survival of the state. Azerbaijan has been involved in a terrible civil and interstate war (with Armenia) in the Nagorno-Karabakh region, Georgia does not have control over Ajaria nor Abkhazia. All have severe problems with organized criminal groups which are largely outside the control of government, but have led to allegations of rampant corruption among government officials. See Craft, “The Transcaucasus States,” for more on these issues.

It is illuminating to note that when one sees reference to government control of “strategic materials” in this region, such a decree is more likely to govern the trade in citrus fruit than WMD technology.

See Craft, “The Transcaucasus States,” for a more detailed description of what weapons technology does exist in these regions. See also Center for Nonproliferation Studies, Commonwealth of Independent States Nuclear Databases (CNS Database), available online from the Monterey Institute for International Studies.

Only Armenia is a partial exception to this, as Armenian officials see the biggest threat to their country as being from Turkey, which is part of the nuclear-weapons armed NATO alliance. The enmity here is strictly with Turkey, which Armenians distrust in the extreme for historical reasons.

It could be argued that the focus on conventional weapons control more effectively meets the security needs of these countries, and therefore explains the lack of development of nonproliferation export controls in a region where governmental resources are extremely scarce.

Personal interview with official from the Bilateral Economic Affairs section of the Armenian Ministry of Foreign Affairs, by Scott Jones (CITS), at the Hotel Washington, 25 September 1996.
Perversely, in terms of developing nonproliferation export controls in the region, obtaining WMD may be an attractive means to obtain such stability via creating a situation in which a clear preponderance of power rests with one side.\footnote{For an argument that WMD do not provide stability in unstable regions, see Peter Lavoy, “Nuclear Myths and the Causes of Nuclear Proliferation,” Security Studies 2 (Spring/Summer 1993), pp. 192-212.} According to this logic, Armenia may have acquired ballistic missiles (WMD) and perhaps chemical weapons capability in order to deter Azerbaijan from renewing its attempt to militarily regain control of Armenian-held Nagorno-Karabakh, including the “occupied territories” of Azerbaijani areas under the military and political control of Karabakh forces due to the current cease-fire.\footnote{It is important to note that the military forces of the breakaway Karabakh region, in their quest for independence from Azerbaijan (as perhaps a first step in political unification with Armenia) have seen fit to occupy what consists of one-fifth of all Azerbaijani territory.}

According to other Realist thinkers, however, such activity should incite Azerbaijan to develop, buy, or steal its own WMD capability in order to balance the power of Armenia. Thus, rather than promoting the development of nonproliferation policies, norms, or export controls, acquisitions of ballistic missiles—even if only conventionally armed--serve to undermine such development. Worse, because of the intricate dynamics of the rivalries in the Caucasus--and the presence of military forces of a WMD reliant Russia--they could undermine nonproliferation efforts in the entire region if Iran and/or Turkey were to become involved.

However, there is another Realist argument to be considered when analyzing Transcaucasian export control development—or underdevelopment. As noted by many scholars, the role of “small powers” in the international system is contingent on the interests of the powerful.\footnote{See, for instance, Sheila Harden, ed., Small is Dangerous: Micro States in a Macro World (New York: St. Martin’s, 1985); Charles Morrison and Astri Suhrke, Strategies of Survival: The Foreign Policy Dilemmas of Smaller Asian States (New York: St. Martin’s, 1979); Michael Handel, Weak States in the International System (London: Frank Cass, 1981); and Peter Katzenstein, Small States in World Markets (Ithaca: Cornell University Press, 1985).} Their survival is due to the calculation of larger states who have need to keep smaller states “alive” in order to retain geopolitical influence over politico-economic space. According to Goldenberg, this influence is obvious in the Caucasus, especially in the terms established between their leaders and Moscow. She posits that both presidents Aliev of Azerbaijan and Shevardnadze of Georgia were installed with little domestic support but ample covert support from Russia.\footnote{See Goldenberg, Pride of Small Nations, pp. 92-4; and Goldenberg, “Background Note: Reflections on Cockney,” in Wright, et al., Transcaucasion Boundaries, pp. 11-14.} The signing of Russian military basing agreements with Armenia symbolizes the importance of Moscow’s influence on the Ter-Petrosian government, which also is a strong supporter of the
Russian dominated CIS. In turn, the small states must assess their options in terms of the interests of the large. As Alexander Rondeli asserts,

Russia's small neighbors...have realized that the norms and principles of international community are not working in the so called 'near abroad' and they are left unprotected vis-a-vis the most powerful state in the post-communist space [Russia]. A small country has to take into consideration the national security interests of its powerful neighbor and conduct diplomatic relations with Russia and other former Soviet Republics according to the existing geopolitical and economic conditions in order to ensure future survival and development. Thus, [they] have to accept the rules of the game that dominate international relations in the post-Soviet space. Small states neighboring Russia find themselves in a net of harsh and merciless politico-economic relations, where the leader or the hegemon [Russia] is holding its weak neighbors and is busy 'amputating' their vitally important organs.

We can extend this argument to examine the influence that the Russian Federation may wield over nonproliferation export control development in the Transcaucasus. Accordingly, export control development in the small states of these regions will be driven by the calculation of Russian interests in their doing so. Is it in Russia's interest for states on its perimeter to strictly control the movement of products, goods and services? When one considers its economic difficulties, desire to export products (especially weapons) for hard currency, and its carefully stated nonenmity with states that the West considers "pariahs"--such as Iran, Iraq, China, North Korea, India, and Pakistan--it is quite possible that it is not.

While the drastic difference between Russian nonproliferation export control development and that in the states of Transcaucasia belies this theory, it should not be disregarded completely at this time, given Russian transgressions (noted by Michael Beck in Chapter 3) in transferring conventional and WMD weapons and technology to countries such as China, North Korea, India, Iran, and most importantly--Armenia and Nagorno-Karabakh. This is true especially if Beck is correct and Russian export control development is not driven by its own strong concern for national security. Viewed in this light, lack of nonproliferation export control development along the transit routes to profitable legal and illicit markets may well constitute the Russian interest. There is certainly the potential that Russian border officials in two of the three republics under consideration here provide economic efficiencies to illicit trade in addition to undermining the

51 According to Armenian officials, the presence of Russian forces in Armenia is a necessary precondition to security of Armenia and peace in the Caucasus. Russian forces serve to deter hostile actions by Turkey, which would presumably result from the military and political defeat of that state’s staunch ally in the region, Azerbaijan. Interviews with Armenian officials, Ministry of Foreign Affairs, July 1997.

52 Alexander Rondeli, "Georgia in the Post-Soviet Space," Caucasian Regional Studies 1 (1996), 96-100. Accordingly, the Georgian Ministry of Foreign Affairs has created an Analytical Center to help "figure out" what Russia’s interests in the Caucasus are, and what actions the Russian Federation will take to preserve those interests. Rondeli is the head.
creation of national nonproliferation export control capability in these regions. 53

To summarize, Realist expectations provide considerable explanatory power in terms of the development of nonproliferation export controls in the Transcaucasus states. This theory may also, however, provide important insights into why these states may not develop their export control systems—scarce resources may be better devoted to more pressing security needs. The dynamics of a potentially WMD related arms race (along with the currently ongoing conventional weapons arms race) as well as the indisputable influence of Russia in these regions of its “near abroad” are important considerations as policy-makers in the West seek to promote export control development in the Caucasus.

Rational Institutionalism

A second major theoretical approach to the study of international relations is that of Rational Institutionalism. 54 According to Rational Institutionalist expectations, states develop nonproliferation export control systems if they value future interactions with nonproliferation regime member states, are interested in inducing reciprocity, receive side-payments and otherwise calculate that the costs and benefits involved in doing so emerge as positive. As none of the states considered here were able to “cash in” on U.S. nonproliferation export control aid provided by the Cooperative Threat Reduction (CTR—or Nunn-Lugar) programs for money directly given for the development of export controls, we have to look for less direct links between inducements and export control development. 55

In Armenia, the only state in the region with a nuclear power plant—and the state in the region with the most sophisticated nonproliferation export control system—we see evidence of such linkages. Nonproliferation export control development in Armenia is linked in important ways to the Metsamor nuclear power plant, which is subject to IAEA safeguards. These safeguards perform dual functions in terms of nuclear safety and nonproliferation concerning such items as nuclear fuel storage procedures. In turn, satisfying IAEA inspections is important in

53 The concern in these countries over the influence of Russia in the region and the potential for Russian interference in regional affairs (including the difficulties of ousting Russian military forces from the region) is explored in Paul Goble, “Outflanked on CFE,” RFE/RL Newsline 2 May 1997. Each of these states, despite their concerns over the prospects that the CFE flank modification agreement “may have the effect of legitimizing Russian dominance over the territory of a country that no longer exists, namely, the Soviet Union,” have agreed to the proposed modifications (ibid.).

54 For an example of how cooperation may be enhanced in nonproliferation institutions such as the NPT or the Nuclear Suppliers’ Group, see Richard Cupitt and William Long, “Multilateral Cooperation and Nuclear Nonproliferation,” Security Studies 2 (Spring/Summer 1993), pp. 332-44.

55 Conversations with US Department of State officials reveal that money from the US Nonproliferation Disarmament Fund can be used to develop nonproliferation programs in the Caucasus states based on the “indiscretion term” of this funding; i.e. the money can be spent despite restrictions on other aid such as Freedom Support Act.
terms of side-payments to Armenia, with $57 million of European Bank for Reconstruction and Development (EBRD) being committed to the plant over several years and $6 million of U.S. Freedom Support Act (FSA) committed to the plant in 1997. This represents a sizable amount of aid to a country with a total annual budget of $325 million ($65 million on defense). With the other states under consideration, perhaps the best statement of linkage is between FSA aid and development of nonproliferation export controls. When we look at this aid, we see that Armenia has been given roughly 5 times the amount of aid as the next country in this group, Georgia. The U.S. government has found it virtually impossible to give aid to Azerbaijan due to its ongoing blockade of Armenia and conflict in Nagorno-Karabakh. Comparing the rank ordering of these states according to the export control development and their level of FSA aid reveals that this accurately reflects the former.

A final and important point in terms of nonproliferation export control development which is due to cost and benefit calculations is the views of defense and security officials. In many ways, the concerns, or potential costs, of not developing export controls are twofold. First, by not developing such measures, it is clear to officials from the NIS that their access to technologies and other forms of aid will be inhibited. Experiences from the Cold War era, when the Soviet republics were likewise “locked out” from this type of trade and aid from the West, reveal that the costs of such policies are astronomical. The debilitated economic structures, atrophied service programs and unstable political systems of today are a testament to these costs that do not need to be pointed out to NIS officials.

In one state of the Caucasus, Georgia, Rational Institutionalist explanations were made quite distinct as a reason for developing nonproliferation export control legal structures. According to all of the top officials in the Georgian export control infrastructure, the rationale behind the development of a legal framework (the draft export control law waiting to be voted on by the parliament in the fall) is the possibility of the creation of a “transportation corridor

See “Second Unit of Armenian Nuclear Power Plant Back in Service Yerevan,” OMRI Daily Digest, 5 February 1997; “U.S. Aid to Armenia,” OMRI Daily Digest, 5 February 1997; and “Safety of Armenian Nuclear Plant Key Topic in Talks with EBRD,” OMRI Daily Digest, 20 December 1996. In regard to U.S. aid, it should be noted that the $95 million in FSA aid to Armenia in 1997 (down from $150 million in 1996) is subject to Section 498A(a)(6) of the FREEDOM Support Act.

See Office of the coordinator of U.S. Assistance to the NIS, FY 1995 Annual Report on “U.S. Government Assistance to and Cooperative Activities with the New Independent States of the Former Soviet Union,” April 1996. U.S. efforts to give assistance to Azerbaijan have not been promoted by statements of former Interior Minister of Azerbaijan, Iskendor Hamidov, who claims that the country has been able to produce or buy nuclear weapons (“Khamidov Says Baku has Nuclear Weapons, Delivery ‘Means’,” FBIS-SOV-92-236, 7 December 1992).

58 Interviews with US State Department officials.
through Georgia. This corridor, which would link the Black Sea (and therefore Europe) via the Georgian port of Poti to Baku and the Caspian oil fields (as well as the Central Asian republics of the NIS), is seen as a future pipeline route of the “main oil” of the Baku fields as well as great amounts of legal (and potentially illegal) trade. Due to this “threat” of illegal trade, Georgia has seen fit to elaborate upon its export control system.

A second major Rational Institutionalist reason for the development of export controls in the Caucasus is that lack of access to the West will inevitably lead to continued (and perhaps increased) dominance by Russia in all aspects of political and economic life. Simply put, development of any mechanisms which promise long- or short-term benefits vis-a-vis Russian penetration and influence in politico-economic affairs promises to produce enormous dividends in the future. This is especially true in Georgia and Azerbaijan, which both in important respects resist the influence of Russia in military and political (if not always economic) terms.

When looked at in this light, the Rational Institutionalist approach to nonproliferation export control development in the Caucasus provides good explanatory power compared to the other approaches examined in this work. It is clear that Caucasus officials make rational, if “fuzzy,” calculations concerning the costs and benefits of developing export controls and other measures. In turn, government officials in the Caucasus see the development of nonproliferation policies as one means of showing that their governments are capable of effectively and efficiently managing the state. However, these calculation do contain elements of Realist expectations (fear of Russian dominance and exploitation, need to develop border controls in order to enhance the viability of the state) and of Liberal Identity (in terms of affinity with the West—discussed below). Indeed, the Rational Institutionalist approach’s superiority often comes from its ability to incorporate aspects of both of these other theories (but lesser so that of Domestic Politics) and, perhaps more importantly, its explicit care given to long-term as well as short-term costs and payoffs which are typical of state foreign policy.

**Domestic Politics**

The Domestic Politics approach to nonproliferation export control development posits that government policies are strongly influenced by the structure, goals, and power of domestic groups operating within the confines of the political system. In regard to Domestic Politics expectations regarding nonproliferation export controls, we see little evidence to indicate that this

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59 Interviews with Gela Khutsishvili, Deputy Chairman State Department of State Border Forces; Nugzar Duchidze, Deputy Minister, Ministry of Trade and Foreign Economic Relations and Chairman of the Committee on Export Controls; Nodar Jaiani, Chairman of the Military and Industrial Sub-committee, Committee on Defence and Security, Parliament; and Mamuka Kudava, Head of Arms Control and Disarmament Division, Military-Political Department, Ministry of Foreign Affairs, July 1997.

60 Interviews and correspondence with Azerbaijani, Armenian, and Georgian government officials, April-August 1997.
approach is instrumental in explaining the phenomenon under observation (export control development).\textsuperscript{61}

The states of the Transcaucasus have very immature governments that are largely run by the decrees of relatively powerful presidents. We see very little role of legislatures and interest groups in these societies at all, much less in the realm of export controls (this has only just begun to change in the case of Georgia). It is obvious that the elites in these states see nonproliferation export control policies as far down the list in terms of the "national interest." Rather, their security interests are defined in terms of consolidating hold over territory, preventing the flow of narcotics, refugees and conventional weapons across their borders, battling organized criminal groups and corruption, and the maintenance or removal of Russian troops on their soil. It is certain that the Western orientation of these states (at times—and when convenient) has built a constituency within their governments in terms of providing offices and officials to negotiate with the United States and other Western powers and to implement their part of the resultant nonproliferation programs. However, it is unclear as to what influence these groups have within their respective political systems.

While these countries do qualify as centralized states, since this is a commonality within the NIS as a whole it does little to help us explain why some states have developed nonproliferation export control systems while others have not undergone anywhere near the same level of development. In fact, the occurrence of a number of well publicized and illicit arms transfers within the region make the proposition that states with centralized authority are better equipped to control exports dubious, at best.\textsuperscript{62} This is especially true in the case of Armenia, where one expert has noted that the Ter-Petrosian government has been able to obtain complete control over both the coercive (policing and military) and economic aspects of the state, and maintains such control through corrupt political practices and extortion.\textsuperscript{63}

\textsuperscript{61} Georgian Ministry of Foreign Affairs officials were quick to point out that the lack of domestic pressure may well help to explain the lack of export control development in Georgia. Interviews conducted July 1997.

For example, the Georgian Parliamentary Committee of Defence and Security has recently accused the state’s largest military firm, the Tbilisi Aviation Enterprise, of producing and delivering equipment (SU-25 TK ground attack aircraft) both domestically and internationally (to Russia) without a customer order (see Irakli Aladashvili, “Problems of Developing a Military Industrial Structures [sic] in Georgia,” Army and Society in Georgia 4 (Nov 1996). Inspections also revealed that some related documents were drawn up in an illicit way. Recently, the Russian parliament has begun to investigate the illegal transfer of $50 million worth of arms to Armenia over the past year (see “Russian Parliament to Investigate Alleged Illegal Arms Supplies to Armenia,” OMRI Daily Digest, 20 February 1997).

\textsuperscript{62} For allegations concerning Armenian political practices, see Jonathan Aves, “Politics, Parties and Presidents in Transcaucasia,” Caucasian Regional Studies 1 (1996), 5-23. The Ter-Petrosian government is also suspected of distorting the results of the last parliamentary elections (in the summer of 1995) and the last presidential election (in the fall of 1996); see, for example, Aves, “Politics, Parties and Presidents,” fn. 25, p. 13; and “European Parliament Condemns Presidential Elections in Armenia,” OMRI Daily Digest, 21 November 1996.
As Armenia is not the sole example of an NIS state that is allegedly dominated by corruption, we can speculate that what strong, domestic interest do exist are based on the common goals of the criminal elements within their societies. These groups, as noted earlier, are probably interested in preventing the development of nonproliferation export controls—especially when such efforts are linked to controlling other types of illicit trade.

Privatization of the economies of the region has proceeded only haltingly, and it is unclear in any case whether this would create constituencies that would support, or oppose, the creation of export control policies. Indeed, the state with the most industry of sensitive nature, Armenia, has followed a policy similar to that of the Russian Federation in not privatizing major industries of this sort. Many segments of the privatized economies will seek trade—and profits—no matter where it may be found. This is especially noteworthy in the Caucasus because of the proximity and wealth of states such as Iran, Iraq and the other Persian Gulf and Middle Eastern states which do not have a uniform commitment to nonproliferation.

Conversely, other groups in the societies will see that the development of nonproliferation export control policies will enhance their ability to trade with the West (through relaxation of trade restrictions, etc.) and therefore lead to profits. It is unclear at this time what the influence of this interest group is. Several things, however, can be determined. First, companies which could export moderate- to high-technology products (and thus be concerns of Western nonproliferation export control regime members) are few in numbers in the Caucasus. This may make their influence relatively weak in societies which place great emphasis on exporting in order to gain economic viability. Second, other companies will need access to Western technologies in order to modernize. These technologies are for the most part available because of the general lifting of trade controls for items outside the realm of WMD material (Azerbaijan has been an exception due to a general embargo of trade and aid to that country because of its blockade—an act of war on Armenia). Indeed, this type of assistance has become a growth industry in the US and the West because their governments are paying for it. Third, the payment for such imports is not necessarily a constraining factor because of the generosity of the West in providing credits, price breaks, and other aid.

All or most of the above evidence mitigates against the development of nonproliferation export controls in the Caucasus. Yet, these states have started to develop such systems, even if ever so slightly. Because of the limited development, however, we are left to ponder: “Without the inhibition of Domestic Political influences, would these countries have developed their systems

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64 Problematic in this regard is even the chief US ally in the region—Israel—which is not a member of the NPT and is quite strongly suspected of being a proliferant of nuclear and other WMD materials.

65 According to one Armenian official, the sensitive industry in the country, because they are government owned and not in a position to export much of their technology, have very little chance of influencing government in terms of exports. Interview with Ministry of Foreign Affairs officials, July 1997.
of nonproliferation export controls further?" Additional research is needed to determine why or why not.

**Liberal Identity**

The Caucasus states have since before independence associated "democracy" with the "West" and as a counterbalance to Russian imperialistic dictatorship. After the euphoria of independence wore off, however, the unfamiliarity with democracy and civil liberties in the western sense (if not the absence of political, economic and social circumstances in which these terms could be meaningful) became evident. A proclamation by one powerful political figure in the early history of the state of Georgia is telling, "Democracy is not a picnic. We will shoot the enemies of democracy on the spot," or an Azerbaijani leader's proclamation that he would "prefer 'nationalist dictatorship to non-nationalist democracy'." Despite such inconsistencies (or perhaps because of them), the final approach that we use to attempt to explain nonproliferation export control development in the NIS is that of Liberal Identity.

Again, it should come as no surprise that we find little evidence of Liberal Identity in the Transcaucasus given that they have actually developed very little in the way of export control systems. These countries have exhibited little "sense of community" in export control matters, although this situation has changed considerably in the cases of Georgia during the past year.

The importance that they place on regular interaction with the liberal community and its advocacy of nonproliferation export controls is very difficult to gage in an area that has not interacted much (in comparison with the other states of the NIS) with the international nonproliferation regime, and is instead focused on internal problems and civil strife. Perhaps some evidence for Liberal Identity does exist in the fact that all of these states have adopted the Nuclear Nonproliferation Treaty, and committed themselves to non-nuclear status. However, when one looks at the direction of their respective foreign policies there is less credibility given to states that identify strongly with Iran (both Azerbaijan and Armenia, at times), Turkey

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68 Furthermore, it seems problematic to classify the institutions that these states do identify with (the Commonwealth of Independent States in terms of foreign policy, which is exemplified by its members' acceptance of the Minsk Accord on Export Controls) as "liberal." In every one of these states important aspects of their export control system—especially with regard to border patrols most notably in the Georgian regions of Ajaria and Abkhazia—are performed by armed forces of the Russian Federation, giving further pause to such a classification. Finally, the fact that these states were historically the target of the international nonproliferation regime has led to real difficulties in terms of their liberal identification.
(Azerbaijan), 69 and Russia (Armenia) and in states in which Iran recruits scientists for work on their nuclear power and purported weapons projects (Georgia and Armenia). 70

Indeed, the strongest evidence for an Identity explanation for export control development comes in the states of Georgia and Armenia. Some Georgia officials, when asked, responded that they believed that identification with the West was the most important reason for the development of their nonproliferation policies. However, the major influences on the creation of the draft export control law were uniform in stating that 1) border controls were the most important aspect of their export control system because it would allow them to increase the viability of the state (when the state could control its breakaway regions) and 2) that the “transportation corridor” was the most important driving force behind further development of export controls. 71 Each of these explanations belie Identity theory.

In Armenia, Identity takes another form. Just as the Armenian export control system is designed along Russian lines, so is the state’s reasons for developing export controls. As stated by an Armenian official, “Armenia wishes to be the leader of the Caucasus states in the development of nonproliferation policies.” 72 Indeed, this leadership is an extension of Armenian leadership (within the Caucasus) in the Russian-dominated CIS. Even though Russia is a long-standing participant in the nonproliferation regime (as a signatory of the NPT and via its membership in the Nuclear Suppliers Group), it is this author’s opinion that identification with the Russian Federation hardly qualifies as “liberal.” 73

69 Illustrative of the region’s tenuous identity with the West is a recent poll conducted by the Turan News Agency. In this poll, 50 experts (analytics, political scientists, party members, and media) were asked which countries are today allies of Azerbaijan. Their rank orderings were: 1) Turkey; 2) Georgia; 3) Ukraine; 4) Israel; 5) USA (Russia--12th; China--13th; Iran--15th). In the top 10, only 3 were European states (USA, UK--6th, Germany--7th). When asked which countries they would like Azerbaijan to be strategic partners with, the rank orderings were: 1) Turkey; 2) Turkmenistan; 3) Georgia; 4) Ukraine; 5) Kazakhstan (USA--8th; Russia--10th; Iran--11th; China--14th). In the top 10, again, 2 were European (Germany--6th, USA--7th) with Japan also included (8th). See Turan Expert Group, “Search of Partners for Azerbaijan,” Turan News Agency, Analytical Review by Turan, Issue 267; see also Suzanne Goldenberg, Pride of Small Nations (London: Zed, 1994).

70 Indeed, the idea of the “transportation corridor” is so strong to Georgian officials that they are planning an international conference in August 1997 devoted to this subject and the importance to increase the viability of the Border Forces in response.

71 Statement by Ministry of Foreign Affairs official, Armenia, July 1997.

72 It is hard to discount the notion that Armenian “identity with the West” has ulterior motives, such as the denial of approval, aid, and assistance to Azerbaijan. In effect, it seems that Armenian officials are eager to recruit the West as the West is to recruit Armenia. The difference is important. In the Armenian case, the “enemy” or “other” is Azerbaijan...
At the same time, Armenia and Azerbaijan have each applied for full membership in the Council of Europe, and Georgia is by most observers proclaimed to be the most European of the Caucasus states. Each of these states have launched intensive campaigns to convince the West, especially the United States, that they are indeed part of the democratic-capitalist community. For example, in visits to the U.S. in January and April 1997, Armenian Prime Minister Sarkissian and Ambassador to the U.S. Shugarian claimed that Armenia had "held to its commitments to reform and liberalize the economy," and that "democracy...is our highest priority," and "Democracy, with all its political and economic consequences, has not become just a way of life, but a means of survival for us."  

In addition, these countries have moved only haltingly toward creating the normative and institutional bases of liberal, democratic governments. Indeed, the most stable of these regimes (Ter-Petrosian in Armenia) has been accused often of corruption, election fraud, and other tendencies toward authoritarianism. The regime perceived as the most "democratic" by the West, the Shevardnadze regime in Georgia, was put into power by Russian interests, sought to put down political unrest by use of military force, and has been described as a "one-man democracy."  

Finally, in terms of showing interest in controlling the flow of sensitive materials toward illiberal states, there seems to be very little evidence of this per se, outside of the realm of

and Turkey, and therefore pan-Tukism. Turkey, while hardly being in a cultural or political sense a "founding member" of the West, is nonetheless a part of most of the western political and security arrangements. For the West, the "other" includes Iran, which is for Armenia its second greatest trading partner and an important ally against Turkey—and one that Armenia guards jeolously because of Iran’s large ethnically Azerbaini population, which it is perceived could throw Iran into Azerbaijan’s arms at any time.

74 See “Council of Europe Official on Azerbaijan’s Membership Chances,” RFE/RL Newsline 5 May 1997. In addition, Azerbaijan was praised by the International Monetary Fund for its cooperation with that organization, and in May 1997 a loan of $230 million was confirmed. At the same time, Armenia has had difficulties in obtaining portions of the $150 million credit approved from the IMF in 1996. "IMF Confirms New Loan to Azerbaijan, Sets Conditions for Armenia," RFE/RL Newsline 5 May 1997.

75 See “Address by His Excellency Dr. Armen Sarkissian, Prime Minister of the Republic of Armenia” at the Center for Strategic and International Studies, Washington D.C., 10 January 1997; and speech by Armenian Ambassador to the U.S., Rouben Shugarian, “Armenia Today: the Commonwealth of Independent States and Regional Reality,” to the Fletcher School of Law and Diplomacy, Boston, 16 April 1997.


77 Zurabishvili, “Shevardnadze’s One-Man Democracy.”
receiving side- or direct-payments in return.

Conclusion

To summarize these findings for the Transcaucasus, we see some fairly compelling evidence to help us explain the (admittedly largely nonexistent) nonproliferation export control development in the region in the Realist and Rational Institutionalist approaches. Many officials stated that nonproliferation export controls played an important role in the security of the state because export controls inherently place emphasis on the control of a state's borders. Because of the security environment in the Caucasus, which is fraught with breakaway regions, irredentist, and multinationalist tendencies, control over geographical space becomes the paramount function of the state. Nonproliferation export controls play a small, and some would argue relatively unimportant (considering the prevalence of conventional weapons trade, drug smuggling, and criminality and corruption), role in such development. Export controls were mentioned by government leaders in each state in the Caucasus as important because of the potential for transit of WMD-related materials or technology through the region. Finally, Realist explanations provide definite insight as to why nonproliferation export controls have not been developed further. First, the fact that other security priorities are more important--and pressing--has inhibited the development of export control structures. Second, states which possess little in the way of WMD technologies have little incentive to think of export controls as a means of balancing the power of others. Finally, states which must consider the interests and reactions of a powerful and potentially domineering regional hegemon may have little interest in developing export controls if they see that hegemon as consistently and willfully circumventing its own nonproliferation export control system in order to provide sensitive technologies to states such as Iran. Finally, the fact that this hegemon has been an active player in the proliferation of an extraordinary amount of conventional weapons, as well as potential WMD, into the region may send signals about its desire to see development of export controls in these states (and breakaway regions).

Realism is not alone in providing some explanatory power in terms of nonproliferation development in the Caucasus. Rational Institutionalism also explains, albeit to a lesser extent than does Realism. In Armenia, much of the basis for export controls seem firmly linked to the side-payments provided by the IAEA (sanctioning the re-opening of the Metsamor reactor), the EBRD (money) and the United States (Freedom Support Act aid). However, for the most part, Armenia

See for instance, Misha Dzhindzhikhoashvili, "Georgia Offers Uranium for Sale," Associated Press wire report, 7 January 1997. The U.S. was attempting to buy highly enriched uranium from the government of Georgia, with Russian concurrence, probably because of the intensity of Iranian interest in the nuclear expertise of Georgian officials associated with the Tbilisi Institute of Physics. U.S. efforts were deemed necessary due to the absence of nonproliferation export controls and materials protection capabilities of Georgia.
has been unable to purvey this into increased high-technology investment from the West. In Georgia, export control development is important to the state because of the security threats inherent in the future “transportation corridor” which will—it is hoped—make the country a major trade route between east and west. While this has been interpreted above as largely a security factor in terms of nonproliferation export control development, there is the inescapable fact that lack of an export control system would make this “corridor” a “one-way street;” i.e. an outlet for raw materials from the Central Asian republics rather than a “two-way street” which would consist of the above plus the movement of high technology goods and investment from the West. Due to these factors, there is some evidence in support of the Rational Institutionalist approach.

The Domestic Politics and Liberal Identity explanations receive less credibility when applied to the Caucasus because the latter is only one of a myriad of explanations that explains the absence of nonproliferation export control development, while it is somewhat difficult to evaluate the “liberality” of the identity of the Caucasus states.

From the analysis provided above of the proliferation potential of the Transcaucasus, a number of conclusions can be drawn:

1. sensitive technologies/materials which could be of use in weapons of mass destruction programs exist on the territories of the Caucasus states, and therefore establishing control over them is an important issue;
1. recent proliferation (ballistic missiles sold to Armenia) and rumors of proliferation of WMD proliferation into the region create dangerous instability in relations between states already in the midst of a militarized conflict (Armenia and Azerbaijan), which in turn poses the risk of further proliferation of WMD;
1. the sieve-like nature of the borders of the southern tier combined with the corruption of customs officials, national conscript border patrollers and Russian border guards in the region creates a situation in which these states represent the weakest link in the chain of technologies/materials control in the NIS, and thus undermine the more focussed efforts (in terms of western aid) in Russia, Ukraine, Belarus and Kazakhstan to implement effective export control systems. Underdevelopment of political control due to the influence of criminal elements is particularly unsettling because of the tie between nonproliferation efforts and smuggling of drugs and conventional weapons in which these elements may have a hand.

While to date most western aid and assistance for nonproliferation export control has been channeled to the four nuclear inheritor states, the conclusion above indicates that greater emphasis should be placed on development of nonproliferation efforts in the Transcaucasus and the other neglected states of the FSU. A number of recent programs undertaken by the U.S. government

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79 Interview with Economic Department, Ministry of Foreign Affairs, Republic of Armenia, July 1997.
implies that awareness of the significance of the southern tier to the larger nonproliferation effort in the FSU is growing. This research, however, indicates that such programs and aid should bear the following points:

- Due to the threat outlined above and the apparent effect of specifically targeted nonproliferation aid (as well as aid not targeted toward nonproliferation but nonetheless legally tied to it), increased cooperation between the West and the Caucasus—in terms of aid, assistance, advice, and assessment—is warranted. Indeed, because of the extremely volatile nature of this region, such aid should receive a very high priority.

- Because of the potential for a “principal-agent problem”—where the recipients of aid make claims of progress (rather than actually working to implement export control policies) in export control development in order to ensure that such aid continues—programs where assistance is provided for Caucasus countries should be monitored stringently and rigorous evaluation of the implementation of policies is necessary.

- Beware the influence of corruption. If governments are controlled by political groups who either owe their existence to criminal groups or have coopted criminal groups in order to attain or retain power, these governments cannot be honest negotiating partners in nonproliferation export control issues. This is especially true when nonproliferation controls are strongly linked, as the most often are, to other areas of border control and customs authority—anti-drug missions, illegal commerce, and weapons trafficking. Such linkages force Caucasus governments to directly confront the “business” of the criminal groups which are powerful in their societies. These confrontations could promote instability (see next point).

- Be aware of Western priorities. Does the West seek to promote stability in the Caucasus or democracy? Much of the history of the NIS states since their independence verifies that this is typically a real choice.

- Finally, because of the potential “small state” problems outlined above, it is imperative for the West to enlist the aid of the Russian Federation in order to promote nonproliferation export control development in the periphery. Russia is a state that is over-sensitive to its decline in power and strongly desirous of retaining the acclaim associated with “great power status.” By linking Russia’s strong influence in the Caucasus with its desire to show its “great power status” by being a full-fledged member of the nonproliferation regime, the West may be able change the small state dynamics in the Caucasus region.

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80 Two recent conferences (Istanbul, November 1995 and Washington, D.C. 1996) have been organized jointly by the U.S. and Turkish governments to raise the profile of export control development in the southern tier states. The stated intention of the U.S. government is to follow up these conferences with a series of visits to all the states in the region over the course of 1997. In addition, funding has been made available to U.S. Customs Service officials to travel to southern tier states in order to train local customs officers and implement “train the trainer” programs. By the end of 1996, Customs officials had visited Turkmenistan, Kyrgyzstan, Tajikistan and Georgia. The FBI and Department of Defense are also cooperating on providing anti-smuggling training for southern tier governments in 1997, and bilateral exchanges between the United States and Georgia on nonproliferation export control issues took place in June 1997.
the states in the Caucasus perceive that it is in the interest of Russia for them to develop export controls (especially if their ability to do so is enhanced by direct Western aid), then export control development will be more likely to occur.