Armenia, Azerbaijan, and Georgia

country studies
Armenia, Azerbaijan, and Georgia country studies

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Glenn E. Curtis
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On the cover: Cultural artifacts from Georgia (upper left) and Azerbaijan (right), and folk costume from Armenia


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This volume is one in a continuing series of books prepared by the Federal Research Division of the Library of Congress under the Country Studies/Area Handbook Program sponsored by the Department of the Army. The last two pages of this book list the other published studies.

Most books in the series deal with a particular foreign country, describing and analyzing its political, economic, social, and national security systems and institutions, and examining the interrelationships of those systems and the ways they are shaped by cultural factors. Each study is written by a multidisciplinary team of social scientists. The authors seek to provide a basic understanding of the observed society, striving for a dynamic rather than a static portrayal. Particular attention is devoted to the people who make up the society, their origins, dominant beliefs and values, their common interests and the issues on which they are divided, the nature and extent of their involvement with national institutions, and their attitudes toward each other and toward their social system and political order.

The books represent the analysis of the authors and should not be construed as an expression of an official United States government position, policy, or decision. The authors have sought to adhere to accepted standards of scholarly objectivity. Corrections, additions, and suggestions for changes from readers will be welcomed for use in future editions.

Louis R. Mortimer
Chief
Federal Research Division
Library of Congress
Washington, D.C. 20540–5220
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*Darrell Slider*

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At the end of 1991, the formal liquidation of the Soviet Union was the surprisingly swift result of partially hidden decrepitude and centrifugal forces within that empire. Of the fifteen "new" states that emerged from the process, many had been independent political entities at some time in the past. Aside from their coverage in the 1991 Soviet Union: A Country Study, none had received individual treatment in this series, however. Armenia, Azerbaijan, and Georgia: Country Studies is the first in a new subseries describing the fifteen post-Soviet republics, both as they existed before and during the Soviet era and as they have developed since 1991. This volume covers Armenia, Azerbaijan, and Georgia, the three small nations grouped around the Caucasus mountain range east of the Black Sea.

The marked relaxation of information restrictions, which began in the late 1980s and accelerated after 1991, allows the reporting of nearly complete data on every aspect of life in the three countries. Scholarly articles and periodical reports have been especially helpful in accounting for the years of independence in the 1990s. The authors have described the historical, political, and social backgrounds of the countries as the background for their current portraits. In each case, the authors' goal was to provide a compact, accessible, and objective treatment of five main topics: historical background, the society and its environment, the economy, government and politics, and national security.

In all cases, personal names have been transliterated from the vernacular languages according to standard practice. Place-names are rendered in the form approved by the United States Board on Geographic Names, when available. Because in many cases the board had not yet applied vernacular tables in transliterating official place-names at the time of printing, the most recent Soviet-era forms have been used in this volume. Conventional international variants, such as Moscow, are used when appropriate. Organizations commonly known by their acronyms (such as IMF—International Monetary Fund) are introduced by their full names. Autonomous republics and autonomous regions, such as the Nakhichevan Autonomous Republic, the South Ossetian Autonomous Region, and the Abkhazian Autonomous Republic, are introduced in their full
form (before 1991 these also included the phrase "Soviet Socialist"), and subsequently referred to by shorter forms (Nakhichevan, South Ossetia, and Abkhazia, respectively).

Measurements are given in the metric system; a conversion table is provided in the Appendix. A chronology is provided at the beginning of the book, combining significant historical events of the three countries. To amplify points in the text of the chapters, tables in the Appendix provide statistics on aspects of the societies and the economies of the countries.

The body of the text reflects information available as of March 1994. Certain other portions of the text, however, have been updated. The Introduction discusses significant events and trends that have occurred since the completion of research; the Country Profiles include updated information as available; and the Bibliography lists recently published sources thought to be particularly helpful to the reader.
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<td>Armenian Empire reaches greatest size and influence under Tigran the Great.</td>
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<td>66 B.C.</td>
<td>Romans complete conquest of Caucasus Mountains region, including Georgian kingdom of Kartli-Iberia.</td>
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<td>80 B.C.</td>
<td>Romans conquer Armenian Empire.</td>
</tr>
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<td>A.D. 100-300</td>
<td>Romans annex Azerbaijan and name it Albania.</td>
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<td>ca. 310</td>
<td>Tiridates III accepts Christianity for the Armenian people.</td>
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<td>330</td>
<td>King Marian III of Kartli-Iberia accepts Christianity for the Georgian people.</td>
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<td>First golden age of Armenian culture.</td>
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<td>ca. 600</td>
<td>Four centuries of Arab control of Azerbaijan begin, introducing Islam in seventh century.</td>
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<td>645</td>
<td>Arabs capture Tbilisi.</td>
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<td>655</td>
<td>Byzantine Empire cedes Armenia to Arabs.</td>
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<td>NINTH-TENTH CENTURIES</td>
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<td>Arabs install Bagratid family to govern Armenia.</td>
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<td>813</td>
<td>Armenian prince Ashot I begins 1,000 years of rule in Georgia by Bagratid Dynasty.</td>
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<td>862-977</td>
<td>Second golden age of Armenian culture, under Ashot I and Ashot III.</td>
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<td>ELEVENTH-FOURTEENTH CENTURIES</td>
<td>Byzantine Greeks invade Armenia from west, Seljuk Turks from east; Turkish groups wrest political control of Azerbaijan from Arabs, introducing Turkish language and culture.</td>
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<td>1099-1125</td>
<td>David IV the Builder establishes expanded Georgian Empire and begins golden age of Georgia.</td>
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<tr>
<td>Period</td>
<td>Description</td>
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<td>1000–late 1200s</td>
<td>Golden age of Azerbijiani literature and architecture.</td>
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<td>1100s–1300s</td>
<td>Cilician Armenian and Georgian armies aid European armies in Crusades to limit Muslim control of Holy Land.</td>
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<td>1200–1400</td>
<td>Mongols twice invade Azerbaijan, establishing temporary dynasties.</td>
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<td>1375</td>
<td>Cilician Armenia conquered by Mamluk Turks.</td>
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<td>1386</td>
<td>Timur (Tamerlane) sacks Tbilisi, ending Georgian Empire</td>
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<td>FIFTEENTH CENTURY</td>
<td>Most of modern Armenia, Azerbaijan, and Georgia become part of Ottoman Empire.</td>
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<td>SIXTEENTH CENTURY</td>
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<td>Azerbaijani Safavid Dynasty begins rule by Persian Empire.</td>
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<td>Ottoman Turks and Persians divide Georgia between them.</td>
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<td>1762</td>
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<tr>
<td>1801</td>
<td>After Herekle II's appeal for aid, Russian Empire abolishes Bagratid Dynasty and begins annexation of Georgia.</td>
</tr>
<tr>
<td>1811</td>
<td>Georgian Orthodox Church loses autocephalous status in Russification process.</td>
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<tr>
<td>1813</td>
<td>Treaty of Gulistan officially divides Azerbaijan into Russian (northern) and Persian (southern) spheres.</td>
</tr>
<tr>
<td>1828</td>
<td>Treaty of Turkmanchay awards Nakhichevan and area around Erivan to Russia, strengthening Russian control of Transcaucasia and beginning period of modernization and security.</td>
</tr>
<tr>
<td>1872</td>
<td>Oil industry established around Baku, beginning rapid expansion.</td>
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<tr>
<td>Period</td>
<td>Description</td>
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<tr>
<td>1878</td>
<td>&quot;Armenian question&quot; emerges at Congress of Berlin; disposition of Armenia becomes ongoing European issue.</td>
</tr>
<tr>
<td>1891</td>
<td>First Armenian revolutionary party formed.</td>
</tr>
<tr>
<td>1895</td>
<td>Massacre of 300,000 Armenian subjects by Ottoman Turks.</td>
</tr>
</tbody>
</table>

**TWENTIETH CENTURY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
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<tbody>
<tr>
<td>ca. 1900</td>
<td>Radical political organizations begin to form in Azerbaijan.</td>
</tr>
<tr>
<td>1908</td>
<td>Young Turks take over government of Ottoman Empire with reform agenda, supported by Armenian population.</td>
</tr>
<tr>
<td>1915</td>
<td>Young Turks massacre 600,000 to 2 million Armenians; most survivors leave eastern Anatolia.</td>
</tr>
<tr>
<td>1917</td>
<td>Armenia, Azerbaijan, and Georgia form independent Transcaucasian federation. Tsar Nicholas II abdicates Russian throne; Bolsheviks take power in Russia.</td>
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<tr>
<td>1918</td>
<td>Independent Armenian, Azerbaijani, and Georgian states emerge from defeat of Ottoman Empire in World War I.</td>
</tr>
<tr>
<td>1920</td>
<td>Red Army invades Azerbaijan and forces Armenia to accept communist-dominated government.</td>
</tr>
<tr>
<td>1921</td>
<td>Red Army invades Georgia and drives out Zhordania government.</td>
</tr>
<tr>
<td>1922</td>
<td>Transcaucasian Soviet Federated Socialist Republic combines Armenia, Azerbaijan, and Georgia as single republic within Soviet Union.</td>
</tr>
<tr>
<td>1936</td>
<td>Armenia, Azerbaijan, and Georgia become separate republics within Soviet Union.</td>
</tr>
<tr>
<td>1936–37</td>
<td>Purges under political commissar Lavrenti Beria reach their peak in Armenia, Azerbaijan, and Georgia.</td>
</tr>
<tr>
<td>1943</td>
<td>Autonomy restored to Georgian Orthodox Church.</td>
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<tr>
<td>1959</td>
<td>Nikita S. Khrushchev purges Azerbaijani Communist Party.</td>
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<tr>
<td>Period</td>
<td>Description</td>
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<tr>
<td>1969</td>
<td>Heydar Aliyev named head of Azerbaijani Communist Party.</td>
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<tr>
<td>ca. 1970</td>
<td>Zviad Gamsakhurdia begins organizing dissident Georgian nationalists.</td>
</tr>
<tr>
<td>1972</td>
<td>Eduard Shevardnadze named first secretary of Georgian Communist Party.</td>
</tr>
<tr>
<td>1974</td>
<td>Moscow installs regime of Karen Demirchian in Armenia to end party corruption; regime later removed for corruption.</td>
</tr>
<tr>
<td>1978</td>
<td>Mass demonstrations prevent Moscow from making Russian an official language of Georgia.</td>
</tr>
<tr>
<td>1985</td>
<td>Shevardnadze named minister of foreign affairs of Soviet Union and leaves post as first secretary of Georgian Communist Party.</td>
</tr>
<tr>
<td>Late 1980s</td>
<td>Mikhail S. Gorbachev initiates policies of glasnost and perestroika throughout Soviet Union.</td>
</tr>
<tr>
<td>1988</td>
<td>Armenian nationalist movement revived by Karabakh and corruption concerns.</td>
</tr>
<tr>
<td>February</td>
<td>Nagorno-Karabakh government votes to unify that autonomous region of Azerbaijan with Armenia.</td>
</tr>
<tr>
<td>December</td>
<td>Disastrous earthquake in northern Armenia heavily damages Leninakan (now Gyumri).</td>
</tr>
<tr>
<td>1989 April</td>
<td>Soviet troops kill Georgian civilian demonstrators in Tbilisi, radicalizing Georgian public opinion.</td>
</tr>
<tr>
<td>Spring</td>
<td>Mass demonstrations in Armenia achieve release of Karabakh Committee arrested by Soviets to quell nationalist movement.</td>
</tr>
<tr>
<td>September</td>
<td>Azerbaijan begins blockade of Armenian fuel and supply lines over Karabakh issue.</td>
</tr>
<tr>
<td>Fall</td>
<td>Azerbaijani opposition parties lead mass protests against Soviet rule; national sovereignty officially proclaimed.</td>
</tr>
<tr>
<td>November</td>
<td>Nagorno-Karabakh National Council declares unification of Nagorno-Karabakh with Armenia.</td>
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<tr>
<td>1990 January</td>
<td>Moscow sends troops to Azerbaijan, nominally to stem violence.</td>
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<td>Period</td>
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<tr>
<td>Spring</td>
<td>Levon Ter-Petrosian of Armenian Pannational Movement chosen chairman of Armenian Supreme Soviet.</td>
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<tr>
<td>October</td>
<td>In first multiparty election held in Georgia, Gamsakhurdia's oppositionist party crushes communists; Gamsakhurdia named president.</td>
</tr>
<tr>
<td>1991 January</td>
<td>Georgian forces invade South Ossetia in response to independence movement there; fighting continues all year; Soviet troops invade Azerbaijan, ostensibly to halt anti-Armenian pogroms.</td>
</tr>
<tr>
<td>April</td>
<td>After referendum approval, Georgian parliament declares Georgia independent of Soviet Union.</td>
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<tr>
<td>May</td>
<td>Gamsakhurdia becomes first president of Georgia, elected directly in multiparty election.</td>
</tr>
<tr>
<td>August</td>
<td>Attempted coup against Gorbachev in Moscow fails.</td>
</tr>
<tr>
<td>September</td>
<td>Armenian voters approve national independence.</td>
</tr>
<tr>
<td>October</td>
<td>Azerbaijani referendum declares Azerbaijan independent of Soviet Union; Ter-Petrosian elected president of Armenia.</td>
</tr>
<tr>
<td>December</td>
<td>Armenians in Nagorno-Karabakh declare independent state as fighting there continues; Soviet Union officially dissolved.</td>
</tr>
<tr>
<td>1992 January</td>
<td>Gamsakhurdia driven from Georgia into exile by opposition forces.</td>
</tr>
<tr>
<td>March</td>
<td>Shevardnadze returns to Tbilisi and forms new government.</td>
</tr>
<tr>
<td>Spring</td>
<td>Armenian forces occupy Lachin corridor linking Nagorno-Karabakh to Armenia.</td>
</tr>
<tr>
<td>June</td>
<td>Abulfaz Elchibey elected president of Azerbaijan and forms first postcommunist government there.</td>
</tr>
<tr>
<td>July</td>
<td>Cease-fire mediated by Russia's President Yeltsin in South Ossetia.</td>
</tr>
<tr>
<td>October</td>
<td>Parliamentary election held in Georgia; Shevardnadze receives overwhelming support.</td>
</tr>
<tr>
<td>Fall</td>
<td>Fighting begins between Abkhazian independence forces and Georgian forces; large-scale refugee displacement continues through next two years.</td>
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<tr>
<td>Period</td>
<td>Description</td>
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<tr>
<td>1993 June</td>
<td>Military coup deposes Elchibey in Azerbaijan; Aliyev returns to power.</td>
</tr>
<tr>
<td>Fall</td>
<td>Multilateral negotiations seek settlement of Karabakh conflict, without result; fighting, blockade, and international negotiation continue into 1994.</td>
</tr>
<tr>
<td>October</td>
<td>Shevardnadze responds to deterioration of Georgian military position by having Georgia join Commonwealth of Independent States, thus gaining Russian military support; Aliyev elected president of Azerbaijan.</td>
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</table>
THE THREE REPUBLICS of Transcaucasia—Armenia, Azerbaijan, and Georgia—were included in the Soviet Union in the early 1920s after their inhabitants had passed through long and varied periods as separate nations and as parts of neighboring empires, most recently the Russian Empire. By the time the Soviet Union dissolved at the end of 1991, the three republics had regained their independence, but their economic weakness and the turmoil surrounding them jeopardized that independence almost immediately. By 1994 Russia had regained substantial influence in the region by arbitrating disputes and by judiciously inserting peacekeeping troops. Geographically isolated, the three nations gained some Western economic support in the early 1990s, but in 1994 the leaders of all three asserted that national survival depended chiefly on diverting resources from military applications to restructuring economic and social institutions.

Location at the meeting point of southeastern Europe with the western border of Asia greatly influenced the histories of the three national groups forming the present-day Transcaucasian republics (see fig. 1; fig. 2). Especially between the twelfth and the twentieth centuries, their peoples were subject to invasion and control by the Ottoman, Persian, and Russian empires. But, with the formation of the twentieth-century states named for them, the Armenian, Azerbaijani, and Georgian peoples as a whole underwent different degrees of displacement and played quite different roles. For example, the Republic of Azerbaijan that emerged from the Soviet Union in 1991 contains only 5.8 million of the world’s estimated 19 million Azerbaijanis, with most of the balance living in Iran, across a southern border fixed by Persia and Russia in the nineteenth century. At the same time, slightly more than half the world’s 6.3 million Armenians are widely scattered outside the borders of the Republic of Armenia as a result of a centuries-long diaspora and step-by-step reduction of their national territory. In contrast, the great majority of the world’s Georgian population lives in the Republic of Georgia (together with ethnic minorities constituting about 30 percent of the republic’s population), after having experienced centuries of foreign domination but little forcible alteration of national boundaries.
Figure 1. Armenia, Azerbaijan, and Georgia: Geographic Setting, 1994

Figure 2. Armenia, Azerbaijan, and Georgia: Topography and Drainage
The starting points and the outside influences that formed the three cultures also were quite different. In pre-Christian times, Georgia's location along the Black Sea opened it to cultural influence from Greece. During the same period, Armenia was settled by tribes from southeastern Europe, and Azerbaijan was settled by Asiatic Medes, Persians, and Scythians. In Azerbaijan, Persian cultural influence dominated in the formative period of the first millennium B.C. In the early fourth century, kings of Armenia and Georgia accepted Christianity after extensive contact with the proselytizing early Christians at the eastern end of the Mediterranean. Following their conversion, Georgians remained tied by religion to the Roman Empire and later the Byzantine Empire centered at Constantinople. Although Armenian Christianity broke with Byzantine Orthodoxy very early, Byzantine occupation of Armenian territory enhanced the influence of Greek culture on Armenians in the Middle Ages.

In Azerbaijan, the Zoroastrian religion, a legacy of the early Persian influence there, was supplanted in the seventh century by the Muslim faith introduced by conquering Arabs. Conquest and occupation by the Turks added centuries of Turkic influence, which remains a primary element of secular Azerbaijani culture, notably in language and the arts. In the twentieth century, Islam remains the prevalent religion of Azerbaijan, with about three-quarters of the population adhering to the Shia (see Glossary) branch.

Golden ages of peace and independence enabled the three civilizations to individualize their forms of art and literature before 1300, and all have retained unique characteristics that arose during those eras. The Armenian, Azerbaijani, and Georgian languages also grew in different directions: Armenian developed from a combination of Indo-European and non-Indo-European language stock, with an alphabet based on the Greek; Azerbaijani, akin to Turkish and originating in Central Asia, now uses the Roman alphabet after periods of official usage of the Arabic and Cyrillic alphabets; and Georgian, unrelated to any major world language, uses a Greek-based alphabet quite different from the Armenian.

Beginning in the eighteenth century, the Russian Empire constantly probed the Caucasus region for possible expansion toward the Black Sea and the Caspian Sea. These efforts engaged Russia in a series of wars with the Persian and Ottoman empires, both of which by that time were decaying from
within. By 1828 Russia had annexed or had been awarded by treaty all of present-day Azerbaijan and Georgia and most of present-day Armenia. (At that time, much of the Armenian population remained across the border in the Ottoman Empire.)

Except for about two years of unstable independence following World War I, the Transcaucasus countries remained under Russian, and later Soviet, control until 1991. As part of the Soviet Union from 1922 to 1991, they underwent approximately the same degree of economic and political regimentation as the other constituent republics of the union (until 1936 the Transcaucasian Soviet Federated Socialist Republic included all three countries). The Sovietization process included intensive industrialization, collectivization of agriculture, and large-scale shifts of the rural work force to industrial centers, as well as expanded and standardized systems for education, health care, and social welfare. Although industries came under uniform state direction, private farms in the three republics, especially in Georgia, remained important agriculturally because of the inefficiency of collective farms.

The achievement of independence in 1991 left the three republics with inefficient and often crumbling remains of the Soviet-era state systems. In the years that followed, political, military, and financial chaos prevented reforms from being implemented in most areas. Land redistribution proceeded rapidly in Armenia and Georgia, although agricultural inputs often remained under state control. In contrast, in 1994 Azerbaijan still depended mainly on collective farms. Education and health institutions remained substantially the same centralized suppliers as they had in the Soviet era, but availability of educational and medical materials and personnel dropped sharply after 1991. The military conflict in Azerbaijan’s Nagorno-Karabakh Autonomous Region put enormous stress on the health and social welfare systems of combatants Armenia and Azerbaijan, and Azerbaijan’s blockade of Armenia, which began in 1989, caused acute shortages of all types of materials (see fig. 3).

The relationship of Russia to the former Soviet republics in the Transcaucasus caused increasing international concern in the transition years. The presence of Russian peacekeeping troops between Georgian and Abkhazian separatist forces remained an irritant to Georgian nationalists and an indication that Russia intended to intervene in that part of the world.
when opportunities arose. Russian nationalists saw such intervention as an opportunity to recapture nearby parts of the old Soviet empire. In the fall of 1994, in spite of strong nationalist resistance in each of the Transcaucasus countries, Russia was poised to improve its economic and military influence in Armenia and Azerbaijan, as it had in Georgia, if its mediation activities in Nagorno-Karabakh bore fruit.
The countries of Transcaucasia each inherited large state-owned enterprises specializing in products assigned by the Soviet system: military electronics and chemicals in Armenia, petroleum-based and textile industries in Azerbaijan, and chemicals, machine tools, and metallurgy in Georgia. As in most of the nations in the former Soviet sphere, redistribution and revitalization of such enterprises proved a formidable obstacle to economic growth and foreign investment in Armenia, Azerbaijan, and Georgia. Efforts at enterprise privatization were hindered by the stresses of prolonged military engagements, the staying power of underground economies that had defied control under communist and postcommunist governments, the lack of commercial expertise, and the lack of a legal infrastructure on which to base new business relationships. As a result, in 1994 the governments were left with oversized, inefficient, and often bankrupt heavy industries whose operation was vital to provide jobs and to revive the national economies. At the same time, small private enterprises were growing rapidly, especially in Armenia and Georgia.

In the early 1990s, the Caucasus took its place among the regions of the world having violent post-Cold War ethnic conflict. Several wars broke out in the region once Soviet authority ceased holding the lid on disagreements that had been fermenting for decades. (Joseph V. Stalin’s forcible relocation of ethnic groups after redrawing the region's political map was a chief source of the friction of the 1990s.) Thus, the three republics devoted critical resources to military campaigns in a period when the need for internal restructuring was paramount.

In Georgia, minority separatist movements—primarily on the part of the Ossetians and the Abkhaz, both given intermittent encouragement by the Soviet regime over the years—demanded fuller recognition in the new order of the early 1990s. Asserting its newly gained national prerogatives, Georgia responded with military attempts to restrain separatism forcibly. A year-long battle in South Ossetia, initiated by Zviad Gamsakhurdia, post-Soviet Georgia's ultranationalist first president, reached an uneasy peace in mid-1992. Early in 1992, however, the violent eviction of Gamsakhurdia from the presidency added another opponent of Georgian unity as the exiled Gamsakhurdia gathered his forces across the border.

In mid-1992 Georgian paramilitary troops entered the Abkhazian Autonomous Republic of Georgia, beginning a new
conflict that in 1993 threatened to break apart the country. When Georgian troops were driven from Abkhazia in September 1993, Georgia's President Eduard Shevardnadze was able to gain Russian military aid to prevent the collapse of the country. In mid-1994 an uneasy cease-fire was in force; Abkhazian forces controlled their entire region, but no negotiated settlement had been reached. Life in Georgia had stabilized, but no permanent answers had been found to ethnic claims and counter-claims.

For Armenia and Azerbaijan, the center of nationalist self-expression in this period was the Nagorno-Karabakh Autonomous Region of Azerbaijan. After the Armenian majority there declared unification with Armenia in 1988, ethnic conflict broke out in both republics, leaving many Armenians and Azerbaijani dead. For the next six years, battles raged between Armenian and Azerbaijani regular forces and between Armenian militias from Nagorno-Karabakh ("mountainous Karabakh" in Russian) and foreign mercenaries, killing thousands in and around Karabakh and causing massive refugee movements in both directions. Armenian military forces, better supplied and better organized, generally gained ground in the conflict, but the sides were evened as Armenia itself was devastated by six years of Azerbaijani blockades. In 1993 and early 1994, international mediation efforts were stymied by the intransigence of the two sides and by competition between Russia and the Conference on Security and Cooperation in Europe (CSCE—see Glossary) for the role of chief peace negotiator.

**Armenia**

Armenia, in the twentieth century the smallest of the three republics in size and population, has undergone the greatest change in the location of its indigenous population. After occupying eastern Anatolia (now eastern Turkey) for nearly 2,000 years, the Armenian population of the Ottoman Empire was extinguished or driven out by 1915, adding to a diaspora that had begun centuries earlier. After 1915 only the eastern population, in and around Erevan, remained in its original location. In the Soviet era, Armenians preserved their cultural traditions, both in Armenia and abroad. The Armenian people's strong sense of unity has been reinforced by periodic threats to their existence. When Armenia, Azerbaijan, and Georgia gained their independence in 1991, Armenia pos-
assessed the fewest natural and man-made resources upon which to build a new state. Fertile agricultural areas are relatively small, transportation is limited by the country's landlocked position and mountainous terrain (and, beginning in 1989, by the Azerbaijani blockade), and the material base for industry is not broad. A high percentage of cropland requires irrigation, and disorganized land privatization has delayed the benefits that should result from reducing state agricultural control. Although harvests were bountiful in 1993, gaps in support systems for transport and food processing prevented urban populations from benefiting.

The intensive industrialization of Armenia between the world wars was accomplished within the controlled barter system of the Soviet republics, not within a separate economic unit. The specialized industrial roles assigned Armenia in the Soviet system offered little of value to the world markets from which the republic had been protected until 1991. Since 1991 Armenia has sought to reorient its Soviet-era scientific-research, military electronics, and chemicals infrastructures to satisfy new demands, and international financial assistance has been forthcoming. In the meantime, basic items of Armenian manufacture, such as textiles, shoes, and carpets, have remained exportable. However, the extreme paucity of energy sources—little coal, natural gas, or petroleum is extracted in Armenia—always has been a severe limitation to industry. And about 30 percent of the existing industrial infrastructure was lost in the earthquake of 1988. Desperate crises arose throughout society when Azerbaijan strangled energy imports that had provided over 90 percent of Armenia's energy. Every winter of the early 1990s brought more difficult conditions, especially for urban Armenians.

In the early 1990s, the Armenian economy was also stressed by direct support of Karabakh self-determination. Karabakh received massive shipments of food and other materials through the Lachin corridor that Karabakh Armenian forces had opened across southwestern Azerbaijan. Although Karabakh sent electricity to Armenia in return, the balance of trade was over two to one in favor of Karabakh, and Armenian credits covered most of Karabakh's budget deficits. Meanwhile, Armenia remained a command rather than a free-market economy to ensure that the military received adequate economic support.
In addition to the Karabakh conflict, wage, price, and social welfare conditions have caused substantial social unrest since independence. The dram (for value of the dram—see Glossary), the national currency introduced in 1992, underwent almost immediate devaluation as the national banking system tried to stabilize international exchange rates. Accordingly, in 1993 prices rose to an average of 130 percent of wages, which the government indexed through that year. The scarcity of many commodities, caused by the blockade, also pushed prices higher. In the first post-Soviet years, and especially in 1993, plant closings and the energy crisis caused unemployment to more than double. At the same time, the standard of living of the average Armenian deteriorated; by 1993 an estimated 90 percent of the population was living below the official poverty line.

Armenia's first steps toward democracy were uneven. Upon declaring independence, Armenia adapted the political system, set forth in its Soviet-style 1978 constitution, to the short-term requirements of governance. The chief executive would be the chairman of Armenia's Supreme Soviet, which was the chief legislative body of the new republic—but in independent Armenia the legislature and the executive branch would no longer merely rubber-stamp policy decisions handed down from Moscow.

The inherited Soviet system was used in the expectation that a new constitution would prescribe Western-style institutions in the near future. However, between 1992 and 1994 consensus was not reached between factions backing a strong executive and those backing a strong legislature.

At the center of the dispute over the constitution was Levon Ter-Petrosian, president (through late 1994) of post-Soviet Armenia. Beginning in 1991, Ter-Petrosian responded to the twin threats of political chaos and military defeat at the hands of Azerbaijan by accumulating extraordinary executive powers. His chief opposition, a faction that was radically nationalist but held few seats in the fragmented Supreme Soviet, sought to build coalitions to cut the president's power, then to finalize such a move in a constitution calling for a strong legislature. As they had on other legislation, however, the chaotic deliberations of parliament yielded no decision. Ter-Petrosian was able to continue his pragmatic approach to domestic policy, privatizing the economy whenever possible, and to continue his moderate, sometimes conciliatory, tone on the Karabakh issue.
Beginning in 1991, Armenia’s foreign policy also was dictated by the Karabakh conflict. After independence, Russian troops continued serving as border guards and in other capacities that Armenia's new national army could not fill. Armenia, a charter member of the Russian-sponsored Commonwealth of Independent States (CIS—see Glossary), forged security agreements with CIS member states and took an active part in the organization. After 1991 Russia remained Armenia's foremost trading partner, supplying the country with fuel. As the Karabakh conflict evolved, Armenia took a more favorable position toward Russian leadership of peace negotiations than did Azerbaijan.

The dissolution of the Soviet Union made possible closer relations with Armenia's traditional enemy Turkey, whose membership in the North Atlantic Treaty Organization (NATO—see Glossary) had put it on the opposite side in the Cold War. In the Karabakh conflict, Turkey sided with Islamic Azerbaijan, blocking pipeline deliveries to Armenia through its territory. Most important, Turkey withheld acknowledgment of the 1915 massacre, without which no Armenian government could permit a rapprochement. Nevertheless, tentative contacts continued throughout the early 1990s.

In spite of pressure from nationalist factions, the Ter-Petrosian government held that Armenia should not unilaterally annex Karabakh and that the citizens of Karabakh had a right to self-determination (presumably meaning either independence or union with Armenia). Although Ter-Petrosian maintained contact with Azerbaijan's President Heydar Aliyev, and Armenia officially accepted the terms of several peace proposals, recriminations for the failure of peace talks flew from both sides in 1993.

The United States and the countries of the European Union (EU) have aided independent Armenia in several ways, although the West has criticized Armenian incursions into Azerbaijani territory. Humanitarian aid, most of it from the United States, played a large role between 1991 and 1994 in Armenia's survival through the winters of the blockade. Armenia successively pursued aid from the European Bank for Reconstruction and Development, the International Monetary Fund (IMF—see Glossary), and the World Bank (see Glossary). Two categories of assistance, humanitarian and technical, were offered through those lenders. Included was aid for recovery from the 1988 earthquake, whose destructive effects were still
being felt in Armenia's industry and transportation infrastructure as of late 1994.

After the Soviet Union collapsed, Armenia's national security continued to depend heavily on the Russian military. The officer corps of the new national army created in 1992 included many Armenian former officers of the Soviet army, and Russian institutes trained new Armenian officers. Two Russian divisions were transferred to Armenian control, but another division remained under full Russian control on Armenian soil.

Internal security was problematic in the transitional years. The Ministry of Internal Affairs, responsible for internal security agencies, remained outside regular government control, as it had been in the Soviet period. This arrangement led to corruption, abuses of power, and public cynicism, a state of affairs that was especially serious because the main internal security agency acted as the nation's regular police force. The distraction of the Karabakh crisis combined with security lapses to stimulate a rapid rise in crime in the early 1990s. The political situation was also complicated by charges of abuse of power exchanged by high government officials in relation to security problems.

By the spring of 1994, Armenians had survived a fourth winter of acute shortages, and Armenian forces in Karabakh had survived the large-scale winter offensive that Azerbaijan launched in December 1993. In May 1994, a flurry of diplomatic activity by Russia and the CIS, stimulated by the new round of fighting, produced a cease-fire that held, with some violations, through the summer. A lasting treaty was delayed, however, by persistent disagreement over the nationality of peacekeeping forces that would occupy Azerbaijan. Azerbaijan resisted the return of Russian troops to its territory, while the Russian plan called for at least half the forces to be Russian. On both diplomatic and economic fronts, new signs of stability caused guarded optimism in Armenia in the fall of 1994.

The failure of the CSCE peace plan, which Azerbaijan supported, had caused that country to mount an all-out, human-wave offensive in December 1993 and January 1994, which initially pushed back Armenian defensive lines in Karabakh and regained some lost territory. When the offensive stalled in February, Russia's minister of defense, Pavel Grachev, negotiated a cease-fire, which enabled Russia to supplant the CSCE as the primary peace negotiator. Intensive Russian-sponsored talks
continued through the spring, although Azerbaijan mounted air strikes on Karabakh as late as April. In May 1994, Armenia, Azerbaijan, and Nagorno-Karabakh signed the CIS-sponsored Bishkek Protocol, calling for a cease-fire and the beginning of troop withdrawals. In July the defense ministers of the three jurisdictions officially extended the cease-fire, signaling that all parties were moving toward some combination of the Russian and the CSCE peace plans. In September the exchange of Armenian and Azerbaijani prisoners of war began.

Under these conditions, Russia was able to intensify its three-way diplomatic gambit in the Transcaucasus, steadily erasing Armenians' memory of airborne Soviet forces landing unannounced as a show of strength in 1991. In the first half of 1994, Armenia moved closer to Russia on several fronts. In February treaty established bilateral barter of vital resources. In March Russia agreed to joint operation of the Armenian Atomic Power Station at Metsamor, whose scheduled 1995 reopening is a vital element in easing the country's energy crisis. Also in March, Armenia replaced its mission in Moscow with a full embassy. In June the Armenian parliament approved the addition of airborne troops to the Russian garrison at Gyumri near the Turkish border. Then in July, Russia extended 100 billion rubles (about US$35 million at that time) for reactivation of the Metsamor station, and Armenia signed a US$250 million contract with Russia for Armenia to process precious metals and gems supplied by Russia. In addition, Armenia consistently favored the Russian peace plan for Nagorno-Karabakh, in opposition to Azerbaijan's insistence on reviving the CSCE plan that prescribed international monitors rather than combat troops (most of whom would be Russian) on Azerbaijani soil.

Armenia was active on other diplomatic fronts as well in 1994. President Ter-Petrosian made official visits to Britain's Prime Minister John Major in February (preceding Azerbaijan's Heydar Aliyev by a few weeks when the outcome of the last large-scale campaign in the Karabakh conflict remained in doubt) and to President William J. Clinton in the United States in August. Clinton promised more active United States support for peace negotiations, and an exchange of military attachés was set. While in Washington, Ter-Petrosian expressed interest in joining the NATO Partnership for Peace, in which Azerbaijan had gained membership three months earlier.
Relations with Turkey remained cool, however. In 1994 Turkey continued its blockade of Armenia in support of Azerbaijan and accused Armenia of fostering rebel activity by Kurdish groups in eastern Turkey; it reiterated its denial of responsibility for the 1915 massacre of Armenians in the Ottoman Empire. In June these policies prompted Armenia to approve the security agreement with Russia that stationed Russian airborne troops in Armenia near the Turkish border. In July Armenia firmly refused Turkey's offer to send peacekeeping forces to Nagorno-Karabakh. Thus, Armenia became an important player in the continuing contest between Russia and Turkey for influence in the Black Sea and Caucasus regions. Armenians considered the official commemoration by Israel and Russia of the 1915 Armenian massacre a significant advancement in the country's international position.

Early in 1994, Armenia's relations with Georgia worsened after Azerbaijani terrorists in Georgia again sabotaged the natural gas pipeline supplying Armenia through Georgia. Delayed rail delivery to Armenia of goods arriving in Georgian ports also caused friction. Underlying these stresses were Georgia's unreliable transport system and its failure to prevent violent acts on Georgian territory. Pipeline and railroad sabotage incidents continued through mid-1994.

The domestic political front remained heated in 1994. As the parliamentary elections of 1995 approached, Ter-Petrosian's centrist Armenian Pannational Movement (APM), which dominated political life after 1991, had lost ground to the right and the left because Armenians were losing patience with economic hardship. Opposition newspapers and citizens' groups, which Ter-Petrosian refused to outlaw, continued their accusations of official corruption and their calls for the resignation of the Ter-Petrosian government early in the year. Then, in mid-1994 the opposition accelerated its activity by mounting antigovernment street demonstrations of up to 50,000 protesters.

In the protracted struggle over a new constitution, the opposition intensified rhetoric supporting a document built around a strong legislature rather than the strong-executive version supported by Ter-Petrosian. By the fall of 1994, little progress had been made even on the method of deciding this critical issue. While opposition parties called for a constitutional assembly, the president offered to hold a national referendum, following which he would resign if defeated.
Economic conditions were also a primary issue for the opposition. The value of the dram, pegged at 14.5 to the United States dollar when it was established in November 1993, had plummeted to 390 to the dollar by May 1994. In September a major overhaul of Armenia's financial system was under way, aimed at establishing official interest rates and a national credit system, controlling inflation, opening a securities market, regulating currency exchange, and licensing lending institutions. In the overall plan, the Central Bank of Armenia and the Erevan Stock Exchange assumed central roles in redirecting the flow of resources toward production of consumer goods. And government budgeting began diverting funds from military to civilian production support, a step advertised as the beginning of the transition from a command to a market economy. This process included the resumption of privatization of state enterprises, which had ceased in mid-1992, including full privatization of small businesses and cautious partial privatization of larger ones. In mid-1994 the value of the dram stabilized, and industrial production increased somewhat. As another winter approached, however, the amount of goods and food available to the average consumer remained at or below subsistence level, and social unrest threatened to increase.

In September Armenia negotiated terms for the resumption of natural gas deliveries from its chief supplier, Turkmenistan, which had threatened a complete cutoff because of outstanding debts. Under the current agreement, all purchases of Turkmen gas were destined for electric power generation in Armenia. Also in September, the IMF offered favorable interest rates on a loan of US$800 million if Armenia raised consumer taxes and removed controls on bread prices. Armenian officials resisted those conditions because they would further erode living conditions.

Thus in mid-1994 Armenia, blessed with strong leadership and support from abroad but cursed with a poor geopolitical position and few natural resources, was desperate for peace after the Karabakh Armenians had virtually won their war for self-determination. With many elements of post-Soviet economic reform in place, a steady flow of assistance from the West, and an end to the Karabakh conflict in sight, Armenia looked forward to a new era of development.

Azerbaijan

Azerbaijan, the easternmost and largest of the Transcauca-
sus states in size and in population, has the richest combination of agricultural and industrial resources of the three states. But Azerbaijan’s quest for reform has been hindered by the limited contact it had with Western institutions and cultures before the Soviet era began in 1922.

Although Azerbaijan normally is included in the three-part grouping of the Transcaucasus countries (and was so defined politically between 1922 and 1936), it has more in common culturally with the Central Asian republics east of the Caspian Sea than with Armenia and Georgia. The common link with the latter states is the Caucasus mountain range, which defines the topography of the northern and western parts of Azerbaijan. A unique aspect of Azerbaijan’s political geography is the enclave of the Nakhichevan Autonomous Republic, created by the Soviet Union in 1924 in the area between Armenia and Iran and separated from the rest of Azerbaijan by Armenian territory. In 1924 the Soviet Union also created the Nagorno-Karabakh Autonomous Region within Azerbaijan, an enclave whose population was about 94 percent Armenian at that time and remained about 75 percent Armenian in the late 1980s.

Beginning in the last years of the Soviet Union and extending into the 1990s, the drive for independence by Nagorno-Karabakh’s Armenian majority was an issue of conflict between Armenia, which insisted on self-determination for its fellow Armenians, and Azerbaijan, which cited historical acceptance of its sovereignty whatever the region’s ethnic composition. By 1991 the independence struggle was an issue of de facto war between Azerbaijan and the Karabakh Armenians, who by 1993 controlled all of Karabakh and much of adjoining Azerbaijan.

The population of Azerbaijan, already 83 percent Azerbaijani before independence, became even more homogeneous as members of the two principal minorities, Armenians and Russians, emigrated in the early 1990s and as thousands of Azerbaijanis immigrated from neighboring Armenia. The heavily urbanized population of Azerbaijan is concentrated around the cities of Baku, Gyandzha, and Sumgait.

Like the other former Soviet republics, Azerbaijan began in 1991 to seek the right combination of indigenous and “borrowed” qualities to replace the awkwardly imposed economic and political imprint of the Soviet era. And, like Armenia and Georgia, Azerbaijan faced the complications of internal political disruption and military crisis in the first years of this process.
For more than 100 years, Azerbaijan's economy has been dominated by petroleum extraction and processing. In the Soviet system, Azerbaijan's delegated role had evolved from supplying crude oil to supplying oil-extraction equipment, as Siberian oil fields came to dominate the Soviet market and as Caspian oil fields were allowed to deteriorate. Although exploited oil deposits were greatly depleted in the Soviet period, the economy still depends heavily on industries linked to oil. The country also depends heavily on trade with Russia and other former Soviet republics. Azerbaijan's overall industrial production dropped in the early 1990s, although not as drastically as that of Armenia and Georgia. The end of Soviet-supported trade connections and the closing of inefficient factories caused unemployment to rise and industrial productivity to fall an estimated 26 percent in 1992; acute inflation caused a major economic crisis in 1993.

Azerbaijan did not restructure its agriculture as quickly as did Armenia and Georgia; inefficient Soviet methods continued to hamper production, and the role of private initiative remained small. Agriculture in Azerbaijan also was hampered by the conflict in Nagorno-Karabakh, which was an important source of fruits, grain, grapes, and livestock. As much as 70 percent of Azerbaijan's arable land was occupied by military forces at some stage of the conflict.

In spite of these setbacks, Azerbaijan's economy remains the healthiest among the three republics, largely because unexploited oil and natural gas deposits are plentiful (although output declined in the early 1990s) and because ample electric-power generating plants are in operation. Azerbaijan has been able to attract Western investment in its oil industry in the post-Soviet years, although Russia remains a key oil customer and investor. In 1993 the former Soviet republics remained Azerbaijan's most important trading partners, and state bureaucracies still controlled most foreign trade. Political instability in Baku, however, continued to discourage Turkey, a natural trading partner, from expanding commercial relations.

The political situation of Azerbaijan was extremely volatile in the first years of independence. With performance in Nagorno-Karabakh rather than achievement of economic and political reform as their chief criterion, Azerbaijanis deposed presidents in 1992 and 1993, then returned former communist party boss Heydar Aliyev to power. In 1992, in the country's first and only free election, the people had chosen Abulfaz
Elchibey, leader of the Azerbaijani Popular Front (APF), as president. Meanwhile, the Azerbaijani Communist Party, formally disbanded in 1991, retained positions of political and economic power and was key in the coup that returned Aliyev to power in June 1993. Former communists dominated policy making in the government Aliyev formed after his rubber-stamp election as president the following October. However, the APF remained a formidable opposition force, especially critical of any sign of weakness on the Nagorno-Karabakh issue.

During the transition period, the only national legislative body was the Melli-Majlis (National Council), a fifty-member interim assembly that came under the domination of former communists and, by virtue of postponing parliamentary elections indefinitely, continued to retain its power in late 1994. Aliyev promised a new constitution and democratic rule, but he prolonged his dictatorial powers on the pretext of the continuing military emergency. Work on a new constitution was begun in 1992, but the Nagorno-Karabakh conflict and political turmoil delayed its completion; meanwhile, elements of the 1978 constitution (based on the 1977 constitution of the Soviet Union) remain the highest law of the land, supplemented only by provisions of the 1991 Act of Independence.

Azerbaijan's post-Soviet foreign policy attempted to balance the interests of three stronger, often mutually hostile, neighbors—Iran, Russia, and Turkey—while using those nations' interests in regional peace to help resolve the Karabakh conflict. The Elchibey regime of 1992–93 leaned toward Turkey, which it saw as the best mediator in Karabakh. Armenia took advantage of this strategy, however, to form closer ties with Russia, whose economic assistance it needed desperately. Beginning in 1993, Aliyev sought to rekindle relations with Russia and Iran, believing that Russia could negotiate a positive settlement in Karabakh. Relations with Turkey were carefully maintained, however.

Beginning in 1991, Azerbaijan's external national security was breached by the incursion of the Armenian separatist forces of Karabakh militias and reinforcements from Armenia. Azerbaijan's main strategy in this early period was to blockade landlocked Armenia's supply lines and to rely for national defense on the Russian 4th Army, which remained in Azerbaijan in 1991. Clashes between Russian troops and Azerbaijani civilians in 1991 and the collapse of the Soviet Union, however,
led Russia to a rapid commitment for withdrawal of troops and equipment, which was completed in mid-1993.

Under those circumstances, a new, limited national armed force was planned in 1992, and, as had been done in Armenia, the government appealed to Azerbaijani veterans of the Soviet army to defend their homeland. But the force took shape slowly, and outside assistance—mercenaries and foreign training officers—were summoned to stem the Armenian advance that threatened all of southern Azerbaijan. In 1993 continued military failures brought reports of mass desertion and subsequent large-scale recruitment of teenage boys, as well as wholesale changes in the national defense establishment.

In the early 1990s, the domestic and international confusion bred by the Karabakh conflict increased customs violations, white-collar crime, and threats to the populace by criminal bands. The role of Azerbaijani in the international drug market expanded noticeably. In 1993 the Aliyev government responded to these problems with a major reform of the Ministry of Internal Affairs, which had been plagued by corruption and incompetence, but experts agreed that positive results required a more stable overall atmosphere.

In December 1993, Azerbaijan launched a major surprise attack on all fronts in Karabakh, using newly drafted personnel in wave attacks, with air support. The attack initially overwhelmed Armenian positions in the north and south but ultimately was unsuccessful. An estimated 8,000 Azerbaijani troops died in the two-month campaign, which Armenian authorities described as Azerbaijan's best-planned offensive of the conflict.

When the winter offensive failed, Aliyev began using diplomatic channels to seek peace terms acceptable to his constituents, involving Russia as little as possible. Already in March, the chairman of the Azerbaijani parliament had initiated a private meeting with his opposite number from Armenia, an event hailed in the Azerbaijani press as a major Azerbaijani peace initiative. Official visits by Aliyev to Ankara and London early in 1994 yielded little additional support for Azerbaijan's position. (Turkey remained suspicious of Aliyev's communist background.)

At this point, Azerbaijan reasserted its support for the CSCE peace plan, which would use international monitors rather than military forces to enforce the cease-fire in Karabakh. Perhaps with the goal of avoiding further military losses, Aliyev approved in May the provisional cease-fire conditions of the
Bishkek Protocol, sponsored by the CIS. That agreement, which softened Azerbaijan's position on recognizing the sovereignty of Nagorno-Karabakh, was subsequently the basis for terms of a true armistice.

Azerbaijan's official position on armistice conditions remained unchanged, however, during the negotiations of the summer and fall of 1994, in the face of Armenia's insistence that only an armed peacekeeping force (inevitably Russian) could prevent new outbreaks of fighting. During that period, sporadic Azerbaijani attacks tended to confirm Armenia's judgment. At the same time, Aliyev urged that his countrymen take a more conciliatory position toward Russia. Aliyev argued that the Soviet Union, not Russia, had sent the troops who had killed Azerbaijanis when they arrived to keep peace with Armenia in 1990 and that Azerbaijan could profit from exploiting rather than rejecting the remaining ties between the two countries.

In May Aliyev signed the NATO Partnership for Peace agreement, giving Azerbaijan the associate status that NATO had offered to East European nations and the former republics of the Soviet Union in late 1993. The same month, Aliyev received a mid-level United States delegation charged with discussing diplomatic support for the Nagorno-Karabakh peace process, Caspian Sea oil exploration by United States firms, and bilateral trade agreements.

In July Aliyev extended his diplomacy to the Muslim world, visiting Saudi Arabia and Iran in an effort to balance his diplomatic contacts with the West. Iran was especially important because of its proximity to Karabakh and its interest in ending the conflict on its border. Iran responded to offers of economic cooperation by insisting that any agreement must await a peace treaty between Azerbaijan and Armenia.

In the fall of 1994, a seventeen-point peace agreement was drafted, but major issues remained unresolved. Azerbaijani concerns centered on withdrawal of Armenian forces from Azerbaijani territory and conditions that would permit Azerbaijani refugees to return home. (An estimated 1 million Azerbaijani had fled to other parts of Azerbaijan or Iran from occupied territory.) The top priorities for Armenia were ensuring security for Armenians in Karabakh and defining the status of the region prior to the withdrawal of forces.

A second result of the failed winter offensive of 1993–94 was a new crackdown by the Aliyev government on dissident activ-
ity. Early in 1994, censors in the Main Administration for Protecting State Secrets in the Press sharply increased censorship of material criticizing the regime, and the government cut the supply of paper and printing plates to opposition newspapers. In May a confrontation between Aliyev loyalists and opponents in the Melli-Majlis resulted in arrests of opposition leaders and reduction in the number of members required for a quorum to pass presidential proposals.

The issue behind the May dispute was Aliyev's handling of the Karabakh peace process. A variety of opposition parties and organizations claimed that the Bishkek Protocol had betrayed Azerbaijan by recognizing the sovereignty of Nagorno-Karabakh. A new coalition, the National Resistance Movement, was formed immediately after the May confrontation in the Melli-Majlis. The movement's two principles were opposition to re-introduction of Russian forces in Azerbaijan and opposition to Aliyev's "dictatorship." By the end of the summer, however, the movement had drawn closer to Aliyev's position on the first point, and the announcement of long-delayed parliamentary elections to be held in the summer of 1995 aimed to defuse charges of dictatorship. Draft election legislation called for replacing the "temporary" Melli-Majlis with a 150-seat legislature in 1995.

In October 1994, a military coup, supported by Prime Minister Suret Huseynov, failed to topple Aliyev. Aliyev responded by declaring a two-month state of emergency, banning demonstrations, and taking military control of key positions. Huseynov, who had signed the Bishkek Protocol as Azerbaijan's representative, was dismissed.

Price and wage levels continued to reduce the standard of living in Azerbaijan in 1994. Between mid-1993 and mid-1994, prices increased by an average of about sixteen times; from November 1993 to July 1994, the state-established minimum wage more than doubled. To speed conversion to a market economy, the ministries of finance and economics submitted plans in July to combine state-run enterprises in forms more suitable for privatization. Land privatization has proceeded cautiously because of strong political support for maintaining the Soviet-era state-farm system. In mid-1994 about 1 percent of arable land was in private hands, the bureaucratic process for obtaining private land remained long and cumbersome, and state allocation of equipment to private farmers was meag.
Meanwhile, in 1994 currency-exchange activity increased dramatically in Azerbaijani banks, bringing more foreign currency into the country. The ruble remained the most widely used foreign unit in 1994. In June, at the insistence of the IMF and the World Bank, the National Bank of Azerbaijan stopped issuing credit that lacked monetary backing, a practice that had fueled inflation and destabilized the economy.

The main hope for Azerbaijan's economic recovery lies in reviving exploitation of offshore oil deposits in the Caspian Sea. By 1993 these deposits had attracted strong interest among British, Norwegian, Russian, Turkish, and United States firms. Within a consortium of such firms, Russia would likely have a 10 percent share and provide the pipeline and the main port (Novorossiysk on the Black Sea) for export of Azerbaijan's oil. An agreement signed in September 1994 included United States, British, Turkish, Russian, and Azerbaijani oil companies.

In the early 1990s, the development of Azerbaijan's foreign trade was skewed by the refusal of eighteen nations, including the United States, Canada, Israel, India, and the Republic of Korea (South Korea), to import products from Azerbaijan as long as the blockade of Armenia continued. At the same time, many of those countries sold significant amounts of goods in Azerbaijan. Overall, in the first half of 1994 one-third of Azerbaijan's imports came from the "far abroad" (all non-CIS trading partners), and 46 percent of its exports went outside the CIS. In that period, total imports exceeded total exports by US$140 million. At the same time, the strongest long-term commercial ties within the CIS were with Kazakhstan, Russia, Turkmenistan, and Ukraine.

Like Armenia, Azerbaijan was able to improve internal conditions only marginally while awaiting the relief of a final peace settlement in Karabakh. Unlike either of its Transcaucasus neighbors, however, Azerbaijan had the prospect of major large-scale Western investment once investment conditions improved. Combined with potential oil earnings, diplomatic approaches by President Aliyev in 1994 to a number of foreign countries, including all of Azerbaijan's neighbors, seemed to offer it a much-improved postwar international position. A great deal depended, however, on the smooth surrender of wartime emergency powers by the Aliyev government and on accelerating the stalled development of a market economy.
Georgia

Georgia possesses the advantages of a subtropical Black Sea coastline and a rich mixture of Western and Eastern cultural elements. A combination of topographical and national idiosyncracies has preserved that cultural blend, whose chief impetus was the Georgian golden age of the twelfth and early thirteenth centuries, during long periods of occupation by foreign empires. Perhaps the most vivid result of this cultural independence is the Georgian language, unrelated to any other major tongue and largely unaffected by the languages of conquering peoples—at least until the massive influx of technical loanwords at the end of the twentieth century.

Since independence, Georgia has had difficulty establishing solid political institutions. This difficulty has been caused by the distractions of continuing military crises and by the chronic indecision of policy makers about the country's proper long-term goals and the strategy to reach them. Also, like the other Transcaucasus states, Georgia lacks experience with the democratic institutions that are now its political ideal; rubber-stamp passage of Moscow's agenda is quite different from creation of a legislative program useful to an emerging nation.

As in Azerbaijan, Georgia's most pressing problem has been ethnic separatism within the country's borders. Despite Georgia's modest size, throughout history all manifestations of a Georgian nation have included ethnic minorities that have conflicted with, or simply ignored, central power. Even in the golden age, when a central ruling power commanded the most widespread loyalty, King David the Builder was called "King of the Abkhaz, the Kartvelians, the Ran, the Kakhetians, and the Armenians." In the twentieth century, arbitrary rearrangement of ethnic boundaries by the Soviet regime resulted in the sharpening of various nationalist claims after Soviet power finally disappeared. Thus, in 1991 the South Ossetians of Georgia demanded union with the Ossetians across the Russian border, and in 1992 the Abkhaz of Georgia demanded recognition as an independent nation, despite their minority status in the region of Georgia they inhabited.

As in Armenia and Azerbaijan, influential, intensely nationalist factions pushed hard for unqualified military success in the struggle for separatist territory. And, as in the other Transcaucasus nations, those factions were frustrated by military and geopolitical reality: in Georgia's case, an ineffective Georgian
army required assistance from Russia, the imperialist neighbor against whom nationalists had sharpened their teeth only three years earlier, to save the nation from fragmentation. At the end of 1993, Russia seemingly had settled into a long-term role of peacekeeping and occupation between Georgian and Abkhazian forces.

The most unsettling internal crisis was the failed presidency of Zviad Gamsakhurdia, once a respected human rights advocate and the undisputed leader of Georgia's nationalist opposition as the collapse of the Soviet Union became imminent. In 1991 Gamsakhurdia's dictatorial and paranoid regime, followed by the bloody process of unseating him, gave Georgia a lasting reputation for instability that damaged prospects for foreign investment and for participation in international organizations.

The failure of the one-year Gamsakhurdia regime necessitated a new political beginning that coincided with the establishment of Eduard Shevardnadze as head of state in early 1992. Easily the most popular politician in Georgia and facing chronically fragmented opposition in parliament, Shevardnadze acquired substantial "temporary" executive powers as he maneuvered to maintain national unity. At the same time, his hesitation to imitate Gamsakhurdia's grab for power often left a vacuum that was filled by quarreling splinter parties with widely varied agendas. Shevardnadze preserved parts of his reform program by forming temporary coalitions that dissolved when a contentious issue appeared. Despite numerous calls for his resignation, and despite rampant government corruption and frequent shifts in his cabinet between 1992 and 1994, there were no other serious contenders for Shevardnadze's position as of late 1994.

Shevardnadze also used familiarity with the world of diplomacy to reestablish international contacts, gain sympathy for Georgia's struggle to remain unified, and seek economic ties wherever they might be available. Unlike Armenia and Azerbaijan, Georgia did not arouse particular loyalty or hostility among any group of nations. In the first years of independence, Shevardnadze made special overtures to Russia, Turkey, and the United States and attempted to balance Georgia's approach to Armenia and Azerbaijan, its feuding neighbors in the Transcaucasus.

The collapse of the Soviet Union changed Georgia's economic position significantly, although industrial production
already was declining in the last Soviet years. In the Soviet system, Georgia's assignment was mainly to supply the union with agricultural products, metal products, and the foreign currency collected by Georgian tourist attractions. This specialization made Georgia dependent on other Soviet republics for a wide range of products that were unavailable after 1991. Neither diversification nor meaningful privatization was possible, however, under the constant upheaval and energy shortages of the early 1990s. In addition, powerful organized criminal groups gained control of large segments of the national economy, including the export trade.

After the January 1992 fall of Gamsakhurdia's xenophobic regime, the maintenance of internal peace and unity was a critical national security issue. Although some progress was made in establishing a national armed force in 1994, paramilitary organizations—the Mkhedrioni (horsemen) and the National Guard—remained influential military forces in the fall of 1994. The small size and the poor organization of those groups had forced the request for Russian troop assistance in late 1993, which in turn renewed the national security dilemma of occupation by foreign troops. Meanwhile, civilian internal security forces, of which Shevardnadze took personal control in 1993, gained only partial victories over the crime wave that accompanied Georgia's post-Soviet upheavals. A series of reorganizations in security agencies failed to improve the protection of individuals against random crime or of the economic system against organized groups.

Through most of 1994, the Abkhazian conflict was more diplomatic than military. In spite of periodic hostilities, the uneasy truce line held along the Inguri River in far northwestern Georgia (in the campaign of October 1993, Georgian forces had been pushed out of all of Abkhazia except the far northern corner). The role of the 3,000 Russian peacekeepers on the border, and their relationship with United Nations (UN) observers, was recognized by a resolution of the UN Security Council in July. Throughout that period, the issue of the return of as many as 300,000 Georgian refugees to Abkhazia was the main sticking point of negotiations. The Abkhaz saw the influx of so many Georgians as a danger to their sovereignty, which Georgia did not recognize, and the refugees' plight as a bargaining chip to induce further Georgian withdrawal. No settlement was likely before the refugee issue was
resolved. Meanwhile, supporting the refugees placed additional stress on Georgian society.

A legal basis for the presence of Russian troops in Georgia had been established in a status-of-forces treaty between the two nations in January 1994. The treaty prescribed the authority and operating conditions of the Group of Russian Troops in the Caucasus (GRTC), which was characterized as on Georgian territory for a "transitional period." In the summer of 1994, high-level bilateral talks covered Georgian-Russian military cooperation and further integration of CIS forces.

The Georgian economy continued to struggle in 1994, showing only isolated signs of progress. At the beginning of the year, state monopolies were reaffirmed in vital industries such as tea and food processing and electric power. By May, however, after prodding from the IMF, Shevardnadze began issuing decrees that eased privatization conditions. This policy spurred a noticeable acceleration of privatization in the summer of 1994. When the new stimulus began, about 23 percent of state enterprises had been privatized, and only thirty-nine joint-stock companies had formed out of the more than 900 large firms designated for that type of conversion. A voucher system for collecting private investment funds, delayed by a shortage of hard currency, finally began operating. But the state economic bureaucracy, entrenched since the Soviet era, was able to slow the privatization process when dispersal of economic power threatened its privileged position in 1994.

Between mid-1993 and mid-1994, prices rose by an average of 300 percent, and inflation severely eroded the government-guaranteed minimum wage. (In August the minimum wage, which was stipulated in coupons [for value of the coupon—see Glossary], equaled US$0.33 per month.) Often wages were withheld for months because of the currency shortage. In September the government raised price standards sharply for basic food items, transportation, fuel, and services. Lump-sum payments to all citizens, designed to offset this cost, failed to reach many, prompting new calls for Shevardnadze's resignation. Under those conditions, most Georgians were supported by a vast network of unofficial economic activities.

In mid-1994 unemployment was estimated unofficially at 1.5 million people, nearly 50 percent of Georgia's working-age population. The exchange rate of the Georgian coupon stabilized in early 1994 after many months of high inflation, but by that time the coupon had been virtually displaced in private
transactions by the ruble and the dollar. The national financial system remained chaotic—especially in tax collection, customs, and import-export operations. The first major state bank was privatized in the summer of 1994. In August parliament approved a major reform program for social welfare, pricing, and the financial system.

In July 1994, a Georgian-Russian conference on economic cooperation discussed transnational corporations and concluded some contracts for joint economic activities, but most Russian investors demanded stronger legal guarantees for their risks. Numerous Western firms established small joint ventures in 1994, but the most critical investment project under discussion sought to exploit the substantial oil deposits that had been located by recent Australian, British, Georgian, and United States explorations in the Black Sea shelf near Batumi and Poti. A first step in foreign involvement, an oil refinery near Tbilisi, received funding in July, but the Western firms demanded major reform of commercial legislation before expanding their participation.

Georgia experienced a major energy crisis in the winter of 1993–94; following the crisis, in mid-1994 Turkmenistan drastically reduced natural gas supplies because of unpaid debts. Some fuel aid was expected for the winter of 1994–95 from Azerbaijan, the EU, Iran, and Turkey. The output of the domestic oil industry increased sharply in mid-1994. As winter approached, Georgia also offered Turkmenistan new assurances of payment in return for resumption of natural gas delivery.

Georgia's communications system, a chronically weak infrastructure link that also had discouraged foreign investment, began integration into world systems in early 1994 when the country joined international postal, satellite, and electronic communications organizations. Joint enterprises with Australian, French, German, Turkish, and United States communications companies allowed the upgrading of the national telephone system and installation of fiber-optic cables.

In the first half of 1994, the most frequent topic of government debate was the role of Russian troops in Abkhazia. By that time, opposition nationalist parties had accepted the Russian presence but rejected Abkhazian delays in allowing the return of refugees and Shevardnadze's tolerance of those delays. In May Shevardnadze overcame parliament's objections to new concessions to the Abkhaz by threatening to resign. The new
agreement passed, and opposition leaders muted their demands for Shevardnadze's ouster in the belief that Russia was seeking to replace him with someone more favorable to Russian intervention. Nevertheless, in the fall of 1994 few Georgian refugees had returned to Abkhazia.

Shevardnadze's exercise of extraordinary executive powers remained a hot issue in parliament. One faction called for reduced powers in the name of democracy, but another claimed that a still stronger executive was needed to enforce order. In a July poll, 48 percent of respondents said the government was obstructing the mass media. Although the 1992 state of emergency continued to restrict dissemination of information, the Georgian media consistently presented various opposition views. Likewise, the Zviadists, Gamsakhurdia's supporters, although banned from radio and television, continued to hold rallies under the leadership of a young radical, Irakli Tsereteli.

In 1994 the government took steps to improve the internal security situation. In the latest of a long series of organizational and leadership shuffles, Shevardnadze replaced the Emergency Committee, which had been headed by former Mkhedrioni leader Jaba Ioseliani, with the Emergency Coordinating Commission, headed by Shevardnadze, and gave the commission a vague mandate to coordinate economic, political, defense, and law-enforcement matters. Ioseliani, whose command of the Mkhedrioni still gave him great influence, became a deputy head of the commission.

Shevardnadze's attempt to form a new, one-battalion Georgian army was delayed throughout the first half of 1994. The Ministry of Defense continued drafting potential soldiers (a very high percentage of whom evaded recruitment) for the Georgian armed forces and streamlining its organization. In September the national budget had not yet allocated wages, and sources of rations and equipment had not been identified—mainly because parliament had not passed the necessary legislation. Ministry of Defense plans called for the country's remaining state farms to be designated for direct military supply, as was the practice in the Soviet era. The disposition of existing paramilitary forces remained undecided as of late 1994.

The intelligence service had been reorganized in late 1993 to include elite troops mandated to fight drug smuggling and organized crime. In the spring of 1994, new agencies were
formed in the State Security Service to investigate fiscal crimes and to combat terrorism. And in August 1994, the Ministry of Internal Affairs announced a major new drive against organized crime and drug traffickers throughout Georgia. Parliament and local jurisdictions offered indifferent support, however.

In 1994 Georgia began solving some of its most critical problems—laying a political base for a market economy, solidifying to a degree Shevardnadze's position as head of state, stabilizing inflation, and avoiding large-scale military conflict. But long-term stability will depend on comprehensive reform of the entire economy, eradication of the corruption that has pervaded both government and economic institutions, redirection of resources from the Abkhazian conflict into a civilian infrastructure suitable for international trade (and for major loans from international lenders), and, ultimately, finding political leaders besides Shevardnadze who are capable of focusing Georgians' attention on building a nation, rather than on advancing local interests. All those factors will influence the other major imponderable: Russia's long-term economic and political influence in Georgia, which increased greatly in late 1993 and in the first half of 1994.

October 18, 1994

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In the months following preparation of this manuscript, a number of significant events occurred in the three countries of the Transcaucasus. Cease-fires in two major conflicts, between Abkhazia and Georgia and between Armenia and Nagorno-Karabakh on one side and Azerbaijan on the other, remained in effect despite periodic hostilities. Although the two sets of peace talks continued to encounter fundamental differences, signs of compromise emerged from both in the first months of 1995, with the assistance of international mediators. All three countries continued efforts to stabilize their economies, reduce crime, and normalize political systems distorted by lengthy states of emergency.

At the beginning of 1995, Armenia had made the most progress toward economic recovery and political stability, although its population suffered another winter of privation because of Azerbaijan's fuel blockade. In December a summit
of the Organisation for Security and Cooperation in Europe (OSCE, formerly the CSCE) had succeeded in merging OSCE and Russian peace efforts on Nagorno-Karabakh for the first time in an accord signed in Budapest. Russia was expected to become the head of the OSCE Minsk Group, which had been negotiating on behalf of Western Europe for the previous two years. In return, Russia accepted OSCE oversight of peacekeeping in the conflict zone. Armenia's President Ter-Petrosian reported the opening of three defense plants and full staffing of the Armenian Army in 1994, improving Armenia's national security position.

In November 1994, the World Bank announced loans to Armenia of US$265 million for infrastructural, agricultural, and energy applications. The bank cited Armenia's new reform program to control inflation and expand the private sector, together with the first increase in Armenia's gross national product (GDP—see Glossary) since independence, as the reasons for this investment. In December the reform package went into effect. Expected to improve the standing of President Ter-Petrosian's embattled government, the reform included substantial reduction of the government's budget deficit, which had caused many workers to go unpaid and others, including teachers, to accept barely subsistence wages. The second major reform measure was ending government subsidies for basic staples, including bread and utilities—a stringency measure highly unpopular in the short term but calculated to attract more international assistance. The price of bread rose by ten times as soon as the new law went into effect. In late 1994 and early 1995, Armenia also continued reestablishing commercial ties with Iran by signing a series of three economic treaties covering taxation, free trade, and capital investments. Beginning in 1992, commercial activity between the two countries had doubled annually, and the pace was expected to accelerate markedly in 1995.

Although the Armenian government's preparations for another winter of hardship under the Azerbaijani blockade were more extensive than in previous years, conditions for the average Armenian were barely better than the year before. In the winter of 1994–95, Armenia's chronic fuel shortage, and the rising social unrest caused by it, were relieved somewhat by a new fuel agreement with Georgia and Turkmenistan. The pact provided for substantial increases in delivery of Turkmen natural gas through the Georgian pipeline. Although this mea-
sure increased the daily electricity ration from one hour to two
hours, long-term fuel increases depended on additional negoti-
ations and on the payment of Armenia's substantial debt to
Turkmenistan. In January the State Duma, the lower house of
Russia's parliament, was considering a major grant of credit to
Armenia, which would be used in reopening the Armenian
Atomic Power Station at Metsamor. The arrangement would be
a major step in solidifying economic ties with Russia, which also
has given technical assistance for the plant.

According to Armenian Ministry of Industry figures, 40 per-
cent of the country's 1994 industrial output, worth a total of
US$147 million, was sold for hard currency. Among the main
customers were Iran, Syria, the United Arab Emirates, Cyprus,
Belgium, and several North African countries. Although
machine-building industries did not work at full capacity in
1994 because of a reduced market in Russia, industry was
buoyed by the resumption of full production at the Nairit
Chemical Plant after several years of shutdown. Nairit was
expected to produce goods worth US$60 million per month in
1995.

Armenia's state commission for privatization began voucher
distribution to the public in October 1994. At that point,
vouchers for ten enterprises were available, with another fifty
due for consideration in February 1995. High profitability was
the chief criterion for listing enterprises for privatization. The
Nairit plant and the Armenian Electrical Machine Plant, Arme-
nia's largest and most profitable industrial facilities, were con-
verted to private joint-stock enterprises in January 1995.

In Azerbaijan, hopes for economic improvement continued
to depend on foreign investment in offshore oil deposits in the
Caspian Sea. Those hopes were subdued somewhat by disagree-
ments over the September 1994 agreement of Western, Rus-
sian, and Iranian oil interests to aid Socar, Azerbaijan's state oil
company, to develop offshore deposits in the Caspian Sea.

Throughout the last months of 1994, Russia insisted that its
10 percent share of the new deal was unfair on the grounds
that all Caspian countries should have equal access to Caspian
resources. Russia also continued strong opposition to a new
pipeline through Iran to Turkey, which the Western partners
favored. The Western firms were dismayed by Azerbaijan's offer
of a share of its oil deal to Iran, by the political uncertainty that
seemed to escalate in Azerbaijan after the oil deal was signed,
and by the rapid deterioration of existing Caspian fields, many
of which were deserted in early 1995. Experts agreed that world oil prices would play an important role in Azerbaijan's profit from the agreement.

In December 1994, Russia's military occupation of its separatist Chechen Autonomous Republic (Chechnya) closed the main rail line from Russia, the chief trade route to other CIS republics and elsewhere. Replacement trade routes were sought through Iran, Turkey, and the United Arab Emirates. At the same time, hyperinflation continued, spurred by full liberalization of prices to conform with IMF credit requirements. The 1995 budget deficit equaled 20 percent of the gross domestic product (GDP—see Glossary). Foreign credit, especially loans from Turkey, was being used to provide food and social services—needs exacerbated by the continuing influx of Karabakh refugees. Economic reform, meanwhile, was delayed by more immediate concerns. Most industries were operating at about 25 percent of capacity during the winter of 1994-95.

In the last months of 1994, Russia struggled to maintain influence in Azerbaijan. Its position was threatened by approval of the multinational Caspian oil deal in September and by the Azerbaijani perception that the West was restraining Armenian aggression in Karabakh. In November President Aliyev met with Russia's President Boris N. Yeltsin, who offered 300,000 tons of Russian grain and the reopening of Russian railroad lines in an apparent effort to increase Russia's influence throughout the Transcaucasus. Azerbaijani opposition parties, led by the Azerbaijani Popular Front (APF), continued to predict that Aliyev's overtures to Russia would return Russia to a dominant position in Azerbaijani political and economic affairs. Experts predicted, however, that Russia would continue to play a vital economic role; at the end of 1994, about 60 percent of Azerbaijan's trade turnover involved Russia.

In early 1995, the issue of Nagorno-Karabakh's status continued to stymie the peace talks jointly sponsored in Moscow by the OSCE and Russia under the Budapest agreement of November 1994. Although Azerbaijan had signed several agreements with Nagorno-Karabakh as a full participant, the extent of the region's autonomy remained a key issue, as did the terms of the liberation of Azerbaijan's Lachin and Shusha regions from Armenian occupation. The Azerbaijani position was that the principals of the negotiations were Armenia and Azerbaijan, with the respective Armenian and Azerbaijani communities in Nagorno-Karabakh as "interested parties." (At the end
of 1994, an estimated 126,000 Armenians and 37,000 Azerbaija-
nis remained in the region.) Azerbaijan lodged an official pro-
test against Russian insistence that the Karabakh Armenians constituted a third principal. In February presidents Aliyev and Ter-Petrosian met with presidents Nursultan Nazarbayev of Kazakhstan and Shevardnadze of Georgia in Moscow and expressed optimism that the nine-month cease-fire would hold until complete settlement could be reached. Nazarbayev and the presidents of Russia and Ukraine offered to be guarantors of stability in Nagorno-Karabakh if Azerbaijan would guarantee the region's borders.

After the unsuccessful coup against him by Prime Minister Suret Huseynov in October 1994, Azerbaijan's President Hey-
dar Aliyev maintained his position. Despite loud opposition from the APF and other parties, Aliyev appeared to occupy a strong position at the beginning of 1995. In early 1995, friction developed between Aliyev and Rusul Guliyev, speaker of the Melli-Majlis, each accusing the other of responsibility for wors-
ening socioeconomic conditions. Former president Abulfaz Elchibey remained a vocal critic of Aliyev and had a substantial following in the APF.

In Georgia, the unresolved conflict with the Abkhazian Autonomous Republic remained the most important issue. The repatriation of Georgian refugees to Abkhazia, a process conducted very slowly by Abkhazian authorities in the early autumn of 1994, ended completely between November 1994 and January 1995. Opposition parties in Georgia, especially the National Liberation Front led by former prime minister Tengiz Sigua, increased their pressure on the government to take action, likening Abkhazia to Russia's secessionist Chechen Autonomous Republic, which Russia invaded in December 1994. (In fact, the official position of the Shevardnadze govern-
ment supported the Russian move, both because of the parallel with Abkhazia and because of the need for continued Russian military monitoring of the cease-fire.) In January an attempted march of 1,400 armed Georgian refugees into Abkhazia was halted by Georgian government troops, and organizer Tengiz Kitovani, former minister of defense, was arrested for having organized the group. Although the UN adopted resolutions in January condemning the Abkhazian refugee policy, UN offici-
cials saw little hope of a rapid change in the situation in 1995.

The issue of human rights continued to dog the Shevard-
nadze administration in late 1994 and early 1995. In February
1995, the Free Media Association of Georgia, which included most of the country's largest independent newspapers, officially protested police oppression and confiscation of newspapers. Newspaper production had already been restricted since the beginning of winter because of Georgia's acute energy shortage.

The Georgian political world was shocked by the assassination in December 1994 of Gia Chanturia, leader of the moderate opposition National Democratic Party and one of the country's most popular politicians. Responsibility for the act was not established. Chanturia's death escalated calls for resignation of the Cabinet of Ministers, an outcome made more likely by the parliament's failure to pass Shevardnadze's proposed 1995 budget and by continued factionalism within the cabinet.

An important emerging figure was Minister of Defense Vardiko Nadibaidze, an army general entrusted in 1994 with developing a professional Georgian military force that would reduce reliance on outside forces (such as Russia's) to protect national security. At the end of 1994, Georgian forces were estimated at 15,000 ground troops, 3,000 air and air defense personnel, and 1,500 to 2,000 in the coastal defense force.

Economic reform continued unevenly under the direction of Vice Premier for Economics Temur Basilia. By design, inflation and prices continued to rise in the last months of 1994, and rubles and dollars remained the chief currency instead of the Georgian coupon. In a November 1994 poll, one-third of respondents said they spent their entire income on food. Distribution of privatization vouchers among the population was scheduled to begin in mid-1995. In November 1994, more than 1,500 enterprises had been privatized, most of them classified as commercial or service establishments. A group of Western and Japanese donors pledged a minimum of US$274 million in credits to Georgia in 1995, with another US$162 million available pending "visible success" in economic reform.

In Geneva, peace talks between the Georgian government and the Abkhazian Autonomous Republic reached the eighteen-month mark; the major points of disagreement continued to be the political status of Abkhazia and the repatriation of Georgian refugees. The Abkhazian delegation insisted on equal status with Georgia in a new confederation. The Russian and UN mediators proposed a federal legislature and joint agencies for foreign policy, foreign trade, taxation, energy,
communications, and human rights, providing Abkhazia substantially more autonomy than it had when Georgia became independent but leaving open the question of relative power within such a system. In early February 1995, preliminary accord was reached on several points of the mediators' proposal.

As 1995 began, prospects for stability in the Transcaucasus were marginally better than they had been since the three countries achieved independence in 1991. Much depended on continued strong leadership from presidents Aliyev, Shevardnadze, and Ter-Petrosian, on a peaceful environment across the borders in Russia and Iran, and on free access to the natural resources needed to restart the respective national economies.

February 28, 1995

Glenn E. Curtis
Armenian folk costume
Country Profile

Country

**Formal Name:** Republic of Armenia.

**Short Form:** Armenia.

**Term for Citizens:** Armenian(s).

**Capital:** Erevan.

**Date of Independence:** September 23, 1991.

Geography

**Size:** Approximately 29,800 square kilometers.

**Topography:** Dominated by Lesser Caucasus range, running across north and then turning southeast to Iran. Armenian Plateau to southwest of mountains. Plateau, major feature of central Armenia, slopes gradually downward into Aras River valley, which forms border with Turkey to west and Iran to south.

**Climate:** Mountains preclude influence from nearby seas; temperature and precipitation generally determined by elevation: colder and wetter in higher elevations (north and northeast). In central plateau, wide temperature variation between winter and summer.

Society

**Population:** By official 1994 estimate, population 3,521,517; in 1994 annual growth rate about 1.1 percent; 1991 population density 112.6 persons per square kilometer.

**Ethnic Groups:** In 1989 census, Armenians 93.7 percent, Azerbaijanis 2.6 percent, Kurds 1.7 percent, and Russians 1.6 percent.

**NOTE**—The Country Profile contains updated information as available.
Languages: Official state language Armenian, spoken by 96 percent of population. Russian first language of 2 percent, second language for about 40 percent of population.

Religion: Approximately 94 percent of population belongs to Armenian Apostolic Church. Other religions include Russian Orthodox, Roman Catholic, Protestant denominations, and Islam.

Education and Literacy: Education compulsory through secondary school. Literacy estimated at 100 percent. In early 1990s, substantial changes, begun in previous centralized Soviet system, emphasized national heritage.

Health: Nominal continuation of Soviet-era guarantee of universal care, but health care system deteriorated under stress of independence and Nagorno-Karabakh conflict. Severe shortage of basic medical supplies in early 1990s, and many clinics and hospitals closed.

Economy


Agriculture: After privatization in 1990, assumed larger share of economy; most land privately owned by 1993. Farms small but relatively productive. Main crops grains, potatoes, vegetables, grapes, berries, cotton, sugar beets, tobacco, figs, and olives.

Industry and Mining: Dominant light manufacturing products include footwear, woven clothing, and carpets. Nonferrous metallurgy, machine building, electronics, petrochemicals, fertilizers, and building materials most important heavy industries. Mining resource base broad, including copper, molybdenum, gold, silver, and iron ore, but little developed.

Energy: Nearly all energy supplied from abroad, causing severe shortage under blockade of early 1990s. Natural gas, delivered from Turkmenistan via Georgia pipeline, frequently blocked. Hydroelectric plants main domestic source; natural gas supply
from Russia intermittent because of pipeline damage.


**Imports:** In 1990 worth US$2.8 billion. Principal items light industrial products, industrial raw materials, fuels, and energy. Principal import suppliers Russia, Turkmenistan, Belarus, Ukraine, and Kazakhstan. Nearly all energy and much food imported.

**Balance of Payments:** Estimated in 1992 as US$137 million deficit.


**Inflation:** Dram devalued as Russian ruble devalued, early 1994, against United States dollar. Prices raised in steep periodic increments, including 30 percent rise March 1994. Prices in 1993 rose 130 percent as fast as wages.

**Fiscal Year:** Calendar year.

**Fiscal Policy:** Highly centralized government system, with no regional authority. Indexation of salaries and prices and currency devaluation used to balance supply and demand. Taxes added and changed 1992–93 to improve national income.

**Transportation and Telecommunications**

**Highways:** In 1991 about 11,300 kilometers of roads, of which 10,500 hard-surface.

**Railroads:** In 1992 total mainline track about 825 kilometers, none of which standard gauge. International lines to Azerbaijan, Georgia, Iran, and Turkey. Service disrupted in early 1990s.

**Civil Aviation:** Ten usable airports, six with hard-surface run-
ways. Zvartnots Airport, near Erevan, only airport accommodating large jets. State Airlines Company of Armenia national airline.

**Inland Waterways:** None.

**Ports:** None.

**Pipelines:** Natural gas pipeline 900 kilometers in 1991; service disrupted in early 1990s.


**Government and Politics**


**Politics:** Since independence in 1991, presidency, most ministries, and parliamentary plurality held by members of Armenian Pannational Movement. Main opposition parties Liberal Democratic Party and Armenian Revolutionary Federation. First multiparty election 1991. Many minority parties represented in parliament, with coalitions on specific issues.

**Foreign Relations:** In early 1990s, foreign policy determined strongly by Nagorno-Karabakh conflict with Azerbaijan. Some rapprochement with traditional enemies Turkey and Iran.
Limited relations established with Western Europe. Close ties with Russia and accords with other members of the Commonwealth of Independent States. Worldwide Armenian diaspora facilitates foreign support.

**International Agreements and Memberships:** Member of United Nations, International Monetary Fund, World Bank, European Bank for Reconstruction and Development, and Conference on Security and Cooperation in Europe.

**National Security**

**Armed Forces:** Armenian Army divided into army, air force, and air defense forces; total forces about 50,000, including reserves. In 1994 about 20,000 active troops, including border guards and internal security troops, supplied mainly by conscription. About 2,000 troops in air force and 2,000 in air defense forces. Reserve call-up available in crisis, although reserve support weaker in postcommunist era. One Russian division remained in Armenia in 1994.

**Major Military Units:** National army formed in 1992 to emphasize maneuverability and response to attack. Highest organizational level brigade, each with 1,500 to 2,500 troops and divided into three or four battalions. Air defense forces reinvigorated and new military aviation program established in early 1990s. Most of two Russian motorized divisions transferred to Armenian control in 1992. Much equipment obtained from Russian units formerly stationed in Armenia.

**Military Budget:** Estimated in 1992 at US$33.8 million.

**Internal Security:** Run by State Administration for National Security. Border troops supplemented by Russian forces along Iranian and Turkish borders. Militia used as regular police force of somewhat over 1,000 troops; duties include drug detection. Some units of former Committee for State Security (KGB) function under Armenian control.
Figure 4. Armenia, 1994
ARMENIAN CIVILIZATION HAD its beginnings in the sixth century B.C. In the centuries following, the Armenians withstood invasions and nomadic migrations, creating a unique culture that blended Iranian social and political structures with Hellenic—and later Christian—literary traditions. For two millennia, independent Armenian states existed sporadically in the region between the northeastern corner of the Mediterranean Sea and the Caucasus Mountains, until the last medieval state was destroyed in the fourteenth century. A landlocked country in modern times, Armenia was the smallest Soviet republic from 1920 until the dissolution of the Soviet Union in 1991 (see fig. 4). The future of an independent Armenia is clouded by limited natural resources and the prospect that the military struggle to unite the Armenians of Azerbaijan's Nagorno-Karabakh Autonomous Region with the Republic of Armenia will be a long one.

**Historical Background**

The Armenians are an ancient people who speak an Indo-European language and have traditionally inhabited the border regions common to modern Armenia, Iran, and Turkey. They call themselves hai (from the name of Hayk, a legendary hero) and their country Haiastan. Their neighbors to the north, the Georgians, call them somekhi, but most of the rest of the world follows the usage of the ancient Greeks and refers to them as Armenians, a term derived according to legend from the Armen tribe. Thus the Russian word is armianin, and the Turkish is ermeni.

**The Ancient Period**

People first settled what is now Armenia in about 6000 B.C. The first major state in the region was the kingdom of Urartu, which appeared around Lake Van in the thirteenth century B.C. and reached its peak in the ninth century B.C. Shortly after the fall of Urartu to the Assyrians, the Indo-European-speaking proto-Armenians migrated, probably from the west, onto the Armenian Plateau and mingled with the local people of the Hurrian civilization, which at that time extended into Anatolia (present-day Asian Turkey) from its center in Mesopotamia. Greek historians first mentioned the
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Armenians in the mid-sixth century B.C. Ruled for many centuries by the Persians, Armenia became a buffer state between the Greeks and Romans to the west and the Persians and Arabs of the Middle East. It reached its greatest size and influence under King Tigran II, also known as Tigranes or Tigran the Great (r. 95–55 B.C.). During his reign, Armenia stretched from the Mediterranean Sea northeast to the Mtkvari River (called the Kura in Azerbaijan) in present-day Georgia (see fig. 5). Tigran and his son, Artavazd II, made Armenia a center of Hellenic culture during their reigns.

By 30 B.C., Rome conquered the Armenian Empire, and for the next 200 years Armenia often was a pawn of the Romans in campaigns against their Central Asian enemies, the Parthians. However, a new dynasty, the Arsacids, took power in Armenia in A.D. 53 under the Parthian king, Tiridates I, who defeated Roman forces in A.D. 62. Rome's Emperor Nero then conciliated the Parthians by personally crowning Tiridates king of Armenia. For much of its subsequent history, Armenia was not united under a single sovereign but was usually divided between empires and among local Armenian rulers.

Early Christianity

After contact with centers of early Christianity at Antioch and Edessa, Armenia accepted Christianity as its state religion in A.D. 306 (the traditional date—the actual date may have been as late as A.D. 314), following miracles said to have been performed by Saint Gregory the Illuminator, son of a Parthian nobleman. Thus Armenians claim that Tiridates III (A.D. 238–314) was the first ruler to officially Christianize his people, his conversion predating the conventional date (A.D. 312) of Constantine the Great's legalization of Christianity on behalf of the Roman Empire.

Early in the fifth century A.D., Saint Mesrop, also known as Mashtots, devised an alphabet for the Armenian language, and religious and historical works began to appear as part of the effort to consolidate the influence of Christianity. For the next two centuries, political unrest paralleled the exceptional development of literary and religious life that became known as the first golden age of Armenia. In several administrative forms, Armenia remained part of the Byzantine Empire until the mid-seventh century. In A.D. 653, the empire, finding the region difficult to govern, ceded Armenia to the Arabs. In A.D. 806,
the Arabs established the noble Bagratid family as governors, and later kings, of a semiautonomous Armenian state.

The Middle Ages

Particularly under Bagratid kings Ashot I (also known as Ashot the Great or Ashot V, r. A.D. 862–90) and Ashot III (r. A.D. 952–77), a flourishing of art and literature accompanied a second golden age of Armenian history. The relative prosperity of other kingdoms in the region enabled the Armenians to develop their culture while remaining segmented among jurisdictions of varying degrees of autonomy granted by the Arabs. Then, after eleventh-century invasions from the west by the Byzantine Greeks and from the east by the Seljuk Turks, the independent kingdoms in Armenia proper collapsed, and a new Armenian state, the kingdom of Lesser Armenia, formed in Cilicia along the northeasternmost shore of the Mediterranean Sea. As an ally of the kingdoms set up by the European armies of the Crusades, Cilician Armenia fought against the rising Muslim threat on behalf of the Christian nations of Europe until internal rebellions and court intrigue brought its downfall, at the hands of the Central Asian Mamluk Turks in 1375. Cilician Armenia left notable monuments of art, literature, theology, and jurisprudence. It also served as the door through which Armenians began emigrating to points west, notably Cyprus, Marseilles, Cairo, Venice, and even Holland.

The Mamluks controlled Cilician Armenia until the Ottoman Turks conquered the region in the sixteenth century. Meanwhile, the Ottoman Turks and the Persians divided Caucasian Armenia to the northeast between the sixteenth and eighteenth centuries. The Persians dominated the area of modern Armenia, around Lake Sevan and the city of Erevan. From the fifteenth century until the early twentieth century, most Armenians were ruled by the Ottoman Turks through the millet (see Glossary) system, which recognized the ecclesiastical authority of the Armenian Apostolic Church over the Armenian people.

Between Russia and Turkey

Beginning in the eighteenth century, the Russian Empire played a growing role in determining the fate of the Armenians, although those in Anatolia remained under Turkish control, with tragic consequences that would endure well into the twentieth century.
Figure 5. The Empire of Tigran the Great, ca. 65 B.C.

**Russian Influence Expands**

In the eighteenth century, Transcaucasia (the region including the Greater Caucasus mountain range as well as the lands to the south and west) became the object of a military-political struggle among three empires: Ottoman Turkey, tsarist Russia, and Safavid Persia. In 1828 Russia defeated Persia and annexed the area around Erevan, bringing thousands of Armenians into the Russian Empire. In the next half-century, three related processes began to intensify the political and national consciousness of the ethnic and religious communities of the Caucasus region: the imposition of tsarist rule; the rise of a market and capitalist economy; and the emergence of secular national intelligentsias. Tsarism brought Armenians from Russia and from the former Persian provinces under a
single legal order. The tsarist system also brought relative peace and security by fostering commerce and industry, the growth of towns, and the building of railroads, thus gradually ending the isolation of many villages.

In the mid-nineteenth century, a major movement toward centralization and reform, called the Tanzimat, swept through the Ottoman Empire, whose authority had been eroded by corruption and delegation of control to local fiefdoms. Armenian subjects benefited somewhat from these reforms; for instance, in 1863 a special Armenian constitution was granted. When the reform movement was ended in the 1870s by reactionary factions, however, Ottoman policy toward subject nationalities became less tolerant, and the situation of the Armenians in the empire began to deteriorate rapidly.

National Self-Awareness

The Armenians themselves changed dramatically in the mid-nineteenth century. An intellectual awakening influenced by Western and Russian ideas, a new interest in Armenian history, and an increase in social interaction created a sense of secular nationality among many Armenians. Instead of conceiving of themselves solely as a religious community, Armenians—especially the urban middle class—began to feel closer kinship with Christian Europe and greater alienation from the Muslim peoples among whom they lived.

Lacking faith in reform within the empire, Armenian leaders began to appeal to the European powers for assistance. In 1878 Armenian delegates appeared at the Congress of Berlin, where the European powers were negotiating the disposition of Ottoman territories. Although Armenian requests for European protection went largely unanswered in Berlin, the "Armenian question" became a point of contention in the complex European diplomacy of the late nineteenth century, with Russia and Britain acting as the chief sponsors of Armenian interests on various issues.

The Armenian independence movement began as agitation on behalf of liberal democracy by writers, journalists, and teachers. But by the last decade of the nineteenth century, moderate nationalist intellectuals had been pushed aside by younger, more radical socialists. Armenian revolutionary parties, founded in the early 1890s in Russia and Europe, sent their cadres to organize in Turkey. Because of the self-destruction of one major party, the Social Democratic
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Hnchaks, and the relative isolation of the liberals and the "internationalist" Social Democrats in the cities of Transcaucasia, the more nationalist of the socialist parties, the Armenian Revolutionary Federation (ARF, also known as the Dashnak, a shortened form of its Armenian name), emerged by the early twentieth century as the only real contender for Armenian loyalties. The ARF favored Armenian autonomy in both the Russian and the Ottoman empires rather than full independence for an Armenia in which Russian- and Ottoman-held components would be unified.

In the last decades of the nineteenth century, the Armenians' tendency toward Europeanization antagonized Turkish officials and encouraged their view that Armenians were a foreign, subversive element in the sultan's realm. By 1890 the rapid growth of the Kurdish population in Anatolia, combined with the immigration of Muslims from the Balkans and the Caucasus, had made the Armenian population of Anatolia an increasingly endangered minority. In 1895 Ottoman suspicion of the westernized Armenian population led to the massacre of 300,000 Armenians by special order of the Ottoman government.

Meanwhile, on the other side of the Russian border, Armenian churches and schools were closed and church property was confiscated in 1903. Tatars massacred Armenians in several towns and cities in 1905, and fifty-two Armenian nationalist leaders in Russia were tried en masse for underground activities in 1912.

The Young Turks

The Armenian population that remained in the Ottoman Empire after the 1895 massacre supported the 1908 revolution of the Committee of Union and Progress, better known as the Young Turks, who promised liberal treatment of ethnic minorities. However, after its revolution succeeded, the Young Turk government plotted elimination of the Armenians, who were a significant obstacle to the regime's evolving nationalist agenda.

In the early stages of World War I, Russian armies advanced on Turkey from the north, and the British attempted an invasion from the Mediterranean. Citing the threat of internal rebellion, the Ottoman government ordered large-scale round-ups, deportations, and systematic torture and murder of Armenians beginning in the spring of 1915. Estimates vary from 600,000 to 2 million deaths out of the prewar population of
about 3 million Armenians. By 1917 fewer than 200,000 Armenians remained in Turkey.

Whatever the exact dimensions of the genocide, Armenians suffered a demographic disaster that shifted the center of the Armenian population from the heartland of historical Armenia to the relatively safer eastern regions held by the Russians. Tens of thousands of refugees fled to the Caucasus with the retreating Russian armies, and the cities of Baku and Tbilisi filled with Armenians from Turkey. Ethnic tensions rose in Transcaucasia as the new immigrants added to the pressures on the limited resources of the collapsing Russian Empire.

World War I and Its Consequences

As was the case for most of Europe, World War I changed Armenia's geopolitical situation. The war also precipitated an ethnic disaster of rare magnitude and brought the Armenians who remained in their native territory into a new type of empire.

Postwar Realignment

Between 1915 and 1917, Russia occupied virtually the entire Armenian part of the Ottoman Empire. Then in October 1917, the Bolshevik victory in Russia ended that country's involvement in World War I, and Russian troops left the Caucasus. In the vacuum that remained, the Armenians first joined a Transcaucasian federation with Azerbaijan and Georgia, both of which, however, soon proved to be unreliable partners. The danger posed by the territorial ambitions of the Ottoman Turks and the Azerbaijani finally united the Caucasian Armenian population in support of the ARF program for autonomy. In May 1918, an independent Armenian republic was declared; its armies continued to fight on the Allied side south of the Caucasus until the Ottoman Empire surrendered in October 1918. The independent republic endured from May 1918 to December 1920. In the new government, ARF leaders R.I. Kachazuni and A.I. Khatisian became prime minister and foreign minister, respectively.

The Republic of Armenia included the northeastern part of present-day eastern Turkey, west along the Black Sea coast past Trabzon and southwest past Lake Van. But Armenia's precarious independence was threatened from within by the terrible economic conditions that followed the war in the former Ottoman Empire and, by 1920, by the territorial ambitions of Soviet
Russia and the nationalist Turks under Kemal Atatürk. Atatürk had rehabilitated Turkey rapidly under a new democratic system, but the ruling party still hoped to create a larger state by taking territory in western Armenia from which Armenians had been driven. In defending its independence, the Republic of Armenia waited in vain, however, for the material and military aid promised at the Paris Peace Conference in 1919. The Allies’ memories of the 1915 massacre faded as war weariness and isolationism dominated their foreign policy.

In agreeing to the 1920 Treaty of Sèvres, the World War I Allies and Turkey recognized Armenian independence; as part of the treaty, Armenia received some disputed territory in what had been the Ottoman Empire. However, most of western Armenia remained in Turkish hands. Eastern Armenia, ravaged by warfare, migration, and disease, had an Armenian population of only 720,000 by 1920. Caught between the advancing Turks and the Red Army, which had already occupied neighboring Azerbaijan, in November 1920 the ARF government made a political agreement with the communists to enter a coalition government. The Treaty of Aleksandropol’, signed by this government with Turkey in 1920, returned Armenia’s northern Kars district to Turkey and repudiated the existence of Armenian populations in newly expanded Turkey.

**Into the Soviet Union**

In 1922 Armenia was combined with Azerbaijan and Georgia to form the Transcaucasian Soviet Federated Socialist Republic (TSFSR), which was a single republic of the Soviet Union until the federation was dissolved and each part given republic status in 1936. When the TSFSR was formed, the new Soviet government in the Armenian capital of Erevan ruled over a shrunken country with a devastated economy and few resources with which to feed the populace and rebuild itself. In integrating their republic into the newly forming Soviet Union, Armenian communists surrendered the sovereignty that the independent republic had enjoyed briefly. Although it eliminated rival political parties and restricted the range of public expression, the new government promoted Armenian culture and education, invited artists and intellectuals from abroad to return to Armenia, and managed to create an environment of greater security and material well-being than Armenians had known since the outbreak of World War I.
The Communist Era

During the rule of Joseph V. Stalin (in power 1926–53), Armenian society and its economy were changed dramatically by Moscow policy makers. In a period of twenty-five years, Armenia was industrialized and educated under strictly prescribed conditions, and nationalism was harshly suppressed. After Stalin's death, Moscow allowed greater expression of national feeling, but the corruption endemic in communist rule continued until the very end in 1991. The last years of communism also brought disillusionment in what had been one of the most loyal republics in the Soviet Union until the late 1980s.

Stalinist Restructuring

Stalin's radical restructuring of the Soviet economic and political systems at the end of the 1920s ended the brief period of moderate rule and mixed economy under what was known as the New Economic Policy (see Modern Economic History, this ch.). Under Stalin the Communist Party of Armenia (CPA) used police terror to strengthen its political hold on the popu-
lation and suppress all expressions of nationalism. At the height of the Great Terror orchestrated by Stalin in 1936–37, the ranks of CPA leaders and intellectuals were decimated by Lavrenti Beria, political commissar for the Transcaucasian republics.

Stalin's enforced social and economic engineering improved literacy and education and built communications and industrial infrastructures where virtually none had existed in tsarist times. As they emerged from the Stalin era in the 1950s, Armenians were more mobile, better educated, and ready to benefit from the less repressive policies of Stalin's successor, Nikita S. Khrushchev (in power 1953–64). The years of industrialization had promoted an upward social mobility through which peasants became workers; workers became foremen or managers; and managers became party and state officials.

**Communism after Stalin**

After Stalin's death in 1953, Moscow granted the republic more autonomy in decision making, which meant that the local communist elite increased its power and became entrenched in Armenian politics in the 1950s and 1960s. Although overt political opposition remained tightly restricted, expressions of moderate nationalism were viewed with greater tolerance. Statues of Armenian national heroes were erected, including one of Saint Vartan, the fifth-century defender of Armenian Christianity.

Even as Armenia continued its transformation from a basically agrarian nation to an industrial, urban society—by the early 1980s, only a third of Armenians lived in the countryside—the ruling elite remained largely unchanged. As a result, corruption and favoritism spread, and an illegal "second economy" of black markets and bribery flourished. In 1974 Moscow sent a young engineer, Karen Demirchian, to Erevan to clean up the old party apparatus, but the new party chief soon accommodated himself to the corrupt political system he had inherited.

**The New Nationalism**

Three issues combined by 1988 to stimulate a broad-based Armenian nationalist movement. First, the urbanization and industrialization of Armenia had brought severe ecological problems, the most threatening of which was posed by a
nuclear power plant at Metsamor, west of Erevan. Second, many Armenians were angered by the pervasive corruption and arrogance of the communist elite, which had become entrenched as a privileged ruling class. Third and most immediate, Armenians were increasingly concerned about the status of Nagorno-Karabakh, an autonomous region of Azerbaijan having nearly 200,000 Armenians living under Azerbaijani rule, isolated from mainstream Armenian culture.

Control of Nagorno-Karabakh (the conventional geographic term is based on the Russian for the phrase "mountainous Karabakh") had been contested by the briefly independent republics of Armenia and Azerbaijan after World War I. In 1924 the Soviet government designated the region an autonomous region under Azerbaijani jurisdiction within the TSFSR. At the time, 94.4 percent of the estimated 131,500 people in the district were Armenian. Between 1923 and 1979, the Armenian population of the enclave dropped by about 1,000, comprising only about 76 percent of the population by the end of the period. In the same period, the Azerbaijani population quintupled to 37,000, or nearly 24 percent of the region's population. Armenians feared that their demographic decline in Nagorno-Karabakh would replicate the fate of another historically Armenian region, Nakhichevan, which the Soviet Union had designated an autonomous republic under Azerbaijani administration in 1924. In Nakhichevan the number of Armenians had declined from about 15,600 (15 percent of the total) in 1926 to about 3,000 (1.4 percent of the total) in 1979, while in the same period immigration and a higher birth rate had increased the Azerbaijani population from about 85,400 (85 percent) to 230,000, or nearly 96 percent of the total.

In addition to fearing the loss of their numerical superiority, Armenians in Nagorno-Karabakh resented restrictions on the development of the Armenian language and culture in the region. Although the Armenians generally lived better than Azerbaijaniis in neighboring districts, their standard of living was not as high as that of their countrymen in Armenia. Hostile to the Azerbaijaniis, whom they blamed for their social and cultural problems, the vast majority of Karabakh Armenians preferred to learn Russian rather than Azerbaijani, the language of Azerbaijan. As early as the 1960s, clashes occurred between the Karabakh Armenians and the Azerbaijaniis, and Armenian intellectuals petitioned Moscow for redress of their situation in Nagorno-Karabakh.
A series of escalating attacks and reprisals between the two sides began in early 1988. Taking advantage of the greater freedom introduced by the glasnost (see Glossary) and perestroika (see Glossary) policies of Soviet leader Mikhail S. Gorbachev (in power 1985–91) in the late 1980s, Armenians held mass demonstrations in favor of uniting Nagorno-Karabakh with Armenia. In response to rumored Armenian demands, Azerbaijanis began fleeing the region. A two-day rampage in the industrial town of Sumgait, northwest of Baku, resulted in the deaths of more than 100 Armenians. During 1988, while Moscow hesitated to take decisive action, Armenians grew increasingly disillusioned with Gorbachev's programs, and Azerbaijanis sought to protect their interests by organizing a powerful anti-Armenian nationalist movement.

Nagorno-Karabakh and Independence

The conflict in Nagorno-Karabakh (often called simply Karabakh) served as a catalyst for nationalist movements following the precipitous decline of the Soviet Union in the late 1980s (see fig. 3). In the early 1990s, the struggle defied all negotiating efforts of the West and Russia.

Karabakh as a National Issue

The protests of the Armenians of Nagorno-Karabakh against Azerbaijani rule began in the spirit of perestroika, but the movement evolved quickly into a political organization, the Karabakh Committee, a broad anticommunist coalition for democracy and national sovereignty. In the confusion following the earthquake that devastated northern Armenia in December 1988, Soviet authorities tried to stem the growing opposition to their rule by arresting the leaders of the committee. The attempt by the CPA to rule in Armenia without support from Armenian nationalists only worsened the political crisis. In March 1989, many voters boycotted the general elections for the Soviet Union's Congress of People's Deputies. Massive demonstrations were held to demand the release of the members of the committee, and, in the elections to the Armenian Supreme Soviet, the legislative body of the republic, in May, Armenians chose delegates identified with the Karabakh cause. At that time, the flag of independent Armenia was flown for the first time since 1920. The release of the Karabakh Committee followed the 1989 election; for the next six months,
the nationalist movement and the Armenian communist leadership worked as uncomfortable allies on the Karabakh issue.

Gorbachev's 1989 proposal for enhanced autonomy for Nagorno-Karabakh within Azerbaijan satisfied neither Armenians nor Azerbaijaniis, and a long and inconclusive conflict erupted between the two peoples. In September 1989, Azerbaijan began an economic blockade of Armenia's vital fuel and supply lines through its territory, which until that time had carried about 90 percent of Armenia's imports from the other Soviet republics. In June 1989, numerous unofficial nationalist organizations joined together to form the Armenian Pan-national Movement (APM), to which the Armenian government granted official recognition.

**The Karabakh Crisis Escalates, 1989**

The Azerbaijani-Armenian conflict escalated steadily in the summer and fall of 1989. Both the APM and the newly formed Azerbaijani Popular Front (APF) called for abolition of the Special Administrative Committee that Gorbachev had established to manage Nagorno-Karabakh. The Armenians held to their position that the region must become part of Armenia, and radical Azerbaijanis called for abolition of Karabakh autonomy. As hundreds of thousands of Azerbaijanis demonstrated in Baku, their government further restricted the flow of goods and fuel into Karabakh and Armenia. In August 1989, Karabakh Armenians responded by electing their own National Council, which declared the secession of Karabakh from Azerbaijan and its merger with Armenia. The Armenian Supreme Soviet then declared the Karabakh National Council the sole legitimate representative of the Karabakh people. The Azerbaijani Supreme Soviet responded by abrogating the autonomy of both Karabakh and Nakhichevan.

Although the declarations and counter-declarations of mid-1989 were ultimately declared invalid by the Supreme Soviet of the Soviet Union, and although both Armenia and Azerbaijan continued to be governed by communist parties, neither republic was willing to obey Moscow's directives on the Karabakh issue. In November 1989, in frustration at its inability to bring the parties together, the Supreme Soviet of the Soviet Union abolished the Special Administrative Committee and returned direct control of Karabakh to Azerbaijan. Rejecting Moscow's decision, the Armenian Supreme Soviet declared Karabakh a part of Armenia in December 1989.
After more than two years of the Karabakh conflict, Armenia had gone from being one of the most loyal Soviet republics to complete loss of confidence in Moscow. Gorbachev's unwillingness to grant Karabakh to Armenia and his failure to end the blockade convinced Armenians that the Kremlin considered it politically advantageous to back the more numerous Muslims. Even the invasion of Azerbaijan by Soviet troops in January 1990, ostensibly to stop pogroms against Armenians in Baku, failed to dampen the growing anti-Soviet mood among Armenians (see Within the Soviet Union, ch. 2).

A New Political Climate

The resignation of Suren Harutiunian as first secretary of the CPA in April 1990 and the triumph of the APM in the elections of the spring and summer of 1990 signaled the end of the old party elite and the rise of a new Armenian political class that had matured during the two years of tensions over Karabakh. The newly elected Armenian parliament (which retained the Soviet-era name Supreme Soviet or Supreme Council) chose Levon Ter-Petrosian instead of the new CPA first secretary as its chairman, and hence as head of state of the republic.

With the APM in power and the communists in opposition, the transition from Soviet-style government to an independent democratic state began in earnest. The new government faced a nearly complete collapse of order in the republic. Buildings were seized by armed men in Erevan, and several independent militia groups operated in Erevan as well as on the Azerbaijani frontier. Frustrated by the Azerbaijani blockade and determined to defend their republic and Karabakh, members of Armenia's Fidain (whose name was taken from an Arabic term literally meaning "one who sacrifices himself " and recalling the Armenian freedom fighters of the turn of the century) raided arsenals and police stations to arm themselves for the coming battles. In July Gorbachev demanded immediate disarmament of the Armenian militias and threatened military intervention if they did not comply. In response, Ter-Petrosian's government itself disarmed the independent militias and restored order in Erevan.

On August 23, 1990, Armenia formally declared its intention to become sovereign and independent, with Nagorno-Karabakh an integral part of what now would be known as the Republic of Armenia rather than the Armenian Soviet Socialist Republic. The Armenian nation was defined broadly to include
not only those living in the territory of the republic but also the worldwide Armenian émigré population.

In redefining Armenian national interests, the government acknowledged—but temporarily put aside—the painful question of Armenian genocide, having in mind improved relations with traditional enemies Turkey and Iran. This policy prompted strong criticism from extreme nationalist groups that wanted to recover territory lost to Turkey in World War I. The CPA was also vehemently critical.

Independence

In January 1991, the Armenian Supreme Soviet decided not to participate in Gorbachev's planned referendum on preserving the Soviet Union. In March the parliament announced that, instead, the republic would hold its own referendum in September, in compliance with the procedure outlined in the Soviet constitution for a republic to secede. Although literal compliance would mean that Armenia would not be fully independent for five years after the referendum, Moscow soon moved to change Armenia's course. Without notifying the Armenian government, Moscow sent paratroopers to the republic in early May, ostensibly to protect Soviet defense installations in Armenia. Ter-Petrosian's official statement in reaction characterized the move as a virtual declaration of war by the Soviet Union.

In August 1991, when a self-proclaimed emergency committee attempted to overthrow Gorbachev and take control in Moscow, the Armenian government refused to sanction its actions. Fearing an extension of the Soviet incursion of May, Ter-Petrosian approached the Moscow coup very cautiously. The republic's Defense Committee secretly resolved to have the Armenian armed forces go underground and wage guerrilla warfare. Ter-Petrosian, who believed that Gorbachev's personal blunders, indecisiveness, and concessions to conservative communists were to blame for the coup, was overjoyed when the conservatives were defeated. But the coup itself convinced Armenians of the need to move out of the Soviet Union as rapidly as possible, and it validated Ter-Petrosian's refusal to participate in the revival of the Soviet Union advocated by Gorbachev.

Within two months of the coup, Armenians went to the polls twice. In September 1991, over 99 percent of voters approved the republic's commitment to independence. The
immediate aftermath of that vote was the Armenian Supreme Soviet's declaration of full independence, on September 23, in disregard of the constitution's restraints on secession. Then in October, Ter-Petrosian was elected overwhelmingly as president of the republic. He now had a popular mandate to carry out his vision of Armenian independence and self-sufficiency.

As political changes occurred within the republic, armed conflict continued in Nagorno-Karabakh during 1991. Armenia officially denied supporting the "Nagorno-Karabakh defense forces" that were pushing Azerbaijani forces out of the region; Armenia also accused the Soviet Union of supporting Azerbaijan as punishment for Armenia's failure to sign Gorbachev's new Union Treaty. In turn, Azerbaijan called Armenia an aggressor state whose national policy included annexation of Azerbaijani territory.

**Postindependence Armenia**

Two immediate tasks facing independent Armenia were rebuilding its devastated economy and strengthening its fledgling democratic institutions. But the escalating war in Nagorno-Karabakh and the effective blockade of the republic by the Azerbaijanis led to a total collapse of the economy. By early 1993, the government seemed helpless before mounting economic and political problems. The last remaining oil and gas pipelines through neighboring Georgia, which itself was being torn by civil and interethnic war, were blown up by saboteurs. To survive the cold, Armenians in Erevan cut down the city's trees, and plans were made to start up the nuclear power plant at Metsamor. In February 1993, demonstrations called for the resignation of the government, but Ter-Petrosian responded by naming a new cabinet headed by Hrant Bagratian.

While economic and political conditions deteriorated within Armenia, the military position of the Armenians in the Karabakh struggle improved dramatically. Various peace negotiations sponsored by Iran, Russia, Turkey, and a nine-nation group from the Conference on Security and Cooperation in Europe (CSCE—see Glossary) had begun in 1991 and sporadically had yielded cease-fires that were violated almost immediately. In the spring of 1992, while the Azerbaijani communists and the nationalist Azerbaijani Popular Front fought for control in Baku, Karabakh Armenian forces occupied most of Nagorno-Karabakh, took the old capital, Shusha, and drove a corridor through the Kurdish area around Lachin to link
Nagorno-Karabakh with Armenia. But the immediate result of this victory was the collapse of Russian-sponsored peace negotiations with Azerbaijan and the continuation of the war.

Beginning a counteroffensive in early summer, the Azerbaijansis recaptured some territory and created thousands of new refugees by expelling Armenians from the villages they took. In midsummer this new phase of the conflict stimulated a CSCE-sponsored peace conference, but Armenia stymied progress by demanding for the first time that Nagorno-Karabakh be entirely separate from Azerbaijan.

By the end of 1992, the sides were bogged down in a bloody stalemate. After clearing Azerbaijani forces from Nagorno-Karabakh and the territory between Karabakh and Armenia, Armenian troops also advanced deep into Azerbaijan proper—a move that brought condemnation from the United Nations (UN) Security Council and panic in Iran, on whose borders Armenian troops had arrived. In the first half of 1993, the Karabakh Armenians gained more Azerbaijani territory, against disorganized opposition. Azerbaijani resistance was weakened by the confusion surrounding a military coup that toppled the APF government in Baku and returned former communist party boss Heydar Aliyev to power.

The coup reinvigorated Russian efforts to negotiate a peace under the complex terms of the three parties to the conflict: the governments of Armenia and Azerbaijan, and the increasingly independent and assertive Karabakh Armenians. CSCE peace proposals were uniformly rejected during this period. Although Russia seemed poised for a triumph of crisis diplomacy on its borders, constant negotiations in the second half of 1993 produced only intermittent cease-fires. At the end of 1993, the Karabakh Armenians were able to negotiate with the presidents of Azerbaijan and Russia from a position of power: they retained full control of Nagorno-Karabakh and substantial parts of Azerbaijan proper (see After Communist Rule, ch. 2).

Physical Environment

Armenia is located in southern Transcaucasia, the region southwest of Russia between the Black Sea and the Caspian Sea. Modern Armenia occupies part of historical Armenia, whose ancient centers were in the valley of the Aras River and the region around Lake Van in Turkey. Armenia is bordered on the north by Georgia, on the east by Azerbaijan, on the south
by Iran, on the southwest by the Nakhichevan Autonomous Republic of Azerbaijan, and on the west by Turkey (see fig. 1).

**Topography and Drainage**

Twenty-five million years ago, a geological upheaval pushed up the earth's crust to form the Armenian Plateau, creating the complex topography of modern Armenia (see fig. 2). The Lesser Caucasus range extends through northern Armenia, runs southeast between Lake Sevan and Azerbaijan, then passes roughly along the Armenian-Azerbaijani border to Iran. Thus situated, the mountains make travel from north to south difficult. Geological turmoil continues in the form of devastating earthquakes, which have plagued Armenia. In December 1988, the second largest city in the republic, Leninakan (now Gyumri), was heavily damaged by a massive quake that killed more than 25,000 people.

About half of Armenia's area of approximately 29,800 square kilometers has an elevation of at least 2,000 meters, and only 3 percent of the country lies below 650 meters. The lowest points are in the valleys of the Aras River and the Debet River in the far north, which have elevations of 380 and 430 meters, respectively. Elevations in the Lesser Caucasus vary between 2,640 and 3,280 meters. To the southwest of the range is the Armenian Plateau, which slopes southwestward toward the Aras River on the Turkish border. The plateau is masked by intermediate mountain ranges and extinct volcanoes. The largest of these, Mount Aragats, 4,430 meters high, is also the highest point in Armenia. Most of the population lives in the western and northwestern parts of the country, where the two major cities, Erevan and Gyumri (which was called Aleksandropol' during the tsarist period), are located.

The valleys of the Debet and Akstafa rivers form the chief routes into Armenia from the north as they pass through the mountains. Lake Sevan, 72.5 kilometers across at its widest point and 376 kilometers long, is by far the largest lake. It lies 2,070 meters above sea level on the plateau. Terrain is most rugged in the extreme southeast, which is drained by the Bargushat River, and most moderate in the Aras River valley to the extreme southwest. Most of Armenia is drained by the Aras or its tributary, the Razdan, which flows from Lake Sevan. The Aras forms most of Armenia's border with Turkey and Iran as well as the border between Azerbaijan's adjacent Nakhichevan Autonomous Republic and Iran.
Climate

Temperatures in Armenia generally depend upon elevation. Mountain formations block the moderating climatic influences of the Mediterranean Sea and the Black Sea, creating wide seasonal variations. On the Armenian Plateau, the mean midwinter temperature is 0°C, and the mean midsummer temperature exceeds 25°C. Average precipitation ranges from 250 millimeters per year in the lower Aras River valley to 800 millimeters at the highest altitudes. Despite the harshness of winter in most parts, the fertility of the plateau's volcanic soil made Armenia one of the world's earliest sites of agricultural activity.

Environmental Problems

A broad public discussion of environmental problems began in the mid-1980s, when the first "green" groups formed in opposition to Erevan's intense industrial air pollution and to nuclear power generation in the wake of the 1986 reactor explosion at Chernobyl. Environmental issues helped form the basis of the nationalist independence movement when environmental demonstrations subsequently merged with those for other political causes in the late 1980s.
In the postcommunist era, Armenia faces the same massive environmental cleanup that confronts the other former Soviet republics as they emerge from the centralized planning system's disastrous approach to resource management. By 1980 the infrequency of sightings of Mount Ararat, which looms about sixty kilometers across the Turkish border, became a symbol of worsening air pollution in Erevan.

In independent Armenia, environmental issues divide society (and scientists) sharply into those who fear "environmental time bombs" and those who view resumption of pollution-prone industrial operations as the only means of improving the country's economy. In the early 1990s, the latter group blamed Armenia's economic woes on the role played by the former in closing major industries.

In 1994 three national environmental laws were in effect: the Law on Environmental Protection, the Basic Law on the Environment, and the Law on Mineral Resources. The Council of Ministers, Armenia's cabinet, includes a minister of the environment. However, no comprehensive environmental protection program has emerged, and decisions on environmental policy have been made on an ad hoc basis.

Environmental conditions in Armenia have been worsened by the Azerbaijani blockade of supplies and electricity from outside. Under blockade conditions, the winters of 1991–92, 1992–93, and 1993–94 brought enormous hardship to a population lacking heat and electric power. (The large-scale felling of trees for fuel during the winters of the blockade has created another environmental crisis.) The results of the blockade and the failure of diplomatic efforts to lift it led the government to propose reconstruction of the Armenian Atomic Power Station at Metsamor, which was closed after the 1988 earthquake because of its location in an earthquake-prone area and which had the same safety problems as reactors listed as dangerous in Bulgaria, Russia, and Slovakia. After heated debates over start-up continued through 1993, French and Russian nuclear consultants declared operating conditions basically safe. Continuation of the blockade into 1994 gave added urgency to the decision (see Energy, this ch.).

Another environmental concern is a significant drop in Lake Sevan's water level because of drawdowns for irrigation and the diversion of water to hydroelectric plants to compensate for the electric power lost through the inactivity of the nuclear plant at Metsamor. This crisis was addressed in 1992–93.
by construction of a tunnel to divert water into the lake from the Arpa River. Engineers estimated that once the project is finished, the tunnel will allow 500 million cubic meters of water to be drawn from the lake annually, while maintaining a constant water level. The Ministry of the Environment reported that the lake's water level had dropped by fifty centimeters in 1993. Experts said that this drop brought the level to within twenty-seven centimeters of the critical point where flora and fauna would be endangered.

Among major industrial centers closed to curtail pollution were the Nairit Chemical Plant, the Alaverdy Metallurgical Plant, and the Vanadzor Chemical Combine. Economic requirements triumphed over environmental considerations when the Soviet-era Nairit plant was reopened in January 1992 after being closed in 1989 because of the massive air pollution it caused. Newly independent Armenia needed the income from foreign sales of Nairit rubber and chemical products, many of which had been assigned exclusively to that plant under the Soviet system and were still unavailable elsewhere to the former Soviet republics in the early 1990s. Up-to-date environmental safety technology and adherence to international standards were promised at Nairit when the decision to resume production was announced.

Population and Ethnic Composition

The forces of history have wrought dramatic changes on the boundaries of the various Armenian states; the population's size and the ethnic makeup of those states have also been strongly affected. In the twentieth century, particularly significant changes resulted from Turkish efforts to exterminate Armenians during World War I and from the large-scale emigration of Azerbaijani from Armenia in the early 1990s.

Population Characteristics

The origins of the Armenian people are obscure. According to ancient Armenian writers, their people descend from Noah's son Japheth. A branch of the Indo-Europeans, the Armenians are linked ethnically to the Phrygians, who migrated from Thrace in southeastern Europe into Asia Minor late in the second millennium B.C., and to the residents of the kingdom of Urartu, with whom the Armenians came into contact around 800 B.C. after arriving in Asia Minor from the West. Although ethnologists disagree about the precise timing and elements of
this ethnic combination (and even about the origin of the term Armenian), it is generally agreed that the modern Armenians have been a distinct ethnic group centered in eastern Anatolia since at least 600 B.C.

In the nineteenth century, the Armenians were the most urban of the Transcaucasian peoples, but they were also the most dispersed. A merchant middle class was the most powerful social group among the Armenians, although the church and secular intellectuals also provided leadership. Armenians pioneered exploitation of the oil deposits in and around Baku, and the economic growth of the ancient Georgian capital, Tbilisi, was largely an enterprise of Armenian merchants and small industrialists.

The massacres and displacements that occurred between 1895 and 1915 removed nearly all the Armenian population in the Turkish part of historical Armenia. In 1965 the Soviet Union estimated that 3.2 million Armenians lived in all its republics. The Turkish census the same year showed only 33,000 Armenians in Turkey, most of them concentrated in the far west in Istanbul. In 1988 Armenia's population declined by 176,000, reversing a trend over the previous decade, in which average population growth was 1.5 percent per year. According to the 1989 census, the population of Armenia was about 3,288,000, an increase of 8 percent from the 1979 census figure. An official estimate in 1991 put the population at 3,354,000, an increase of 2 percent since 1989. In 1989 Armenians were the eighth largest nationality in the former Soviet Union, totaling 4,627,000. At that time, only about two-thirds of the Armenians in the Soviet Union lived in Armenia. Some 11.5 percent lived in Russia, 9.4 percent in Georgia, 8.4 percent in Azerbaijan, and the remaining 4 percent in the other republics. In recent years, Armenian refugees from Azerbaijan, Georgia, Russia, and the Central Asian republics have settled in Armenia, compounding an already severe housing shortage. The number of Armenians living in other countries, primarily France, Iran, Lebanon, Syria, and the United States, has been estimated at between 3 million and 9 million.

In 1991 Armenia's population density, 112.6 persons per square kilometer, was second only to that of Moldavia (now Moldova) among the Soviet republics. About 68 percent of the population lives in urban areas and 32 percent in rural areas. In 1990 Armenia's capital, Erevan, had a population of 1.2 million, or about 37 percent of the population of the republic; the
second largest city, Leninakan, had 123,000 residents. The twelfth largest city in the former Soviet Union, Erevan is the second largest in the Caucasus region, after Tbilisi.

In 1979 Armenian families residing in Armenia averaged 4.5 persons, including an average of 4.3 for urban families and 4.8 average for rural families. This average was larger than those of the Baltic, Georgian, Moldavian, and predominantly Slavic republics of the Soviet Union but less than the family averages of the Soviet Muslim republics. In 1989 average life expectancy was 71.9 years (69.0 years for males and 74.7 years for females). The birth rate was 21.6 live births per 1,000 population; the death rate was 6.0 per 1,000.

Ethnic Minorities

Ethnically the most homogeneous of the Soviet republics, Armenia had few problems with ethnic minorities during the Soviet period. According to the last Soviet census, conducted in 1989, Armenians made up 93.3 percent of Armenia's population, Azerbaijanis 2.6 percent, Russians 1.6 percent, and Muslim Kurds and Yezidi (Christian Kurds) together 1.7 percent. Fewer than 30,000 others, including Greeks and Ukrainians, lived in the republic in 1989. During the Soviet period, the
Figure 6. Ethnic Groups in Armenia

The republic's largest non-Armenian group was the Azerbaijanis. By 1989, however, almost all of the Azerbaijanis, who had numbered 161,000 in 1979, either had been expelled or had emigrated from Armenia (see fig. 6). The figure for the 1989 census included 77,000 Azerbaijanis who had returned to their native country but were still considered residents of Armenia.

Language, Religion, and Culture

Through the centuries, Armenians have conscientiously retained the unique qualities of their language and art forms, incorporating influences from surrounding societies without sacrificing distinctive national characteristics. Religion also has
been a strong unifying force and has played a political role as well.

Language

The Armenian language is a separate Indo-European tongue sharing some phonetic and grammatical features with other Caucasian languages, such as Georgian. The Iranian languages contributed many loanwords related to cultural subjects; the majority of the Armenian word stock shows no connection with other existing languages, however, and some experts believe it derives from extinct non-Indo-European languages. The distinct alphabet of thirty-eight letters, derived from the Greek alphabet, has existed since the early fifth century A.D. Classical Armenian (grabar) is used today only in the Armenian Apostolic Church as a liturgical language. Modern spoken Armenian is divided into a number of dialects, the most important of which are the eastern dialect (used in Armenia, the rest of Transcaucasia, and Iran) and the western dialect (used extensively in Turkey and among Western émigrés). The two major dialects differ in some vocabulary, pronunciation, grammar, and orthography.

In the Soviet period, schools in Armenia taught in both Armenian and Russian; in a republic where over 95 percent of the people claimed Armenian as their native language, almost all of the urban population and much of the rural population knew at least some Russian. At the end of the Soviet period, 91.6 percent of Armenians throughout the Soviet Union considered Armenian to be their native language, and 47.1 percent of Armenians were fluent in Russian.

Religion

Mostly Christians since the early fourth century A.D., the Armenians claim to represent the first state to adopt Christianity as an official religion. The independent Armenian church considers its founders to have been the apostles Bartholomew and Thaddeus and officially calls itself the Armenian Apostolic Church. (It is also referred to as the Armenian Orthodox Church or the Gregorian Church.) The conversion of Armenia by Saint Gregory the Illuminator occurred by about A.D. 314, although the traditional date is A.D. 306. Armenian Christians then remained under the powerful combined religious and political jurisdiction of the Roman Empire until the sixth century. At that point, the Armenian church asserted its indepen-
dence by breaking with the Byzantine doctrine of Christ's dual (divine and earthly) nature, which had been expressed officially by the Council of Chalcedon in A.D. 451.

Since the schism, the Armenian Apostolic Church has been in communion only with the monophysite churches (those believing that the human and divine natures of Christ constitute a unity) of Egypt, Syria, and Ethiopia. Rather than embrace the monophysite doctrine, however, the Armenian church holds that Christ had both a divine and a human nature, inseparably combined in a complete humanity that was animated by a rational soul.

Although the Armenian Apostolic Church often is identified with the Eastern Orthodox churches of Eastern Europe, Russia, and Georgia, the Armenian church has been juridically and theologically independent since the early Middle Ages. As a national church, it has played a vital role in maintaining Armenian culture, through the preservation and expansion of written traditions and as a cultural focus for Armenians scattered around the world. In the long periods when Armenians did not have a state of their own, their church was both a political and a spiritual leader, and religion was at the center of the Armenian national self-image. Under the millet system by which the Ottoman Empire ruled subject peoples, the patriarch of Constantinople was recognized as the head of the Armenian community, and the Russian Empire treated the catholics, the titular head of the Armenian Apostolic Church, as the most important representative of the Armenian people.

The Armenian Apostolic Church is headed by Vazgen I, supreme catholicos of all Armenians, who resides in the holy city of Echmiadzin, west of Erevan. The membership of the church is split between a majority that recognizes the supreme catholicos without qualification and a minority that recognizes the catholicos of Cilicia, whose seat is at Antilyas in Lebanon. Closely affiliated with the Armenian Revolutionary Federation (ARF), the minority branch of the church was hostile to any accommodation with communist regimes while Armenia was under Soviet rule. Both branches of the church have been closely identified with the movement for national independence, however. A split occurred within the United States membership of the Armenian Apostolic Church in 1933, when ARF sympathizers assassinated the Armenian archbishop of New York. Two factions remained distinct in the United States in the early 1990s.
Two additional patriarchates in Jerusalem and Istanbul lack the status of full catholicates. Three dioceses are located in other former Soviet republics, and twenty bishoprics function in other countries. Total church membership was estimated at 4 million in 1993. The Armenian Orthodox Academy and one seminary provide religious training.

About 94 percent of the population of Armenia belongs to the Armenian Apostolic Church. Small Roman Catholic and Protestant communities also exist in Armenia. Catholic missionaries began converting Armenians in the Ottoman and Persian empires in the early modern era, and American Protestant missionaries were active in the nineteenth century. The Kurdish population, which totaled 56,000 in 1993, is mostly Muslim but also includes many Christians. Kurds now constitute the largest Muslim group in Armenia because most Azerbaijani Muslims emigrated in the early 1990s. A Russian Orthodox community also exists.

The Armenian Diaspora

Beginning in the eleventh century, a long series of invasions, migrations, conversions, deportations, and massacres reduced Armenians to a minority population in their historic homeland on the Armenian Plateau. Under these conditions, a large-scale Armenian diaspora of merchants, clerics, and intellectuals reached cities in Russia, Poland, Western Europe, and India. Most Armenians remaining in historical Armenia under the Ottoman Empire in the fifteenth century survived as peasant farmers in eastern Anatolia, but others resettled in Constantinople, Smyrna, and other cities in the empire. There they became artisans, moneylenders, and traders. In the nineteenth century, the political uncertainties that beset the Ottoman Empire prompted further insecurity in the Armenian population. Finally, the Young Turk government either massacred or forcibly removed the vast majority of Armenians from the eastern Anatolian provinces in 1915 (see Between Russia and Turkey, this ch.).

Today about half the world’s Armenians live outside Armenia. Armenian communities have emerged in the Middle East, Russia, Poland, Western Europe, India, and North America, where Armenians have gained a reputation for their skill in crafts and in business. Although accurate statistics are not available, the Armenian diaspora is about equally divided between the 1.5 million Armenians in the other republics of the former
Soviet Union and a similar number in the rest of the world. The postcommunist Republic of Armenia has officially defined the Armenian nation to include the far-flung diaspora, a policy in accord with the feelings of many diaspora Armenians.

A common theme in Armenian discourse is the need to preserve the culture and heritage of the Armenian people through education and mobilization of younger members of the community. In this task, the Republic of Armenia enjoys the enthusiastic support of the international Armenian community, which sees a new opportunity to impart information to the rest of the world about Armenian culture—and especially to rectify perceived inattention to the tragedy of 1915.

The Armenian diaspora maintains its coherence through the church, political parties (despite their mutual hostilities), charitable organizations, and a network of newspapers published in Armenian and other languages. Armenian émigrés in the United States have endowed eight university professorships in Armenian studies. With the reemergence of an independent Armenia, diaspora Armenians have established industries, a technical university, exchange programs, and medical clinics in Armenia. Several prominent diaspora Armenians have served in the Armenian government.

**Culture**

The international Armenian community remains loyal to strong cultural traditions, many of which have enriched the societies into which Armenians emigrated. Cultural tradition has been a means of maintaining a sense of national unity among widely dispersed groups of Armenians.

**Literature and the Arts**

The Armenians became active in literature and many art forms at a very early point in their civilization. Urartian metalworking and architecture have been traced back to about 1000 B.C. The beginning of truly national art is usually fixed at the onset of the Christian era. The three great artistic periods coincided with times of independence or semi-independence: from the fifth to the seventh century; the Bagratid golden age of the ninth and tenth centuries; and the era of the kingdom of Lesser Armenia in the twelfth to fourteenth centuries.

Of especially high quality in the earlier periods were work in gold and bronze, as well as temples, military fortifications, and aqueducts. In the early Christian era, classical church architec-
ture was adapted in a series of cathedrals. The circular domes typical of Armenian churches were copied in Western Europe and in Ottoman Turkey. The best example of the distinctive architectural sculpture used to adorn such churches is the early tenth-century Church of the Holy Cross on an island in Lake Van. The architecture of contemporary Erevan is distinguished by the use of pinkish tufa stone and a combination of traditional Armenian and Russian styles.

Armenian painting is generally considered to have originated with the illumination of religious manuscripts that thrived from the ninth to the seventeenth century. Armenian painters in Cilicia and elsewhere enriched Byzantine and Western formulas with their unique use of color and their inclusion of Oriental themes acquired from the Mongols. Many unique Armenian illuminated manuscripts remain in museums in the West.

The nineteenth century saw a blooming of Armenian painting. Artists from that period, such as the portrait painter Hacop Hovnatanian and the seascape artist Ivan Aivazovsky, continue to enjoy international reputations. Notable figures of the twentieth century have included the unorthodox Alexander Bazhbeuk-Melikian, who lived a persecuted existence in Tbilisi, and the émigré surrealist Arshile Gorky (pseudonym of Vosdanik Adoian), who greatly influenced a generation of young American artists in New York. Other émigré painters in various countries have continued the tradition as well.

The Armenian literary tradition began early in the fifth century A.D. with religious tracts and histories of the Armenians. The most important of these were written by Agathangelos, Egishe, Movses Khorenatsi, and Pavstos Buzand. A secular literature developed in the early modern period, and in the eighteenth century Armenian Catholic monks of the Mekhitarist order began publishing ancient texts, modern histories, grammars, and literature. In the nineteenth century, Armenians developed their own journalism and public theater. Khachatur Abovian wrote the first Armenian novel, Verk Haiastani (The Wounds of Armenia), in the early 1840s. Armenian literature and drama often depict struggles against religious and ethnic oppression and the aspirations of Armenians for security and self-expression.

**National Traditions**

Major Armenian holidays commemorate both religious and
historical events. Besides Christmas and Easter, the most important holidays are Vartanants, the day marking the fifth-century defense of Christianity against the Persians, and April 24, which commemorates the 1915 genocide of the Armenians in Turkey.

At times of celebration, Armenians enjoy traditional circle dances and distinctive national music. Their music and their cuisine are similar to those of other Middle Eastern peoples. A typical Armenian meal might include lamb, rice pilaf, eggplant, yogurt, and a sweet dessert such as *paklava* (baklava).

Armenians pride themselves on their close family ties, hospitality, and reverence for their national language and culture, an appreciation that is passed from one generation to the next.

**Education, Health, and Welfare**

In the first years of independence, Armenia made uneven progress in establishing systems to meet its national requirements in social services. Education, held in particular esteem in Armenian culture, changed fastest of the social services, while health and welfare services attempted to maintain the basic state-planned structure of the Soviet era.

**Education**

A literacy rate of 100 percent was reported as early as 1960. In the communist era, Armenian education followed the standard Soviet model of complete state control (from Moscow) of curricula and teaching methods and close integration of education activities with other aspects of society, such as politics, culture, and the economy. As in the Soviet period, primary and secondary school education in Armenia is free, and completion of secondary school is compulsory. In the early 1990s, Armenia made substantial changes to the centralized and regimented Soviet system. Because at least 98 percent of students in higher education were Armenian, curricula began to emphasize Armenian history and culture. Armenian became the dominant language of instruction, and many schools that had taught in Russian closed by the end of 1991. Russian was still widely taught, however, as a second language.

In the 1990–91 school year, the estimated 1,307 primary and secondary schools were attended by 608,800 students. Another seventy specialized secondary institutions had 45,900 students, and 68,400 students were enrolled in a total of ten postsecondary institutions that included universities. In addition, 35 per-
Men playing checkers at old-age home in Erevan
Courtesy A. James Firth, United States Department of Agriculture

cent of eligible children attended preschools. In the 1988–89 school year, 301 students per 10,000 population were in specialized secondary or higher education, a figure slightly lower than the Soviet average. In 1989 some 58 percent of Armenians over age fifteen had completed their secondary education, and 14 percent had a higher education. In 1992 Armenia's largest institution of higher learning, Erevan State University, had eighteen departments, including ones for social sciences, sciences, and law. Its faculty numbered about 1,300 and its student population about 10,000. The Erevan Architecture and Civil Engineering Institute was founded in 1989. Eight other institutions of higher learning, all located in Erevan, teach agriculture, fine arts and theater, economics, music, applied science and technology, medicine, pedagogy and foreign languages, and veterinary medicine.

Health

The social and economic upheavals that followed the earthquake of 1988 combined with the political collapse of the Soviet Union to create a catastrophic public health situation in Armenia. According to Soviet statistics published between 1989 and 1991, the incidence of tuberculosis, viral hepatitis, and
cancer were among the lowest in the Soviet republics (see table 2, Appendix). In 1990 the rates of infant mortality and maternal mortality, 17.1 and 34.6 per 1,000 population, respectively, were also among the lowest rates in the Soviet Union.

The level of medical care declined rapidly in the late 1980s and the early 1990s, however, largely because of the Azerbaijan block and the additional stress caused by war casualties. Even in 1990, Armenia ranked lowest among the republics in hospital beds per 1,000 population and exactly matched the Soviet Union average for doctors per 1,000 population. Before 1991 Armenia had acquired stocks of medical supplies and equipment, thanks largely to the Western aid projects that followed the 1988 earthquake. By 1992, however, the trade blockade had made the supply of such basic items as surgical gloves, syringes, and chlorine for water purification unreliable. In the escalating medical crisis that resulted from this vulnerability, elderly people and newborns were particularly at risk; in late 1992 and early 1993, healthy infants reportedly were dying in hospitals because of the cold and the lack of adequate equipment.

In December 1992, President Ter-Petrosian declared Armenia a disaster area and appealed to the UN Security Council to focus on the crisis in the republic. Government officials estimated that without emergency humanitarian aid some 30,000 people would die. Early in 1993, the United States launched Operation Winter Rescue to send needed assistance to Armenia. In June Project Hope sent US$3.9 million worth of medicine from the United States. From mid-1992 to mid-1993, United States medical assistance totaled US$20 million.

All hospitals in Armenia are under the jurisdiction of the Ministry of Health or the Erevan Health Department. In 1993 about 29,900 hospital beds were available. Hospitals generally had surgical, physical therapy, pediatric, obstetric/gynecological, and infectious disease wards. But according to reports, by 1993 more than half the hospitals in Armenia had ceased functioning because electricity, heat, or supplies were lacking.

Thirty-seven polyclinics serve the rural areas, which have no comprehensive health centers; such clinics are each designated to provide basic medical services to about 10,000 people. Sixty-two outpatient centers specialize in child or adult medicine in urban areas. Immunizations against certain diseases are given to most infants before they are one year old: in 1991 some 95
percent of infants were immunized against poliomyelitis, 88 percent against diphtheria, and 86 percent against pertussis.

Between 1986 and 1994, two cases of acquired immune deficiency syndrome (AIDS) were reported in Armenia: one foreigner who was subsequently deported, and one Armenian who contracted the disease in Tanzania and was treated in Armenia. Experts believe that the Azerbaijani blockade has acted to limit the incidence of AIDS. Although no AIDS clinics are operating, some research has been conducted. In 1992 Armenian scientists announced the discovery of a possible treatment compound.

Social Welfare

The social safety net also weakened drastically in the first years of independence. Beginning in 1989, a large share of national expenditures on welfare services went to the victims of the earthquake. In the early 1990s, Armenia nominally retained the Soviet-era system of social services (retirement, survivor, and disability pensions; allowances to the parents of newborn children; sick and maternity leave; unemployment compensation; and food subsidies). In the early 1990s, however, acute budget shortages brought severe cuts in almost all the social welfare programs of the Soviet era and their replacement by intermittent foreign aid programs. The Ministry of Labor and Social Security allocates social benefits and charitable aid from outside the country. In 1993 only 35 percent of those officially considered unemployed received jobless benefits (see Labor and the Standard of Living, this ch.).

The Economy

In 1991, Armenia's last year as a Soviet republic, national income fell 12 percent from the previous year, and per capita gross national product (GNP—see Glossary) was 4,920 rubles, just 68 percent of the national average for the Soviet Union. In large part because of the earthquake of 1988, the Azerbaijani blockade that began in 1989, and the collapse of the internal trading system of the Soviet Union, the Armenian economy of the early 1990s remained far below its 1980 production levels. In the first two years of independence (1992–93), inflation was extremely high, productivity and national income dropped dramatically, and the national budget ran large deficits.
Modern Economic History

At the beginning of the twentieth century, the territory of present-day Armenia was a backward agricultural region with some copper mining and cognac production. From 1914 through 1921, Caucasian Armenia suffered from war, revolution, the influx of refugees from Turkish Armenia, disease, hunger, and economic misery. About 200,000 people died in 1919 alone. At that point, only American relief efforts saved Armenia from total collapse.

The first Soviet Armenian government regulated economic activity stringently, nationalizing all economic enterprises, requisitioning grain from peasants, and suppressing most private market activity. This first experiment in state control ended with the advent of Soviet leader Vladimir I. Lenin's New Economic Policy (NEP) of 1921–27. This policy continued state control of the large enterprises and banks, but peasants could market much of their grain, and small businesses could function. In Armenia the NEP years brought partial recovery from the economic disaster of the post-World War I period. By 1926 agricultural production in Armenia had reached nearly three-quarters of its prewar level.

By the end of the 1920s, Stalin's regime had revoked the NEP and established a state monopoly on all economic activity. Once this occurred, the main goal of Soviet economic policy in Armenia was to turn a predominantly agrarian and rural republic into an industrial and urban one. Among other restrictions, peasants now were forced to sell nearly all their output to state procurement agencies rather than at the market. From the 1930s through the 1960s, an industrial infrastructure was constructed. Besides hydroelectric plants and canals, roads were built and gas pipelines were laid to bring fuel and food from Azerbaijan and Russia.

The Stalinist command economy, in which market forces were suppressed and all orders for production and distribution came from state authorities, survived in all its essential features until the fall of the Soviet government in 1991. In the early stages of the communist economic revolution, Armenia underwent a fundamental transformation into a "proletarian" society. Between 1929 and 1939, the percentage of Armenia's work force categorized as industrial workers grew from 13 percent to 31 percent. By 1935 industry supplied 62 percent of Armenia's economic production. Highly integrated and sheltered within the artificial barter economy of the Soviet system from the
1930s until the end of the communist era, the Armenian economy showed few signs of self-sufficiency at any time during that period. In 1988 Armenia produced only 0.9 percent of the net material product (NMP—see Glossary) of the Soviet Union (1.2 percent of industry, 0.7 percent of agriculture). The republic retained 1.4 percent of total state budget revenue, delivered 63.7 percent of its NMP to other republics, and exported only 1.4 percent of what it produced to markets outside the Soviet Union.

Armenian industry was especially dependent on the Soviet military-industrial complex. About 40 percent of all enterprises in the republic were devoted to defense, and some factories lost 60 to 80 percent of their business in the last years of the Soviet Union, when massive cuts were made in national defense expenditures. As the republic's economy faces the prospect of competing in world markets in the mid-1990s, the greatest liabilities of Armenian industry are its outdated equipment and infrastructure and the pollution emitted by many of the country's heavy industrial plants (see Environmental Problems, this ch.).
Natural Resources

Although Armenia was one of the first places where humans smelted iron, copper is the most important raw material mined there today. Deposits of zinc, molybdenum, gold, silver, bauxite, obsidian, and semiprecious stones, as well as marble, granite, and other building materials, are also present. Significant expansion is believed possible in the exploitation of most of those materials, which until the mid-1990s had been largely untouched. Some oil deposits have been identified, but the complex geology of the region makes recovery difficult and expensive. In 1993 an American expedition tentatively identified further deposits of natural gas and oil, but exploitation was not expected for several years.

Agriculture

Armenia has 486,000 hectares of arable land, about 16 percent of the country's total area. In 1991 Armenia imported about 65 percent of its food. About 10 percent of the work force, which is predominantly urban, is employed in agriculture, which in 1991 provided 25.7 percent of the country's NMP. In 1990 Armenia became the first Soviet republic to pass a land privatization law, and from that time Armenian farm-land shifted into the private sector at a faster rate than in any other republic. However, the rapidity and disorganization of land reallocation led to disputes and dissatisfaction among the peasants receiving land. Especially problematic were allocation of water rights and distribution of basic materials and equipment. Related enterprises such as food processing and hothouse operations often remained in state hands, reducing the advantages of private landholding.

By 1992 privatization of the state and collective farms, which had dominated Armenian agriculture in the Soviet period, had put 63 percent of cultivated fields, 80 percent of orchards, and 91 percent of vineyards in the hands of private farmers. The program yielded a 15 percent increase in agricultural output between 1990 and 1991. In 1993 the government ended restrictions on the transfer of private land, a step expected to increase substantially the average size (and hence the efficiency) of private plots. At the end of 1993, an estimated 300,000 small farms (one to five hectares) were operating. In that year, harvests were bountiful despite the high cost of inputs; only the disastrous state of Armenia's transportation infrastructure pre-
vented relief of food shortages in urban centers (see Transportation and Telecommunications, this ch.).

Agriculture is carried out mainly in the valleys and on the mountainsides of Armenia's uneven terrain, with the highest mountain pastures used for livestock grazing. Fertile volcanic soil allows cultivation of wheat and barley as well as pasturage for sheep, goats, and horses. With the help of irrigation, figs, pomegranates, cotton, apricots, and olives also are grown in the limited subtropical conditions of the Aras River valley and in the valleys north of Erevan, where the richest farmland is found. Armenia also produces peaches, walnuts, and quinces, and its cognac enjoys a worldwide reputation.

Irrigation is required for most crops, and the building of canals and a system of irrigation was among the first major state projects of the Soviet republic in the 1920s. By the 1960s, arable land had been extended by 20 percent, compared with pre-Soviet times. Most farms had electricity by the early 1960s, and machinery was commonplace. In the Soviet era, women made up most of the agricultural work force; a large percentage of the younger men had responded to the Soviet industrialization campaign by migrating to urban centers. In 1989 farms were operating about 13,400 tractors and 1,900 grain and cotton combines.

The principal agricultural products are grains (mostly wheat and barley), potatoes, vegetables, grapes, berries, cotton, sugar beets, tobacco, figs, and olives. In 1989 Armenia produced 200,000 tons of grain, 266,000 tons of potatoes, 485,000 tons of vegetables, 117,000 tons of sugar beets, 170,000 tons of fruit, 119,000 tons of grapes, 105,000 tons of meat, 491,000 tons of milk, and 561,000 tons of eggs.

Industry

The most important elements of Armenian heavy industry are metalworking, machinery manufacture, electronics, and the production of chemicals, petrochemicals, fertilizers, and building materials (see table 3, Appendix). In 1993, with the aid of British and Russian specialists, a chemical combine was designed to streamline production and marketing of Armenia's chemical products, which had been among the republic's most profitable outputs in the Soviet system. In the later Soviet period, the country became known for its high-quality scientific research, particularly in computer science, nuclear and elementary particle physics, and astrophysics. An estimated 30
percent of Armenia's industrial production infrastructure was destroyed or damaged by the earthquake of 1988.

In the Soviet period, Armenian industry contributed trucks, tires, elevators, electronics, and instruments to the union economy, but several of the plants in those sectors also were lost in 1988. In the years of the Azerbaijani blockade, heavy industrial production has declined sharply because the supply of fuels and electricity has been limited and the price of raw materials has become prohibitive.

Armenian plants were an important part of the Soviet military-industrial complex, producing a variety of equipment. In the early 1990s, the Armenian Ministry of Defense attempted to re-establish agreements with the defense establishments of Russia and other member countries of the Commonwealth of Independent States (CIS—see Glossary). Such a move would enable Armenia to resume production of sophisticated electronic air defense components, which would significantly bolster the domestic economy.

Armenia's most important light consumer products are knitted clothing and hosiery, canned goods, aluminum foil for food packaging, and shoes. Most durable consumer goods are imported (see table 4, Appendix). In 1993 production of consumer products declined even more sharply than other sectors. Food imports increased dramatically to compensate for a 58 percent drop in domestic food processing from 1991 to 1992.

Overall industrial production in 1993 was about 60 percent of that in 1992, but the percentage rose steadily through 1993 after a very slow beginning. Food production for 1993, however, was only 50 percent of the 1992 amount, retail sales were 58 percent, and paid services to the population were 32 percent.

**Energy**

In 1990 Armenia produced less than 1 percent of its energy requirement, which was filled by imports from Russia (50 percent) and other republics of the Soviet Union. In the late Soviet era, Armenia had a share in the Joint Transcaucasian Power Grid, but that arrangement and short-term supply agreements with Azerbaijan ended with the Nagorno-Karabakh conflict. The 1988 earthquake destroyed the largest nonnuclear thermoelectric plant; the two remaining plants are located south of Erevan and near Razdan, northeast of Erevan.
Hydroelectric plants provide 30 percent of domestic electricity, but the output of the largest producer, the Razdan Hydroelectric Plant, was cut drastically because of its negative effect on the water level of its source, Lake Sevan. By early 1994, however, a fifth hydroelectric generating unit was under construction, with international funding, to help alleviate the energy shortage. Planners are also considering construction of two medium-sized hydroelectric stations on the Dzoraget and Debet rivers in the far north, or 300 to 450 small stations on lakes. The obstacle to such plans is the high cost of importing technology.

In the early 1990s, severe shortages of energy led to blackouts, periodic shutdowns of the subway system, inadequate heating of urban buildings, and the further decline of industry. Schools, institutes, and universities were closed through the winters of 1991–92 and 1992–93.

In the 1980s, Soviet planners had attempted to improve Armenia's power generation capacity by building the Armenian Atomic Power Station at Metsamor. However, that station's two reactors were shut down after the 1988 earthquake to avoid future earthquake damage that might cause an environmental catastrophe. The heat and power crisis caused by the Azer-
baijani blockade instituted in 1989 caused the government to reconsider use of Metsamor, despite the station's location in earthquake-prone northern Armenia and the possibility of a terrorist attack that could release large amounts of radiation.

In 1993 Metsamor had an estimated capacity to provide 20 percent of Armenia's energy requirements. Plans were made for startup of one of the two reactors by 1995 after careful equipment testing and international technical assistance—with the provision that the plant would remain closed if alternative sources of power could relieve the acute shortage of the prior three years.

In 1993 the delivery of electric power to industrial consumers was cut to one-third of the 1992 level. Under continued blockade conditions, the winter of 1993–94 brought acute shortages of coal, heating oil, and kerosene to heat homes and city apartment buildings and to keep industries running. Significant deposits of high-quality coal have been identified in Armenia, with holdings estimated at 100 million tons. But exploitation would require massive deforestation, a consequence that is considered environmentally prohibitive. In September 1993, Turkmenistan agreed to deliver 8.5 million cubic meters of natural gas per day during the winter, as well as kerosene and diesel fuel in 1994. (Turkmenistan was already an important fuel supplier to postcommunist Armenia.) Although Georgia guaranteed full cooperation in maintaining gas delivery through its pipeline into Armenia, in 1993 explosions on the line interrupted the flow twelve times. Azerbaijani groups in Georgia were assumed to be responsible for the bombings.

Postcommunist Economic Reform

When Mikhail S. Gorbachev began advocating economic reform in the late 1980s, Armenians introduced elements of the free market and privatization into their economic system. Cooperatives were set up in the service sector, particularly in restaurants—although substantial resistance came from the CPA and other groups that had enjoyed privileged positions in the old economy. In the late 1980s, much of the Armenian economy already was operating either semi-officially or illegally, with widespread corruption and bribery. The so-called mafia, made up of interconnected groups of powerful officials and their relatives and friends, sabotaged the efforts of reformers to create a lawful market system. When the December 1988 earthquake brought millions of dollars of foreign aid to the
Woman working in a cognac factory, Erevan
Woman working in a shoe repair shop, Erevan
Courtesy Aline Taroyan
devastated regions of Armenia, much of the money went to corrupt and criminal elements.

Beginning in 1991, the democratically elected government pushed vigorously for privatization and market relations, although its efforts were frustrated by the old ways of doing business in Armenia, the Azerbaijani blockade, and the costs of the Nagorno-Karabakh conflict. In 1992 the Law on the Program of Privatization and Destatization of Incompletely Constructed Facilities established a state privatization committee, with members from all political parties. In mid-1993 the committee announced a two-year privatization program, whose first stage would be privatization of 30 percent of state enterprises, mostly services and light industries. The remaining 70 percent, including many bankrupt, nonfunctional enterprises, were to be privatized in a later stage with a minimum of government restriction, to encourage private initiative. For all enterprises, the workers would receive 20 percent of their firm's property free of charge; 30 percent would be distributed to all citizens by means of vouchers; and the remaining 50 percent was to be distributed by the government, with preference given to members of the labor organization. A major problem of this system, however, is the lack of supporting legislation covering foreign investment protection, bankruptcy, monopoly policy, and consumer protection.

In the first postcommunist years, efforts to interest foreign investors in joint enterprises were only moderately successful because of the blockade and the energy shortage. Only in late 1993 was a department of foreign investments established in the Ministry of Economics, to spread information about Armenian investment opportunities and improve the legal infrastructure for investment activity. A specific goal of this agency is creating a market for scientific and technical intellectual property.

A few Armenians living abroad made large-scale investments. Besides a toy factory and construction projects, diaspora Armenians built a cold storage plant (which in its first years had little produce to store) and established the American University of Armenia in Erevan to teach the techniques necessary to run a market economy.

Armenia was admitted to the International Monetary Fund (IMF—see Glossary) in May 1992 and to the World Bank (see Glossary) in September. A year later, the government complained that those organizations were holding back financial
assistance and announced its intention to move toward fuller price liberalization and the removal of all tariffs, quotas, and restrictions on foreign trade. Although privatization had slowed because of the catastrophic collapse of the economy, Prime Minister Hrant Bagratian informed United States officials in the fall of 1993 that plans had been made to embark on a renewed privatization program by the end of the year.

**Labor and the Standard of Living**

The abrupt termination of economic relations with many former Soviet republics, each concerned with its own immediate needs, forced reduction of the work force and plant closings in Armenia. In the years following, the effects of the Nagorno-Karabakh conflict continued and exacerbated the trend. In 1991 some 39 percent of the active work force was employed in industry and construction; 21 percent in the arts, education, and health; 19 percent in agriculture and forestry; 7 percent in transportation and communications; and 6 percent in commerce and food services (see table 5, Appendix).

About 96,000 persons were officially classified as unemployed in September 1993, a 55 percent increase since the beginning of the year. Another 150,000 workers were expected to apply for government support grants before the end of 1993.

About 800,000 Armenians (approximately one-quarter of the population) were homeless in 1991. Especially hard-hit by unemployment was the highly skilled work force that had been employed in the Soviet military-industrial complex until that sector of the economy was severely cut in the late 1980s. Conversion of plants to civilian production progressed slowly in the early 1990s; according to one estimate, 120,000 jobs were lost during this process.

In 1988 the Armenian living standard was slightly lower than that of the Soviet Union as a whole. The per capita consumption by Armenians was 12 percent below the average for Soviet republics. Average daily nutritional consumption was 2,932 calories, of which 45 percent was grains and potatoes (see table 6, Appendix).

After the fall of the Soviet Union, living standards in Armenia fell precipitously. By the end of 1993, the decrease in production, shortages of food and fuel, and hyperinflation had reduced the living standard of an estimated 90 percent of Armenians to below the official poverty line. In the winter of 1993–94, average monthly income was enough to pay for rent
and public transportation, plus either ten eggs or 300 grams of butter. Fish and bread, still under price controls, were the only affordable staple foods. Average per capita housing space in 1993 was fifteen square meters.

The National Financial Structure

The various aspects of Armenia's financial system were reformed or replaced piecemeal in the early 1990s, with the national cash flow severely restricted by the strangulation of foreign trade and diversions to support military operations and emergency humanitarian needs (see table 7, Appendix).

Banking

Banking reforms in Armenia moved somewhat more slowly than in other former Soviet republics. In late 1991, the specialized state banks of the Soviet system were converted into joint-stock commercial banks, and some new commercial banks were formed. But the State Bank of Armenia (Gosbank Armenia) and the Bank for Foreign Economic Affairs remained official branches of central state banks in Moscow. The consequence was diminished local control over monetary policy.

A new Central Bank of Armenia was not fully established until early 1994, and even then the bank was not entirely free of state control. The global financial community considers the bank's independence vital to normalization of Armenia's international financial dealings, along with stabilization of the dram (for value of the dram—see Glossary), the national currency established in 1993, and regularization of the dispersal of state pension allowances. In 1993 official exchange rates for the dram were as much as 100 percent more than black-market rates, which economists consider the more accurate value. Because of a shortage of hard currency in 1993, banks tried to restrict sales of hard currency that would further diminish the exchange value of the dram.

The National Budget

The tax base of the 1992 budget was to include a new value-added tax (VAT—see Glossary), several excise taxes, and a revised system of enterprise and personal income taxes. Hard-currency export earnings were to be taxed at 25 percent. The fastest-growing expenditure categories were national defense and allowances to citizens to mitigate the effects of price liber-
The 1992 budget called for a cut of about 45 percent in real expenditures (equivalent to a nominal increase of 155 percent), which would still leave a deficit of 1.2 billion rubles, or 11 percent of total expenditures. Budgets were extremely difficult to plan because of the Azerbaijani blockade and the unpredictable inflation rate.

**Price Policy**

In mid-1990 the government introduced a three-stage price reform program, implementation of which was severely hindered by the contraction of the national economy. The purpose of the first stage was to improve agricultural production incentives by raising government procurement prices for staple products. The second stage raised wholesale prices and tariffs to bring them closer to world market levels and to stimulate price negotiations. The third stage fixed prices (usually at increases of 300 to 500 percent) for food, medicine, utilities, and transportation, but it freed the prices of most other items. Experts believed that prices would not reach true equilibrium until the end of shortages caused by the blockade.

Between December 1992 and September 1993, annual price increases for various goods and services ranged from nearly 600 to over 1,200 percent. Whereas the average monthly increase for all expenditures in 1993 was 23 percent, the rate fell considerably in the second half of the year. By the summer of 1993, monthly increases had fallen below 17 percent.

**Transportation and Telecommunications**

Armenia's mountainous topography, landlocked location, and antagonistic neighbors have made movement of goods and maintenance of a transportation system difficult. Despite these problems, however, the country's air, rail, and highway networks serve the nation's needs adequately. Domestic movement of goods is occasionally hampered by poor maintenance of roads. In addition, since independence in 1991, movement of goods across international borders has frequently been disrupted because many of the country's important rail and highway links with the outside world pass through Azerbaijan. Beginning in 1989, complete stoppage of international trade across this border led to escalating food and fuel shortages in Armenia.

In 1991 Armenia had 11,300 kilometers of roads, of which about 10,500 kilometers were paved. Most roads radiate from
Erevan, and in the western part of the country four-lane highways connect major cities (see fig. 7). The main route for international travel of passengers and goods before the start of the conflict with Azerbaijan was Route M24, which leads northeast out of Erevan to connect with Route M27, the principal east-west highway across the Caucasus Mountains. Other major highways extend southeast from the capital to southern Armenia and to Azerbaijan's Nakhichevan Autonomous Republic and west to the populated areas of western Armenia and to the Turkish border.

In 1992 Armenia had about 100,000 state-owned vehicles (automobiles, trucks, taxis, and buses). Observers noted, how-
ever, that at any given time about one-third of these vehicles were inoperable because of poor maintenance and unavailability of spare parts. Average vehicle age in 1992 was 6.5 years.

Armenia had 825 kilometers of mainline railroad track in 1992, excluding several small industrial lines. Most lines are 1,520-meter broad gauge, and the principal routes are electrified. The rail system is roughly configured like a "Y" and has lines radiating from a central point just south of Erevan. The northeast branch roughly parallels Route M24 to Azerbaijan. About 85 percent of all goods used in Armenia are imported by rail, and before the conflict with Azerbaijan, most came via this rail line. Closure of the line at the international border during the early 1990s has caused severe disruption to the Armenian economy. The southern branch of the line extends south toward the Turkish border, where it turns southeast into Nakhichevan. The war with Azerbaijan has stopped service on this segment of the rail system as well.

In 1994 the last operative portion of the country's rail lines was the northwest branch of the "Y," which winds through the populated areas of northwestern Armenia before crossing into Georgia. A short spur of this line at Gyumri connects with the Turkish rail system. However, a difference in gauge with the Turkish system means that goods crossing the Turkish border must undergo a time-consuming reloading process.

In 1991 Armenia Railways, the state-owned rail system, operated with 100 electric and eighty diesel locomotives. Delays in the delivery of spare parts from Russia have been a nagging problem in the maintenance of the system. Cannibalization of rolling stock to obtain parts has severely reduced service.

Erevan's new subway system was still largely under construction in the early 1990s. In 1994 nine stations had opened on the first ten-kilometer section of heavy-rail line. This first line connected Erevan's industrial area with the downtown area and the main rail station. Work on an additional four kilometers was slowed by the 1988 earthquake. Plans called for an eventual system of forty-seven kilometers organized into three lines.

Armenia's principal airport, Zvartnots, is about seven kilometers from downtown Erevan. With a runway approximately 2,700 kilometers long, the airport can handle airplanes as large as the Russian Tu-154 and IL–86 or the Boeing 727. In 1993 the airport handled about 34,000 tons of freight. The State Airlines Company of Armenia, the new state-run airline, provides direct or nonstop service to about a dozen cities of the former Soviet
Union, as well as to Paris. The Russian and Romanian national airlines also provide regular international air service into Erevan. Since the beginning of the conflict with Azerbaijan, fuel shortages have curtailed expansion of passenger and cargo service, however. Several other airports elsewhere in Armenia have paved runways, but most are used for minor freight transport. Although air cargo has the potential to relieve the effects of the Azerbaijani blockade of land routes, efforts to fly in aviation kerosene were frustrated in 1993 by corruption in the Main Administration for Aviation and by high prices charged by Russian suppliers.

Armenia's one major natural gas pipeline branches off the main Transcaucasian line that runs from Russia through Georgia to Baku. The Armenian spur begins in western Azerbaijan and reaches its main terminus in Erevan. In all, Armenia has 900 kilometers of natural gas pipeline. Armenia imports most of its fuel and, before the conflict with Azerbaijan, imported 80 percent of its fuel from Azerbaijan via the pipeline or in rail tanker cars. Like Armenia's rail and highway links, the pipeline from Azerbaijan has been closed by the Azerbaijani blockade.

In 1991 the American Telephone and Telegraph Company installed 200 long-distance circuits in Armenia, which gave the republic the capacity, available elsewhere in the former Soviet Union only in Moscow, to receive direct-dial international calls. Radio and television are controlled by the State Committee for Television and Radio Broadcasting. Ten AM and three FM radio stations broadcast from Erevan, Kamo, and Sisian. Broadcasts are in Armenian, Kurdish, and Russian to points within Armenia, and in those languages plus Arabic, English, French, Persian, Spanish, and Turkish to points outside the country. The single television station broadcasts in Armenian and Russian. According to Soviet statistics of the late 1980s, between 90 and 95 percent of Armenian homes had radios or televisions. No statistics are available for the blockade years, but experts believe that under blockade conditions substantially fewer Armenians have had regular access to broadcast information.

Foreign Trade

In the Soviet period, Armenia traded almost solely with the union's other republics. A foreign trade organization (FTO) controlled each product group, and exports by each Armenian enterprise were determined by the State Planning Committee (commonly known by its Russian acronym, Gosplan) in Mos-
Enterprises had no control over the size or destination of shipments of their products. Together with Estonia and Tajikistan, Armenia had the highest level of imports among the Soviet republics. Its exports consisted mostly of semifinished goods that needed processing in other republics.

In the years since the breakup of the Soviet Union, Armenia's economy has been hurt by the need to import much of its food and almost all of its oil and gas. In 1989 the FTO monopoly was removed, allowing enterprises to seek their own buyers and sellers abroad. In 1992 the government removed most state controls over foreign trade. Export licensing continued to protect enterprises from fraud and to enforce domestic market quotas. In the early 1990s, most of Armenia's exports went to Russia, Eastern Europe, and various developing countries (see table 8, Appendix). By January 1992, Armenia had signed bilateral trade protocols with most of the former Soviet republics. To ensure flexibility in the face of future price liberalization, prices were to be set in direct negotiation between enterprises. Enterprises were not strictly bound by protocols signed by their respective governments, although quotas remained a possibility. At this stage, all payments were to be in rubles.

In 1990 Armenia's largest sources of export income were light industrial products (mostly knit clothing, shoes, and carpets), machines and metal products, processed foods, and chemical products. The highest total expenditures on imports were for light industrial products, processed foods, chemical products, energy and fuels, and unprocessed agricultural products. In 1990 Armenia showed a trade deficit of 869 million rubles in industrial goods and a deficit of 278 million rubles in agricultural goods.

In April 1992, Armenia became the first former Soviet republic to sign a comprehensive bilateral trade agreement with the United States and the first to receive most-favored-nation status. Canada soon followed in granting Armenia similar status. In planning future trade, Armenia expected to rely heavily on foreign markets for products from its newly organized complex of chemical enterprises, for which demand was identified in the former Soviet republics, Eastern Europe, Iran, Syria, Turkey, Argentina, and Australia.

Government and Politics

The Republic of Armenia declared its sovereignty on August 23, 1990, and became an independent state a year later, on Sep-
tember 23, 1991. In October 1991, Levon Ter-Petrosian, who had been elected democratically as chairman of the Armenian Supreme Soviet under the Soviet system in 1990, was chosen president of the republic in a six-candidate election. As of early 1994, Armenia was a reasonably stable democratic state, although its party structure was fractious and its legislative branch ineffectual. Because no consensus could be reached on a new constitution, a standoff between parliament and the president remained unresolved in early 1994.

Parliament

The 248 members of Armenia's unicameral parliament (Geraguin khorhurt in Armenian, officially retaining the term "Supreme Soviet" from the communist era) are elected for five-year terms and meet for six months each year. The prime minister and the Council of Ministers, which together constitute the executive branch of the government, are chosen from parliament. Although half the members of parliament (124) must be present for a quorum, a majority of the votes of the entire body (125) is needed to pass laws. In the early 1990s, because more than 160 members were rarely present and the ruling party did not have a majority in the body, the parliament was proving unable to act decisively on major legislative issues. Moreover, a two-thirds majority of the parliament (165) is needed to override a presidential veto. In the absence of a constitution, however, the parliament has issued laws regulating the relations and powers of the branches of government.

The Presidium, the parliament's executive body, administers parliament when it is not in session. The Presidium is made up of the president of the republic (whose title is also chairman of parliament), two deputies, the secretary of the parliament, and the twelve chairmen of the permanent parliamentary committees. Often laws are initiated by the president of the republic, sent to the Presidium for review, and then passed on to appropriate committees before being reviewed and voted upon by the whole parliament. (Besides permanent committees, the parliament can create temporary committees to deal with specific issues.)

Once parliament passes a law, the president of the republic, who also may participate in parliamentary debates, must sign or veto within two weeks. In early 1994, parliament had not yet passed legislation replacing Soviet-era laws in several major areas: criminal and civil codes, administrative violations, mar-
riage and family, labor rights and practices, land tenure, and housing.

**The Presidency**

As it has developed in the 1990s, the Armenian presidency is the most powerful position in government. More than a ceremonial head of state, the president is the most active proposer of new legislation, the chief architect of foreign and military policy, and, during Armenia's prolonged state of national emergency, the unchallenged center of government power in many areas.

Levon Ter-Petrosian, a former philologist and a founding member of the Karabakh Committee, became the first president of independent Armenia in 1991. Ter-Petrosian has occupied the political center of Armenian politics as the single most important politician in the country and the principal advocate of moderate policies in the face of nationalist emotionalism. The parliamentary plurality that Ter-Petrosian's party, the Armenian Pannational Movement (APM), enjoyed at the formation of the republic in 1991 enhanced presidential authority at the expense of parliament, where the majority of seats were divided among many parties. Beginning in 1992, Ter-Petrosian took several controversial unilateral actions on major issues, which brought accusations of abuse of power.

**State Administrative Bodies**

The Council of Ministers, which performs the everyday activities of the executive branch of government, is presided over by the prime minister, who reports directly to the president and to parliament. The prime minister is named by the president but must be approved by parliament. The members of the council are appointed by joint decision of the president and the prime minister.

The Council of Ministers underwent a series of changes in the early 1990s as Ter-Petrosian sought a prime minister with whom he could work effectively. As a result, four men occupied that position between 1991 and 1995. The principal source of friction within government circles is factional disagreement about the appropriate elements and pace of economic reform. In the first years of independence, most of the members of the council have belonged to the APM. In 1994 the Council of Ministers included the following ministries: agriculture, architecture and urban planning, communications, construction,
culture, defense, economics, education, energy and fuel, environment, finance, food and state procurement, foreign affairs, health, higher education and science, industry, internal affairs, justice, labor and social security, light industry, national security, natural resources, trade, and transportation.

In addition to the regular ministries, state ministries coordinate the activities of ministries having overlapping jurisdictions. State ministers rank higher than regular ministers. In 1994 there were six state ministries: agriculture, construction, energy and fuel, humanitarian assistance, military affairs, and science and culture. State agencies have responsibilities similar to those of ministries, but they are appointed by and report directly to the president. Seven state agencies were operating in 1994.

The Judiciary

With no constitution in place, the structure of the new Armenian judiciary remains unformalized. Most judges are holdovers from the Soviet period, and the power to appoint judges has not been decided between the legislative and executive branches. Appointment and training of new judges are high priorities in replacing the Soviet judicial system with an independent judiciary.

District courts are the courts of first instance. Their judges are named by the president and confirmed by the parliament. The Supreme Court, whose chief justice is nominated by the president and elected by a simple majority of parliament, provides intermediate and final appellate review of cases. The court includes a three-member criminal chamber and a three-member civil chamber for intermediate review and an eleven-member presidium for final review. The full, thirty-two-member court provides plenary appellate review.

The general prosecutor is nominated by the president and elected by parliament. The general prosecutor's office moves cases from lower to higher courts, oversees investigations, prosecutes federal cases, and has a broad mandate to monitor the activities of all state and legal entities and individual citizens. The general prosecutor appoints district attorneys, the chief legal officers at the district level.

The Constitution

As of early 1994, adoption of a constitution for the Republic of Armenia remained a controversial and unresolved project.
In the meantime, the 1978 constitution, a replica of the Soviet Union's 1977 document, remained in effect except in cases where specific legislation superseded it. At the end of 1992, the president and the APM parliamentary delegates presented a draft constitution. They put forward a revised version in March 1993. Then, after nearly a year's work, a bloc of six opposition parties led by the Armenian Revolutionary Federation (ARF) presented an alternative constitution in January 1994 that would expand the parliament's power, limit that of the president, expand the authority of local government, allow Armenians everywhere to participate in governing the republic, and seek international recognition of the 1915 massacre. As 1994 began, observers expected a long struggle before parliament adopted a final version.

Local Government

The republic is divided into thirty-seven districts, or gavaraner, each of which has a legislative and administrative branch replicating the national structures. Pending adoption of a new constitution prescribing a division of power, however, all major decisions are made by the central government and are merely implemented by the district administrations.

Political Parties

During Armenia's seventy years as a Soviet republic, only one party, the Communist Party of Armenia (CPA), was allowed legal status. As a branch of the Communist Party of the Soviet Union, it ruled under the direct orders of the leadership in Moscow. Following the collapse of communist authority, two major parties and dozens of minor ones competed for popularity along with the remnants of the CPA.

In the years following independence, the most vocal and powerful opposition party was the Armenian Revolutionary Federation (ARF). Founded in 1890, the ARF was the ruling party in the Republic of Armenia in 1918–20; forbidden under the communist regimes, the ARF built a strong support network in the Armenian diaspora. When the party again became legal in 1991, its foreign supporters enabled it to gain influence in Armenia out of proportion to its estimated membership of 40,000. With a platform calling for a coalition government, greater power for the parliament at the expense of the executive, and a strong social welfare program, the ARF gained eighteen seats in the 1992 parliamentary election.
The Liberal Democratic Party (LDP), founded in 1921, calls for privatizing the economy and rapidly establishing all possible conditions for a free-market economy. It also backs a strong system of state social welfare and recognition of Nagorno-Karabakh's independence. The LDP had seventeen seats in parliament in 1994.

Former dissident Pariur Hairikian heads the National Self-Determination Union, which has called for a coalition government based on proportional representation of each party. With only one seat in parliament, the union takes a radical-right position on most issues. Extreme nationalist parties with racist ideologies also have small followings. Most opposition parties have been critical of Ter-Petrosian's Nagorno-Karabakh policy; in 1992 they formed the so-called National Alliance to coordinate their foreign policy positions. Because of parliament's institutional weakness, oppositionists frequently have organized massive public rallies demanding the president's resignation.

In the first years of independence, the ruling elite came primarily from the Armenian Pannational Movement (APM), the umbrella organization that grew out of the Karabakh movement. In the 1992 parliamentary election, the APM gained fifty-five seats, easily giving it a plurality but leaving it vulnerable when opposition coalitions formed on individual issues. The next largest delegation, that of the ARF, had twelve seats. In 1993 the failure of Ter-Petrosian's government to bring the Karabakh conflict to an end, its own willingness to compromise on the Karabakh question, and the daily grind of fuel and food shortages reduced the popularity of the ruling nationalist movement.

**Human Rights**

In April 1991, Armenia signed the International Covenant of Civil and Political Rights and accepted it as domestic law, superseding all existing laws on the subject. That covenant includes the right to counsel; the presumption of innocence of the accused; the right to privacy; prohibition of arbitrary arrest; freedom of the press, religion, political expression and assembly, and movement; minority rights; and prohibition of discrimination. Since 1991 specific legislation has further guaranteed freedom of the press and prohibited discrimination in education, language, and employment. Rights of the accused, how-
ever, remain undefined pending Armenia's acceptance of international conventions on that subject.

In 1993 several human rights organizations were active in Armenia: the Helsinki Assembly, which represented the international Helsinki Watch; the League of Human Rights; parliament's Committee on Human Rights; a national group called Avangard; and a branch of the international Sakharov Fund.

In 1993 the National Self-Determination Union accused the Ter-Petrosian government of a state terrorism policy that included the assassination of individuals within the union and others opposed to government policy. The most publicized incident was the murder in 1993 of Marius Yuzbashian, a former chief of the Armenian branch of the Committee for State Security (Komitet gosudarstvennoi bezopasnosti—KGB).

The Media

In the Soviet era, the officially sanctioned source of public information was Armenpress, the state news agency assigned to disseminate the propaganda of the CPA. In the post-Soviet years, Armenpress has remained the primary source of information for independent newspapers in Armenia and for periodicals in the diaspora. Under those conditions, the agency has required continued state funding to maintain its information flow to foreign customers, of whom seventeen had reciprocal information supply agreements with Armenpress in early 1994. Meanwhile, the agency has adopted a more neutral position in its reporting.

Early in 1994, the Ministry of Justice reported that twenty-four magazines, nine radio stations, twenty-five press agencies, and 232 newspapers were active. Several national newspapers represent a variety of political viewpoints. Hayastani Hanrapetutsyun (Republic of Armenia) is the official daily newspaper of the Supreme Soviet, published in Armenian and Russian versions. Golos Armenii (The Voice of Armenia), published daily in Russian, is the official organ of the CPA. Azatamart (Struggle for Freedom) and Hazatamart (Battle for Freedom) are weekly organs of the ARF. Hazg (Nation) is published by the Party of Democratic Freedom. Other newspapers include Grakan Tert (Literary Paper), published by the Armenian Union of Writers; Hayk (Armenia), a publication of the APM; Ria Taze (New Way); and Yerokoian Yerevan (Evening Erevan). In 1993 thirteen major magazines and journals covered science and technology, politics, art, culture, and economics; the group also included
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one satirical journal, one journal for teenagers, and one for working women.

Foreign Relations

While it has been engaged in the Nagorno-Karabakh conflict with Azerbaijan, Armenia also has sought international status and security in new bilateral relations and membership in international organizations. In the first years of independence, Armenia became a member of the UN, the IMF, the World Bank, the CSCE, and the CIS. Located in a region that is already unstable, in the early 1990s the three republics of Transcaucasia gained the attention of world leaders because of the potential for a wider war on the northern tier of the Middle Eastern states. The resulting aid and efforts at mediation have had mixed results.

Azerbaijan

Since the outbreak of fighting in 1988, Nagorno-Karabakh has been the principal foreign policy issue for Armenia, creating a huge drain on its financial and human resources. By the end of 1998, estimates of the number killed in the conflict ranged from 3,000 to 10,000. The fighting between Armenians and Azerbaijanis repeatedly has threatened to involve not only other CIS member states but also Turkey and Iran, whose borders have been approached and even crossed during the conflict.

In a speech to the UN in September 1992, Ter-Petrosian stated his government's official position that Armenia had no territorial claims against Azerbaijan, but that the people of Nagorno-Karabakh could not be denied the right of self-determination. Advocating the protection of the region by means of permanent international guarantees, Armenia repeatedly called for cease-fires and negotiations between Azerbaijan and Nagorno-Karabakh, and between Armenia and Azerbaijan, to resolve the issue. In 1992 the Armenian parliament passed a law prohibiting the government from signing any document recognizing Azerbaijani authority over Karabakh. But at that point, Ter-Petrosian resisted advocating Armenian recognition of Karabakh's independence, which would raise yet another obstacle to peace.

The ARF, the party most supportive of the Nagorno-Karabakh government and its army, called for more forceful prosecution of the war and recognition of the independent status of
Karabakh. In early 1993, the ARF began advocating a binding referendum on the status of the region rather than its return to Armenia.

In 1993 the CSCE made repeated but fruitless efforts to maintain cease-fires and to bring the warring parties together for peace talks. Although years of preliminary discussions had finally resolved the details of how a conference would be held, the negotiations of the CSCE's multinational Minsk Group had not resulted in a single meeting by the end of 1993. There were other efforts at peacemaking. A joint meeting of thirty-three states of the North Atlantic Treaty Organization (NATO—see Glossary) and the former Warsaw Pact (see Glossary) expressed its concern, Iran attempted separate mediation between Azerbaijan and Armenia, and Russian and CIS leaders (most notably Russia's President Boris N. Yeltsin) also negotiated brief cease-fires. In 1993 Ter-Petrosian also maintained telephone contact with Azerbaijan's president, Heydar Aliyev.

The situation was complicated by the often unpredictable actions of the government in Nagorno-Karabakh. In December 1991, Nagorno-Karabakh declared itself an independent state, and its armed forces often operated independently of the government of the Republic of Armenia. However, the region and its army remained largely dependent on food, medicine, weapons, and moral support from Armenia, especially from the ARF.

Georgia, Iran, and Turkey

Armenians have long been a significant part of the urban population of Georgia, particularly in Tbilisi. Two districts in southern Georgia are predominantly Armenian. The dictatorial regime of Zviad Gamsakhurdia, which ruled Georgia from late 1990 until early January 1992, was extremely intolerant of all ethnic minorities. More than 70,000 Armenians were caught in the crossfire of the Georgian government's conflict with Abkhazian separatists, which reached crisis proportions in the fall of 1993. In this struggle, extreme Georgian nationalists attempted to drive the Armenian population from the country in order to create a homogeneous Georgia. The crisis in Abkhazia had immediate repercussions for Armenia when fighting resulted in the severing of Georgia's Black Sea railroad, a lifeline from Russia to Armenia. The republic thus was cut off from many supplies, particularly grain. In early 1993, when a natural gas pipeline running through Georgia was repeatedly
blown up, the Armenian government sharply demanded that the Georgian leader, Eduard Shevardnadze, make a greater effort to secure the necessary flow of gas to Armenia.

Armenia has had better relations with Iran, although Iran has been worried about the presence of Armenian troops occupying Azerbaijani territory just across its border. Two-thirds of the world’s Azerbaijanis live in Iran, and the Tehran government fears that émigrés would spread Azerbaijani nationalism among the Azerbaijani population of northern Iran. Armenian troops have at times been no more than twenty kilometers from the Iranian border. On several occasions, Iran attempted to mediate the Nagorno-Karabakh conflict, but unforeseen actions by the Karabakh forces frustrated these efforts.

Armenia’s traditional enemy in the twentieth century has been Turkey. Among outstanding sources of conflict, the most painful and long-lasting has been the Turkish refusal to recognize the deportations and massacres of Ottoman Armenians in 1915 as a deliberate, state-sponsored act of genocide. Many Armenians, particularly those associated with the ARF, aspire to restore Armenian control over the lands of historical Armenia that are now under Turkish sovereignty. Although many Armenian émigrés remain hostile toward Turkey today, the Ter-Petrosian government has made improved relations with Ankara a high priority because of the possibility of opening new supply routes and hard-currency markets for Armenian products.

Although no Armenian politician is willing to retract the demand that the Ottoman genocide of 1915 be acknowledged, those around the Armenian president have resisted raising issues likely to alienate Turkey. In late 1992, when Foreign Minister Raffi Hovannisian spoke about the outstanding differences between Turks and Armenians in a speech in Istanbul, he was swiftly removed from office. On the Nagorno-Karabakh issue, the Turkish government usually has sided with Azerbaijan, particularly during the time of the Azerbaijani Popular Front government in Baku (May 1992–June 1993). Nationalist voices in Turkey have protested Armenian advances against Azerbaijan, and periodically Turkey has prevented Western humanitarian aid from reaching Armenia. Turkish nationalist factions also have accused Armenia of aiding Kurdish rebels in eastern Turkey.
Increasingly through the early 1990s, the Republic of Armenia's isolation led the government to look for allies beyond Transcaucasia. Ter-Petrosian appealed to foreign governments and to Armenians abroad for material aid to carry the people through the harsh winters. As the rapprochement with Turkey in 1991–92 brought few concrete benefits, Armenia steadily gravitated toward a closer relationship with Russia. Early in 1993, Ter-Petrosian met with Yeltsin in Moscow to discuss deliveries of oil and natural gas to the blockaded republic. The Russian minister of defense, Pavel Grachev, negotiated a brief cease-fire in Nagorno-Karabakh in April. Armenia remained in the ruble zone, the group of countries still using Russian rubles as domestic currency, often in parallel with a new national currency such as Armenia's dram. In 1992 and 1993, large-scale credit payments from the Central Bank of Russia were vital in supporting Armenia's national budget.

Immediately after Armenia declared itself independent, Ter-Petrosian joined in an economic community with seven other republics—but he refused to enter a political union at that point. In December 1991, however, he signed the Alma-Ata Declaration, making Armenia a founding member of the Commonwealth of Independent States (CIS). From that time, Armenia has played an active role in the CIS, signing an accord on military cooperation with Russia, Kazakhstan, Tajikistan, Kyrgyzstan, and Uzbekistan.

In May 1993, Ter-Petrosian announced Armenia's support of a Russo-Turkish-American plan for settlement of the Karabakh conflict. When Aliyev returned to power in June, Ter-Petrosian spoke by telephone directly with the new leader of Azerbaijan, and together they agreed that Azerbaijan and Nagorno-Karabakh must begin direct negotiations. Azerbaijan's entry into the CIS in September 1993 was seen by some as giving Russia a mandate to solve the Karabakh problem. Ter-Petrosian reiterated his conditions for peace: Karabakh was to be recognized as a full party to the negotiations, all blockades were to be ended, and the CSCE-sponsored Minsk Group negotiations were to settle all political and legal questions on the status of Karabakh.

Russia was a logical mediator. Not only did it have military bases and equipment in the region, but Russian troops were still guarding the border between Armenia and Turkey. Russia consistently asserted its hegemonic role in Transcaucasia,
opposed the designs of Turkey and Iran in the region, and was even wary of the United States being a mediator in the region without specific Russian invitation or acquiescence. After Yeltsin won a struggle with the Russian parliament in September 1993 and both Georgia and Azerbaijan had joined the CIS, Russia resumed its role as the primary mediator of conflicts in Transcaucasia.

Russia has asserted hegemony in the region in several ways. It has repeatedly claimed the right to protect the major link from Russia to Armenia that passes through conflict-plagued Abkhazia and Georgia. In September 1993, Russia requested a revision of the Conventional Forces in Europe Treaty (CFE Treaty—see Glossary), which had been negotiated between NATO and the Warsaw Pact in 1990, in order to achieve an increase in the number of Russian tanks and heavy weapons in the Caucasus. Although NATO perceived an increased military influence in the formulation of this more assertive Russian policy, Western policy makers recognized that at the end of 1993 Russia was the only power in position to play a meaningful peacekeeping role in the region.

The United States

Independent Armenia enjoys good relations with the United States and the European Union (EU). The United States recognized the Republic of Armenia in December 1991, and a United States embassy opened in Erevan in February 1992. General United States and Armenian strategic interests in common include the promotion of internal democracy, just termination of the Karabakh conflict, and stability in the former Soviet Union that would prevent the resurgence of an authoritarian, imperialist Russia. United States policy toward Armenia must weigh the special relationships of the United States with Russia and NATO ally Turkey. In the first post-Soviet years, the United States has given more aid per capita to Armenia than to any other former Soviet republic. At the same time, the United States has withheld trade privileges from Azerbaijan because of that country’s economic blockade of Armenia.

Armenians have been able to influence American policy to a limited degree through the diaspora in the United States, but their interests and those of the United States are not always congruent. Given its special relationship with Turkey, the United States has been reluctant to recognize the events of 1915 as genocide. On several occasions, the United States criti-
Loading butter from United States Department of Agriculture onto Armenian trucks at Zvartnots Airport, near Erevan, after collapse of Soviet Union, February 1992

Courtesy A. James Firth, United States Department of Agriculture

cized Armenian aggression against Azerbaijan outside of Karabakh. Yet both the United States and Russia, as well as the CSCE countries in general, agree that a solution to the Karabakh conflict must be based on recognition of existing borders and the rights of minorities.

In the first winters of the 1990s, many Armenians were on the brink of starvation, and the basic needs of the population were sustained only through foreign aid. In December 1991, the United States Department of Agriculture and the Diocese of the Armenian Church in America arranged for the diocese to distribute food shipments valued at US$15 million in Armenia. Through Operation Provide Hope, the United States government sent food and medical supplies worth over US$6 million to Armenia in the first eight months of 1992. When the
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United States Agency for International Development (AID) authorized US$1 million to the American Bar Association for a program to provide legal experts to the member states of the CIS. Armenia became the first country where legislators worked with these legal specialists. The Peace Corps arrived in Erevan in August 1992, followed in the fall by AID and the United States Information Agency (USIA).

National Security

As a nation, Armenia has not had a great tradition of military success, even at the largest extent of the Armenian Empire. In the Soviet period, Armenian troops were thoroughly integrated into the Soviet army, and Armenian plants contributed sophisticated equipment to Soviet arsenals. After independence Armenia profited from some aspects of this close association, and a strong Russian military presence is expected to remain for some time.

Geopolitical Situation

As a small country, Armenia has had an unfavorable geopolitical situation, with no neighbors likely to provide support and security. Lacking an outlet to the sea, Armenia is surrounded by Muslim Turkey and Azerbaijan, both of which generally have been hostile to Armenia's interests; the militant Islamic republic of Iran; and a Georgia torn by civil war. By 1990 Armenia's traditional reliance on Russia had weakened because of internal political conditions—the Karabakh movement had an anti-Russian orientation—and because of the retreat of post-Soviet Russia from military involvement on many fronts.

In the early 1990s, the major external threat to Armenia came from Azerbaijan. A state with twice the population of Armenia, with significant unrecovered oil reserves in the Caspian Sea, and with great potential for securing Western capital for industrial development, Azerbaijan possessed considerable resources with which to fight a long war in Karabakh. In early 1994, the Armenian Army was considered the most combat-ready force in the three states of Transcaucasia. However, experts attributed Armenian combat successes in the conflict in 1992–93 to the political instability in Baku, to regional divisions within Azerbaijan, and to the greater unity and determination of the Armenian forces in Karabakh (see Forming a National Defense Force, ch. 2).
In the years following independence, Armenia saw its future security based on ending the conflict in Nagorno-Karabakh, improving its relations with all its neighbors, and gaining aid and support from the great global powers and organizations—the United States, Russia, the CSCE, and the UN. Once it joined the CIS, Armenia adhered to the organization’s security arrangements. In March 1992, Armenia joined Kazakhstan, Kyrgyzstan, and Russia in an agreement on the status of general-purpose forces, and it joined seven other CIS republics in an agreement on the financing, supply, production, and development of military equipment. On May 15, 1992, Armenia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan met in Tashkent and signed the Treaty on Collective Security. According to this pact, former Soviet armed forces were permitted to remain in the signatory republics by mutual agreement. Armenia and several other republics agreed to apportion former Soviet weapons to conform to the CFE Treaty. By that agreement, Armenia was to receive 875 units of heavy matériel (tanks, artillery, aircraft, and helicopters), the same number as Georgia and Azerbaijan.

Armenia's location between two larger states, Russia and Turkey, has long forced it to orient its policies to favor one or the other. Until the late Soviet period, Armenia generally favored its Orthodox neighbor and depended on the Russian or Soviet state for its national security. In 1945 Stalin raised the matter of regaining Armenian territory from Turkey, but the issue quietly expired with the dictator in 1953. After independence was officially proclaimed in 1991, Armenia's membership in the new CIS became a national security issue because it seemingly prolonged Russian occupation. The prevailing view in the early 1990s, however, was that isolation from reliable alliances was the greater threat.

In the decades after World War II, relations between Armenians and Turks degenerated. The Turks became embittered by acts of Armenian terrorism against Turkish citizens in other countries, especially in the 1970s, which served to remind the world of the genocide issue. Starting in the 1980s, Turkey began aspiring to play a major role in European affairs and to exert leadership among the Central Asian Muslim nations that emerged from the Soviet Union in the early 1990s. These foreign policy goals encouraged Turkish ambivalence toward Armenian objectives in Nagorno-Karabakh. However, traditional Turkish nationalism demanded alliance with Muslim
Azerbaijan, and eastern Turkey remained a heavily fortified area after the end of the Cold War—about 50,000 Turkish troops were on the Armenian border in early 1994. In turn, Armenia saw its collective security treaty with the CIS and the presence of Russian troops in Armenia as restraints on the nationalist impulse in Turkish policy making.

The Military

Influenced by the requirements of supporting the forces of Nagorno-Karabakh against Azerbaijan and the long-term objective of military self-reliance, Armenia has worked toward making the Armenian Army a small, well-balanced, combat-ready defense force. Chief architects of the force were General Norat Ter-Grigoriants, a former Soviet deputy chief of staff who became overall commander of the new Armenian Army; Vazgan Sarkisian, named the first minister of defense; and Vazgan Manukian, who replaced Sarkisian in 1992.

As expressed by the military establishment during the planning stage, Armenia's military doctrine called for maintenance of defensive self-sufficiency that would enable its army to repel an attack by forces from Azerbaijan or Turkey, or both. That concept was refuted, however, by radical nationalists who advocated a more aggressive posture, similar to that of the Israeli army in defending a "surrounded" land, of maintaining the armed forces at a high degree of readiness to inflict crippling losses on an enemy within days. Both doctrines emphasized small, highly mobile, well-trained units. The specific outcome of the debate over military doctrine has been concealed as a matter of national security. Although legislation on defense forces called for 1 percent of the population to be in the armed forces, active-duty strength in 1994 was estimated at 20,000, including border troops. By that time, the Ministry of Defense had increased its goal to a standing army of 50,000, to be supplemented in wartime by a reserve call-up.

A top defense priority in 1994 was improving control of the Zangezur region, the vulnerable, far southeastern corridor bordering Iran and flanked by Azerbaijan's Nakhichevan Autonomous Republic and Azerbaijan proper. The program for Zangezur includes new military installations, especially on the Iranian border, as well as a new bridge and a new natural gas pipeline into Iran.

The army and the Ministry of Defense have structures similar to those of their counterparts in the former Soviet Union,
except that the highest organizational level of the Armenian forces is a smaller unit, the brigade, rather than the traditional division, to maximize maneuverability. Plans call for brigades of 1,500 to 2,500 troops to be divided into three or four battalions, in the manner of the paramilitary forces of the Karabakh Armenians.

**Regular Forces**

In 1992 the Ministry of Defense appealed to Armenian officers who had had commissions in the Soviet army to help form the new force to defend their homeland against Azerbaijan and to build a permanent national army. Although substantial special benefits were offered, the new professional officer corps was not staffed as fully as hoped in its first two years. In especially short supply were officer specialists in military organizational development—a critical need in the army's formative stage. In 1994 most Armenian officers still were being trained in Russia; the first 100 Armenian-trained officers were to be commissioned in the spring of 1994. Plans called for officer training to begin in 1995 at a new national military academy.

Eighteen-year-old men constitute the primary pool of conscripts. New trainees generally are not sent into combat positions. The Armenian public was hostile to conscription in the Soviet period; the practice of assigning Armenian recruits to all parts of the Soviet Union prompted large demonstrations in Erevan. That attitude continued in the post-Soviet period. In the first two years of the new force, recruitment fell far short of quotas. The draft of the fall of 1992, for example, produced only 71 percent of the quota, and widespread evasion was reported.

Conscripts generally lack equipment and advanced training, and some units are segregated by social class. Officer elitism and isolation are also problems, chiefly because the first language of many officers is Russian. Desertion rates in 1992–93 were extremely high. In early 1994, the defense establishment considered formalizing the status of the large number of volunteers in the army by introducing a contract service system.

In 1992 the republic established the Babajanian Military Boarding School, which admitted qualified boys aged fourteen to sixteen for training, leading to active military service. By agreement with Russian military institutions, graduates could continue training in Russia at the expense of the Armenian Ministry of Defense. A class of 100 was expected to graduate in
1994. The lack of military training schools is rated as a serious problem. Armenian cadets and junior officers study at military schools in Russia and other CIS states, and senior officers spend two to three years at academies in Russia and Belarus. A military academy for all armed services was in the planning stage in 1994.

The Karabakh Self-Defense Army consists mostly of Armenians from Karabakh or elsewhere in Azerbaijan, plus some volunteers from Armenia and mercenaries who formerly were Soviet officers. The Karabakh forces reportedly are well armed with Kalashnikov rifles, armor, and heavy artillery, a high percentage of which was captured from Azerbaijani forces or obtained from Soviet occupation troops. Significant arms and matériel support also came from Armenia, often at the expense of the regular army. By 1994 the Karabakh Self-Defense Army was building an infrastructure of barracks, training centers, and repair depots. Defeats that Armenians inflicted on Azerbaijan in 1993 were attributed by experts largely to the self-defense forces, although regular Armenian forces also were involved.

The Armenian air defense forces, virtually nonexistent in 1991, were equipped and organized as part of the military reform program of Ter-Grigoriants. Air defense units and the air force each had about 2,000 troops in 1994. The new military aviation program of the air force has been bolstered by the recruitment of Soviet-trained Armenian pilots, and new pilots receive training at the Aviation Training Center, run by the Ministry of Defense. Some modern training aircraft are available at the center. Pilots receive special housing privileges, although their pay is extremely low. Some Soviet-made Mi-8, Mi-9, and Mi-24 helicopters are available to support ground troops, but only one squadron of aircraft was rated combat-ready in 1994. Most of Armenia's fixed-wing aircraft, inherited from the Soviet Union, were unavailable because of poor maintenance.

Reserves

After independence the Soviet-era Volunteer Society for Assistance to the Army, Air Force, and Navy (see Glossary), part of the centralized reserve system of the Soviet army, was renamed the Defense Technical Sports Society. The new system trains personnel for specific military tasks in the Armenian forces, whereas previous training was a general preparation for
unknown assignments elsewhere in the Soviet Union. In 1993 the society’s schools gave instruction in thirteen military occupational specialties, including tank driving and repair, radiotelegraphy, and artillery and small arms repair.

Like those of the regular military, the facilities of the reserves were cut back sharply at independence. At least nine reserve training facilities, including one technical school, were reassigned within the Ministry of Defense or to another ministry. The Defense Technical Sports Society supports itself by selling military gear and sports vehicles produced in its plants; it has established advisory relations with defense technical societies in other CIS countries.

The Russian Role

After Armenian independence, Russia retained control of the Russian 7th Army in Armenia, which numbered about 23,000 personnel in mid-1992. At that time, the 7th Army included three motorized rifle divisions. In the second half of 1992, substantial parts of two divisions—the 15th Division and the 164th Division—were transferred to Armenian control. The other division remained intact and under full Russian command at Gyumri in early 1994. Meanwhile, Russia completed withdrawal of the four divisions of its 4th Army from Azerbaijan in May 1993. Some Armenian warrant officers were assigned to the division at Gyumri, and the two countries discussed assignment of Armenian recruits to Russian units.

The Russian presence continued in 1994, with an operational command in Erevan providing engineer, communications, logistics, aviation, and training capabilities. Under the
1992 Treaty on Collective Security, which apportioned Soviet weaponry among the former Soviet republics, Armenia was allotted 180 T-72 tanks, 180 BMP-1K armored fighting vehicles, sixty BTR-60 and BTR-70 armored personnel carriers, twenty-five BRM-1K armored fighting vehicles, thirty 9P-138 and 9P-148 guided missiles, and 130 artillery pieces and mortars. An unknown number of weapons systems in the Osa, Strela, Igla, and Shilka classes were also designated for transfer. Much of this equipment was no longer serviceable by the time it was turned over, however.

**Internal Security**

In the early 1990s, internal security was endangered by growing radical opposition to the moderate domestic and foreign policies of the Ter-Petrosian government. By 1993 a widespread breakdown of law and order in the republic had eroded the authority of the Armenian state.

Shortly after independence, a special internal security force was formed under the Ministry of Internal Affairs, whose special status in the government alarmed many observers in the ensuing years. The original mission of the internal security force was to prevent guerrilla attacks on military installations in the first months of independence. Since that time, this militia also has acted as the sole general (and nominally apolitical) police force. As originally formed, the internal affairs unit had 1,000 troops, including one assault battalion, two motorized patrol battalions, and one armored patrol battalion. Three specialized companies, including a canine unit for drug detection, also were formed. Elements of the former KGB have remained active under Armenian direction. All police agencies are under the Ministry of Internal Affairs.

Border patrols are administered by the Main Administration for the Protection of State Borders. Some of the patrols on the Iranian and Turkish borders are manned by Russian troops, whose presence is partially funded by Armenia. The rest of the border patrols are made up of Armenian troops serving under contract.

In early 1994, Armenia completely reorganized the State Administration for National Security (SANS), the umbrella agency of the Ministry of Internal Affairs that heads all national security activities. All agency activities except border patrols were suspended for three months while staff were reevaluated and an announced focus on intelligence and coun-
Armenia

terintelligence was introduced. The controversial measure may have been instigated by the assassination of Marius Yuzbashian, a former chief of the Armenian branch of the KGB; SANS had failed to investigate the assassination fully when it occurred, in the fall of 1993.

Experts saw a serious long-term threat to internal security in the independent mercenary Fidain forces that had been trained and expanded by Armenian political parties to fight in Nagorno-Karabakh. The end of the Karabakh conflict would free these combat-hardened forces, which did the bulk of the fighting in Karabakh, for possible guerrilla activity within Armenia on behalf of their respective opposition parties.

Crime

Especially in the chaotic conditions that have existed during the Nagorno-Karabakh conflict, Armenia has suffered steep increases in the gang activity of an organized mafia. Overall crime increased 11.5 percent from 1990 to 1991; then it increased 24.8 percent from 1991 to 1992. "Major" crimes (murder, robbery, armed robbery, rape, and aggravated assault) increased 3 percent from 1991 to 1992. The largest increases in that category were in murder, robbery, and armed robbery. White-collar crime (bribery and fraud) increased about 2 percent in that time, crimes by juveniles increased about 40 percent, and drug-related crimes increased 240 percent. According to one report, 80 percent of crimes committed in Armenia in 1992 were drug related.

In 1992 and 1993, a police campaign temporarily limited the activity of a few large gangs, but gang leaders, whose identities were commonly known in Armenian society, used influence in parliament to stymie the efforts of the Ministry of Internal Affairs. Some deputies in parliament were implicated directly in white-collar crime, and some even had been convicted prior to their election. From 1991 to 1993, six convicts were sentenced to death, but by early 1994 none had been executed.

Prisons

Three major prisons are in operation, at Sovietashen, Artik, and Kosh. Local jurisdictions also have jails. All prisons and jails are under the jurisdiction of the Ministry of Internal Affairs. The Soviet prison system remains intact in Armenia. That system includes two general categories: labor colonies,
and prison communities similar to Western prisons. Prison system reforms call for establishment of general and high-security reform schools for teenagers; general and high-security prisons for women; and four grades of prisons for men, from minimum to maximum security. The death penalty is applicable for military crimes, first-degree murder, rape of a minor, treason, espionage, and terrorism.

In 1993 Armenia remained a weak state whose legal system was severely challenged by the activities of regional and family clans, criminal gangs with diverse operations, widespread corruption, and occasional assassinations of political figures. In the absence of a secure rule of law, the stresses of war and material privation, uncertainty about the future, and popular suspicion about the legitimacy of the ruling elites threatened the stability of the new republic.

* * *

For general historical and cultural narratives on the Armenian nation and people, two books by David Marshall Lang are of special value: The Armenians: A People in Exile and Armenia: Cradle of Civilization. Ronald G. Suny's Armenia in the Twentieth Century covers that period, with an emphasis on social change. The Economic Profile of Armenia volume of the United States Department of Commerce's Business Information Service for the Newly Independent States and Armenia, an economic review by the International Monetary Fund, provide a picture of Armenia's economy after 1991; the latter source also includes tables on a variety of economic performance indicators in the Soviet and post-Soviet periods.

Current information on Nagorno-Karabakh and conditions in Armenia is provided in the Monthly Digest of News from Armenia, published by the Armenian Assembly of America, and the Foreign Broadcast Information Service's Daily Report: Central Eurasia. These two publications emphasize political, economic, and national security topics. (For further information and complete citations, see Bibliography.)
Chapter 2. Azerbaijan
Sixth-century water pitcher
Country

Formal Name: Republic of Azerbaijan.
Short Form: Azerbaijan.
Term for Citizens: Azerbaijani(s).
Capital: Baku.
Date of Independence: October 18, 1991.

Geography

Size: Approximately 86,600 square kilometers.
Topography: About half mountainous; surrounded by mountain ranges, most notably Greater Caucasus range to north. Flatlands in center and along Caspian Sea coast.
Climate: Dry, semiarid steppe in center and east, subtropical in southeast, cold at high mountain elevations to north, temperate on Caspian Sea coast.

Society

Ethnic Groups: Azerbaijanis 82.7 percent, Russians 5.6 percent, Armenians 5.6 percent, and Lezgians (Dagestanis) 3.2 percent, per 1989 census (Armenians and Russians much less in early 1990s).

NOTE—The Country Profile contains updated information as available.
Languages: Azerbaijani 82 percent, Russian 7 percent, and Armenian 5 percent, per 1989 census (Armenian and Russian much less in early 1990s).

Religion: In 1989 Muslim 87 percent (about 70 percent of which Shia), Russian Orthodox 5.6 percent, and Armenian Apostolic 5.6 percent (much less in early 1990s). Many mosques reopened or established after religious restrictions of Soviet period.

Education and Literacy: Compulsory education through eighth grade. In 1970 literacy estimated at 100 percent (ages nine to forty-nine). After 1991 major reform program was begun to modify Soviet system, eliminate ideology, increase use of Azerbaijani language, and reintroduce traditional religious instruction.

Health: Nominally universal health care available but facilities limited, especially after independence. Sanitation, pharmacies, health care delivery, and research and development at relatively low level: medicines and equipment in short supply.

Economy


Agriculture: Main crops grapes, cotton, tobacco, citrus fruits, and vegetables. Livestock, dairy products, and wine also produced. Slow privatization hinders productivity increase, and production of most crops decreased in early 1990s. Irrigation and other equipment outmoded, although irrigation critical for many crops.

Industry and Mining: Principal industries oil extraction, oil equipment manufacture, petrochemicals, and construction. Besides oil, large natural gas deposits and some iron ore, bauxite, cobalt, and molybdenum. Oil production in decline since 1980s.

Energy: Abundant hydroelectric potential, but most of electric power generated by oil-fired plants. Domestic natural gas production meets 35 percent of domestic needs. Foreign
assistance sought to rejuvenate oil extraction industry.

**Exports:** In 1992 estimated at US$926 million to Commonwealth of Independent States (CIS) nations and US$821 million outside CIS, of which 61 percent refined oil and gas products, 25 percent machinery and metal products, and 7 percent light industrial products (textiles and food products). Largest export markets Russia, Ukraine, Iran, Turkey, and Hungary.

**Imports:** In 1992 estimated at US$300 million from outside CIS, of which 36 percent machine parts, 21 percent processed foods, and 12 percent nonfood light industrial products. Largest import sources Russia, Turkey, and Ukraine.

**Balance of Payments:** In 1992 trade surplus approximately US$24 million.

**Exchange Rate:** Manat, established in mid-1992 at ten rubles to the manat, was used together with ruble until end of 1993, after which manat became sole currency. October 1993 exchange rate US$1=120 manats.

**Inflation:** Estimated at 1,200 percent for 1993.

**Fiscal Year:** Calendar year.

**Fiscal Policy:** State budget consists of central government budget and budgets of sixty-eight local and regional government budgets. Tax system revised in 1992 to improve state income, and budgetary expenditures tightly controlled to minimize budget deficits.

**Transportation and Telecommunications**

**Highways:** In 1990 about 36,700 kilometers of roads, of which 31,800 kilometers hard-surface. Generally poorly maintained.

**Railroads:** 2,090 kilometers of rail line in 1990. Lines connect Baku with Tbilisi, Makhachkala (in Dagestan), and Erevan; rail line in Nakhichevan Autonomous Republic goes to Tabriz (in Iran). Operating costs high because of poor condition of equipment. Service disrupted by Nagorno-Karabakh conflict in early 1990s.

**Civil Aviation:** Total of thirty-three usable airports, twenty-six with permanent-surface runways. Longest runway at Baku International Airport. National airline, Azerbaijan Airlines,
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**Inland Waterways:** Most rivers not navigable.

**Ports:** Baku center of Caspian shipping lines to Iran and Turkmenistan.

**Pipelines:** In 1994 crude oil pipeline 1,130 kilometers, petroleum products pipeline 630 kilometers, and natural gas pipeline 1,240 kilometers.

**Telecommunications:** In 1991 total telephone lines 644,000 (nine per 100 persons). Connections to CIS countries by cable and microwave. Connections to other countries through Moscow. International Telecommunications Satellite Organization (Intelsat) station in Baku gives access to 200 countries through Turkey. Turkish and Iranian television stations received through satellite; domestic and Russian broadcasts received locally.

**Government and Politics**

**Government:** One autonomous republic, Nakhichevan Autonomous Republic; one autonomous region, Nagorno-Karabakh Autonomous Region (under dispute with Armenia). Fifty-six districts and ten cities under direct central control. Executive branch includes president, elected by direct popular vote, and Council of Ministers, appointed by president with legislative approval; 350-member legislature, Azerbaijani Supreme Soviet, dissolved in May 1992, superseded by fifty-member Melli-Majlis (National Council). Regimes of early 1990s unstable. Adoption of new constitution delayed by political turmoil. Judicial branch remains substantially unchanged from Soviet system, which offered limited rights to those accused.

**Politics:** Azerbaijani Communist Party, previously only legal party, dissolved formally September 1991 but remained influential and was reconstituted December 1993. Major parties New Azerbaijan Party, led by President Heydar Aliyev; Azerbaijani Popular Front, major opposition party 1990–92; and National Independence Party, major opposition party 1992–94. Several smaller parties influential in coalition politics of Melli-Majlis.

**Foreign Relations:** Major goal countering worldwide Armenian

**International Agreements and Membership:** Member of Commonwealth of Independent States, United Nations, Conference on Security and Cooperation in Europe, International Bank for Reconstruction and Development, and International Monetary Fund.

**National Security**

**Armed Forces:** Military affairs overseen by Defense Council reporting to president, not by Ministry of Defense. Armed forces consist of army, air force, air defense forces, navy, and National Guard. In 1994 total of about 56,000 troops (about half of which conscripts), 49,000 of which allocated to ground forces, 3,000 to navy, and 2,000 each to air force and air defense forces. Paramilitary groups extensively used in Nagorno-Karabakh conflict in early 1990s, and volunteers widely sought abroad. All Russian forces withdrawn by 1993. Forced recruitment reported in 1993; discipline poor.

**Military Budget:** Estimated expenditure in 1992 about 10.5 percent (US$125 million) of state budget.

**Internal Security:** Border Guards, established in 1992, limited; some Russian troops included. In 1993 major reform of Ministry of Internal Affairs, which controls 20,000 militia troops used as regular police. Customs service unable to prevent smuggling, especially of narcotics.
Figure 8. Azerbaijan, 1994
UNDER THE DOMINATION of the Soviet Union for most of the twentieth century, Azerbaijan began a period of tentative autonomy when the Soviet state collapsed at the end of 1991. A culturally and linguistically Turkic people, the Azerbaijani have retained a rich cultural heritage despite long periods of Persian and Russian domination. In the 1990s, the newly independent nation still faced strong and contrary religious and political influences from neighbors such as Iran to the south, Turkey to the west, and Russia to the north (see fig. 8). Despite the country's rich oil reserves, Azerbaijan's natural and economic resources and social welfare system have been rated below those of most of the other former Soviet republics. Furthermore, in the early 1990s a long military and diplomatic struggle with neighboring Armenia was sapping resources and distracting the country from the task of devising post-Soviet internal systems and establishing international relations.

**Historical Background**

The territory of modern Azerbaijan has been subject to myriad invasions, migrations, and cultural and political influences. During most of its history, Azerbaijan was under Persian influence, but as the Persian Empire declined, Russia began a 200-year dominance, some aspects of which have persisted into the 1990s.

**Early History**

As a crossroads of tribal migration and military campaigns, Azerbaijan underwent a series of invasions and was part of several larger jurisdictions before the beginning of the Christian era.

**Persian and Greek Influences**

In the ninth century B.C., the seminomadic Scythians settled in areas of what is now Azerbaijan. A century later, the Medes, who were related ethnically to the Persians, established an empire that included southernmost Azerbaijan. In the sixth century B.C., the Archaemenid Persians, under Cyrus the Great, took over the western part of Azerbaijan when they subdued the Assyrian Empire to the west. In 330 B.C., Alexander
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the Great absorbed the entire Archaemenid Empire into his holdings, leaving Persian satraps to govern as he advanced eastward. According to one account, Atropates, a Persian general in Alexander's command, whose name means "protected by fire," lent his name to the region when Alexander made him its governor. Another legend explains that Azerbaijan's name derives from the Persian words meaning "the land of fire," a reference either to the natural burning of surface oil deposits or to the oil-fueled fires in temples of the once-dominant Zoroastrian religion (see Religion, this ch.).

The Introduction of Islam and the Turkish Language

Between the first and third centuries A.D., the Romans conquered the Scythians and Seleucids, who were among the successor groups to the fragmented empire of Alexander. The Romans annexed the region of present-day Azerbaijan and called the area Albania. As Roman control weakened, the Sassanid Dynasty reestablished Persian control. Between the seventh and eleventh centuries, Arabs controlled Azerbaijan, bringing with them the precepts of Islam. In the mid-eleventh century, Turkic-speaking groups, including the Oghuz tribes and their Seljuk Turkish dynasty, ended Arab control by invading Azerbaijan from Central Asia and asserting political dominance. The Seljuks brought with them the Turkish language and Turkish customs. By the thirteenth century, the basic characteristics of the Azerbaijani nation had been established. Several masterpieces of Azerbaijani architecture and literature were created during the cultural golden age that spanned the eleventh through the thirteenth centuries. Among the most notable cultural monuments of this period are the writings of Nezami Ganjavi and the mausoleum of Momine-Khatun in Nakhichevan (see The Arts, this ch.).

Under the leadership of Hulegu Khan, Mongols invaded Azerbaijan in the early thirteenth century; Hulegu ruled Azerbaijan and Persia from his capital in the Persian city of Tabriz. At the end of the fourteenth century, another Mongol, Timur (also known as Tamerlane), invaded Azerbaijan, at about the time that Azerbaijani rule was reviving under the Shirvan Dynasty. Shirvan shah Ibrahim I ibn Sultan Muhammad briefly accepted Timur as his overlord. (In earlier times, the Shirvan shahs had accepted the suzerainty of Seljuk overlords.) Another extant architectural treasure, the Shirvan shahs' palace in Baku, dates from this period. In the sixteenth century,
the Azerbaijani Safavid Dynasty took power in Persia. This dynasty fought off efforts by the Ottoman Turks during the eighteenth century to establish control over Azerbaijan; the Safavids could not, however, halt Russian advances into the region.

**Within the Russian Empire**

Beginning in the early eighteenth century, Russia slowly asserted political domination over the northern part of Azerbaijan, while Persia retained control of southern Azerbaijan. In the nineteenth century, the division between Russian and Persian Azerbaijan was largely determined by two treaties concluded after wars between the two countries. The Treaty of Gulistan (1813) established the Russo-Persian border roughly along the Aras River, and the Treaty of Turkmanchay (1828) awarded Russia the Nakhichevan khanates (along the present-day border between Armenia and Turkey) in the region of the Talish Mountains. The land that is now Azerbaijan was split among three Russian administrative areas—Baku and Elizavetpol provinces and part of Yerevan Province, which also extended into present-day Armenia.

**Russian Influences in the Nineteenth Century**

In the nineteenth century, Russian influence over daily life in Azerbaijan was less pervasive than that of indigenous reli-
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gious and political elites and the cultural and intellectual influences of Persia and Turkey. During most of the nineteenth century, the Russian Empire extracted commodities from Azerbaijan and invested little in the economy. However, the exploitation of oil in Azerbaijan at the end of the nineteenth century brought an influx of Russians into Baku, increasing Russian influence and expanding the local economy.

Although ethnic Russians came to dominate the oil business and government administration in the late 1800s, many Azerbaijanis became prominent in particular sectors of oil production, such as oil transport on the Caspian Sea. Armenians also became important as merchants and local officials of the Russian monarchy. The population of Baku increased from about 13,000 in the 1860s to 112,000 in 1897 and 215,000 in 1913, making Baku the largest city in the Caucasus region. At this point, more than one-third of Baku's population consisted of ethnic Russians. In 1905 social tensions erupted in riots and other forms of death and destruction as Azerbaijanis and Armenians struggled for local control and Azerbaijanis resisted Russian sovereignty.

The Spirit of Revolution

The growth of industry and political influences from outside prompted the formation of radical and reformist political organizations at the turn of the century. A leftist party calling itself Himmat, composed mainly of Azerbaijani intellectuals, was formed in 1903-4 to champion Azerbaijani culture and language against Russian and other foreign influences. A small Social Democratic Party (which later split into Bolshevik and Menshevik factions) also existed, but that party was largely dominated by Russians and Armenians. Some members of Himmat broke away and formed the Musavat (Equality party) in 1912. This organization aimed at establishing an independent Azerbaijani state, and its progressive and nationalist slogans gained wide appeal. Himmat's Marxist coloration involved it in wider ideological squabbles in the period leading up to the 1917 Bolshevik Revolution in Russia. After several further splits, the remainder of Himmat was absorbed into the Russian Communist Party (Bolshevik) shortly before Azerbaijan was occupied by the Red Army in 1920.

World War I and Independence

After the Bolshevik Revolution, a mainly Russian and Armenian grouping of Baku Bolsheviks declared a Marxist republic
in Azerbaijan. Muslim nationalists separately declared the establishment of the Azerbaijan People's Democratic Republic in May 1918 and formed the "Army of Islam," with substantial help from the Ottoman Turkish army, to defeat the Bolsheviks in Baku. The Army of Islam marched into the capital in September 1918, meeting little resistance from the Bolshevik forces. After some violence against Armenians still residing in the city, the new Azerbaijani government, dominated by the Musavat, moved into its capital. Azerbaijan was occupied by Ottoman Turkish troops until the end of World War I in November 1918. British forces then replaced the defeated Turks and remained in Azerbaijan for most of that country's brief period of independence.

Facing imminent subjugation by the Red Army, Azerbaijan attempted to negotiate a union with Persia, but this effort was rendered moot when the Red Army invaded Azerbaijan in April 1920. Russian leader Vladimir I. Lenin justified the invasion because of the importance of the Baku region's oil to the Bolsheviks, who were still embroiled in a civil war. The Red Army met little resistance from Azerbaijani forces because the Azerbaijanis were heavily involved in suppressing separatism among the Armenians who formed a majority in the Nagorno-Karabakh area of south-central Azerbaijan. In September 1920, Azerbaijan signed a treaty with Russia unifying its military forces, economy, and foreign trade with those of Russia, although the fiction of Azerbaijani political independence was maintained.

Within the Soviet Union

The invasion of 1920 began a seventy-one-year period under total political and economic control of the state that became the Soviet Union in 1922. The borders and formal status of Azerbaijan underwent a period of change and uncertainty in the 1920s and 1930s, and then they remained stable through the end of the Soviet period in 1991.

Determination of Borders and Status

In late 1921, the Russian leadership dictated the creation of a Transcaucasian federated republic, composed of Armenia, Azerbaijan, and Georgia, which in 1922 became part of the newly proclaimed Soviet Union as the Transcaucasian Soviet Federated Socialist Republic (TSFSR). In this large new republic, the three subunits ceded their nominal powers over foreign
policy, finances, trade, transportation, and other areas to the unwieldy and artificial authority of the TSFSR. In 1936 the new "Stalin Constitution" abolished the TSFSR, and the three constituent parts were proclaimed separate Soviet republics.

In mid-1920 the Red Army occupied Nakhichevan, an Azerbaijani enclave between Armenia and northwestern Iran. The Red Army declared Nakhichevan a Soviet socialist republic with close ties to Azerbaijan. In early 1921, a referendum confirmed that most of the population of the enclave wanted to be included in Azerbaijan. Turkey also supported this solution. Nakhichevan's close ties to Azerbaijan were confirmed by the Russo-Turkish Treaty of Moscow and the Treaty of Kars among the three Transcaucasian states and Turkey, both signed in 1921.

Lenin and his successor, Joseph V. Stalin, assigned pacification of Transcaucasia and delineation of borders in the region to the Caucasian Bureau of the Russian Communist Party (Bolshevik). In 1924, despite opposition from many Azerbaijani officials, the bureau formally designated Nakhichevan an autonomous republic of Azerbaijan with wide local powers, a status it retains today.

The existence of an Azerbaijani majority population in northern Iran became a pretext for Soviet expansion. In 1938 Soviet authorities expelled Azerbaijanis holding Iranian passports from the republic. During World War II, Soviet forces occupied the northern part of Iran. The occupiers stirred an irredentist movement fronted by the Democratic Party of Azerbaijan, which proclaimed the communist Autonomous Government of Azerbaijan at Tabriz at the end of 1945. The Western powers forced the Soviet Union to withdraw from Iran in 1946. Upon the subsequent collapse of the autonomous government, the Iranian government began harsh suppression of the Azerbaijani culture. From that time until the late 1980s, contacts between Azerbaijanis north and south of the Iranian-Soviet border were severely limited.

Stalin and Post-Stalin Politics

During Stalin's dictatorship in the Soviet Union (1926–53), Azerbaijan suffered, as did other Soviet republics, from forced collectivization and far-reaching purges. Yet during the same period, Azerbaijan also achieved significant gains in industrialization and literacy levels that were impressive in comparison
with those of other Muslim states of the Middle East at that time.

After Stalin, Moscow's intrusions were less sweeping but nonetheless authoritarian. In 1959 Nikita S. Khrushchev, first secretary of the Communist Party of the Soviet Union (CPSU), moved to purge leaders of the Azerbaijani Communist Party (ACP) because of corruption and nationalist tendencies. Leonid I. Brezhnev, Khrushchev's successor, also removed ACP leaders for nationalist leanings, naming Heydar Aliyev in 1969 as the new ACP leader. In turn, Mikhail S. Gorbachev removed Aliyev in 1987, ostensibly for health reasons, although later Aliyev was accused of corruption.

**After Communist Rule**

Azerbaijan was strongly affected by the autonomy that spread to most parts of the Soviet Union under Gorbachev's liberalized regime in the late 1980s. After independence was achieved in 1991, conflict with Armenia became chronic, and political stability eluded Azerbaijan in the early years of the 1990s.

**Demands for Sovereignty and the Soviet Reaction**

In the fall of 1989, the nationalist opposition Azerbaijani Popular Front (APF) led a wave of protest strikes expressing
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growing political opposition to ACP rule (see Government and Politics, this ch.). Under this pressure, the ACP authorities bowed to opposition demands to legalize the APF and proclaim Azerbaijani sovereignty. In September 1989, the Azerbaijani Supreme Court passed a resolution of sovereignty, among the first such resolutions in the Soviet republics. The resolution proclaimed Azerbaijan's sovereignty over its land, water, and natural resources and its right to secede from the Soviet Union following a popular referendum. The Presidium of the Supreme Soviet, the legislative body of the Soviet Union, declared this resolution invalid in November 1989. Another manifestation of nationalist ferment occurred at the end of 1989, when Azerbaijanis rioted along the Iranian border, destroying border checkpoints and crossing into Iranian provinces that had Azerbaijani majorities. Azerbaijani intellectuals also appealed to the CPSU Politburo for relaxation of border controls between Soviet and Iranian Azerbaijan, comparing the "tragic" separation of the Azerbaijani nation to the divisions of Korea or Vietnam.

Meanwhile, Azerbaijanis unleashed a wave of violence against Armenian residents of Baku and other population centers, causing turmoil that seemed to jeopardize ACP rule. In response, in January 1990 Moscow deployed forces of its Ministry of Internal Affairs (Ministerstvo vnutrennikh del—MVD), Committee for State Security (Komitet gosudarstvennoi bezopasnosti—KGB), and the military in a brutal suppression of these riots. Moscow also began a crackdown on the APF and other opposition forces in Baku and other cities, and Soviet forces cooperated with Iranian authorities to secure the Azerbaijani-Iranian border. These actions further alienated the population from Moscow's rule. Ironically, the Soviet crackdown targeted the large and increasingly vocal Azerbaijani working class. In this process, martial law was declared, and the ACP leader was replaced by Ayaz Mutalibov, a former chairman of the Azerbaijani Council of Ministers. In May 1990, while martial law remained in effect, Mutalibov was elected president by the Azerbaijani Supreme Soviet; elections to the Supreme Soviet were held four months later. The APF, although declared illegal, retained immense popular appeal and visibility.

The Issue of Nagorno-Karabakh

The Soviet Union created the Nagorno-Karabakh Autonomous Region within Azerbaijan in 1924. At that time, more
Memorial to Azerbaijani victims of 1990 Russian invasion, Baku
Courtesy David Dallas, United States Information Agency
Soviet troops sent to quell Azerbaijani nationalist unrest, 1989–90
Courtesy Jay Kempen
than 94 percent of the region's population was Armenian (see fig. 3). (The term Nagorno-Karabakh originates from the Russian for "mountainous Karabakh.") As the Azerbaijani population grew, the Karabakh Armenians chafed under discriminatory rule, and by 1960 hostilities had begun between the two populations of the region.

On February 20, 1988, Armenian deputies to the National Council of Nagorno-Karabakh voted to unify that region with Armenia (see Population and Ethnic Composition, this ch.; Nagorno-Karabakh and Independence, ch. 1). Although Armenia did not formally respond, this act triggered an Azerbaijani massacre of more than 100 Armenians in the city of Sumgait, just north of Baku. A similar attack on Azerbaijanis occurred in the Armenian town of Spitak. Large numbers of refugees left Armenia and Azerbaijan as pogroms began against the minority populations of the respective countries. In the fall of 1989, intensified interethnic conflict in and around Nagorno-Karabakh led Moscow to grant Azerbaijani authorities greater leeway in controlling that region. The Soviet policy backfired, however, when a joint session of the Armenian Supreme Soviet and the National Council of Nagorno-Karabakh proclaimed the unification of Nagorno-Karabakh with Armenia. In mid-January 1990, Azerbaijani protesters in Baku went on a rampage against the remaining Armenians and the ACP. Moscow intervened, sending police troops of the MVD, who violently suppressed the APF and installed Mutalibov as president. The troops reportedly killed 122 Azerbaijanis in quelling the uprising, and Gorbachev denounced the APF for striving to establish an Islamic republic. These events further alienated the Azerbaijani population from Moscow and from ACP rule. In a December 1991 referendum boycotted by local Azerbaijanis, Armenians in Nagorno-Karabakh approved the creation of an independent state. A Supreme Soviet was elected, and Nagorno-Karabakh appealed for world recognition.

**Independence**

Mutalibov initially supported the August 1991 coup attempted in Moscow against the Gorbachev regime, drawing vehement objections from APF leaders and other political opponents. Once the coup failed, Mutalibov moved quickly to repair local damage and to insulate his rule from Moscow's retribution by announcing his resignation as first secretary of the ACP. These moves by Mutalibov and his supporters were in line
with the pro-independence demands of the APF, even though the two groups remained political adversaries. In September 1991, Mutalibov was elected president without electoral opposition but under charges from the APF that the election process was corrupt.

Azerbaijan began the process of achieving formal independence October 18, when the Supreme Soviet passed a law on state independence, ratifying that body's August declaration of independence. Then in December, over 99 percent of voters cast ballots in favor of independence in a referendum on that issue. The constitution was duly amended to reflect the country's new status. Immediately after the law was passed, the Supreme Soviet appealed to the world's nations and the United Nations (UN) for recognition of Azerbaijan. In December Mutalibov signed accords on Azerbaijan's membership in the Commonwealth of Independent States (CIS—see Glossary), a move criticized by many Azerbaijani nationalists who opposed all links to Russia and Armenia. A year later, the Azerbaijani legislature repudiated the signature, rejecting membership in the CIS. Azerbaijan maintained observer status at CIS meetings, however, and it resumed full membership in late 1993.

**Political Instability**

The intractable conflict in Nagorno-Karabakh contributed to the fall of several governments in newly independent Azerbaijan. After a February 1992 armed attack by Armenians on Azerbaijani residents in Nagorno-Karabakh caused many civilian casualties, Mutalibov was forced by opposition parties to resign as president. The president of Azerbaijan's Supreme Soviet, Yakub Mamedov, became acting president. Mamedov held this position until May 1992, when he in turn was forced from power in the face of continuing military defeats in Nagorno-Karabakh. Mutalibov loyalists in the Supreme Soviet reinstated him as president, but two days later he was forced to flee the country when APF-led crowds stormed the government buildings in Baku. An interim APF government assumed power until previously scheduled presidential elections could be held one month later. APF leader and intellectual Abulfaz Elchibey, who won over 59 percent of the vote in a five-candidate electoral contest, then formed Azerbaijan's first postcommunist government. Elchibey served as president only one year, however, before being forced to flee Baku in mid-June 1993 in the face of an insurrection led by a disgruntled military officer.
Taking advantage of the chaos, Aliyev returned to power, and an election in October 1993 confirmed him as president.

Efforts to Resolve the Nagorno-Karabakh Crisis, 1993

By the end of 1993, the conflict over Nagorno-Karabakh had caused thousands of casualties and created hundreds of thousands of refugees on both sides. In a national address in November 1993, Aliyev stated that 16,000 Azerbaijani troops had died and 22,000 had been injured in nearly six years of fighting. The UN estimated that nearly 1 million refugees and displaced persons were in Azerbaijan at the end of 1993. Mediation was attempted by officials from Russia, Kazakhstan, and Iran, among other countries, as well as by organizations including the UN and the Conference on Security and Cooperation in Europe (CSCE—see Glossary), which began sponsoring peace talks in mid-1992. All negotiations met with little success, however, and several cease-fires broke down. In mid-1993 Aliyev launched efforts to negotiate a solution directly with the Karabakh Armenians, a step Elchibey had refused to take. Aliyev's efforts achieved several relatively long cease-fires within Nagorno-Karabakh, but outside the region Armenians occupied large sections of southwestern Azerbaijan near the Iranian border during offensives in August and October 1993. Iran and Turkey warned the Karabakh Armenians to cease their offensive operations, which threatened to spill over into foreign territory. The Armenians responded by claiming that they were driving back Azerbaijani forces to protect Nagorno-Karabakh from shelling.

In 1993 the UN Security Council called for Armenian forces to cease their attacks on and occupation of a number of Azerbaijani regions. In September 1993, Turkey strengthened its forces along its border with Armenia and issued a warning to Armenia to withdraw its troops from Azerbaijan immediately and unconditionally. At the same time, Iran was conducting military maneuvers near the Nakhichevan Autonomous Republic in a move widely regarded as a warning to Armenia. Iran proposed creation of a twenty-kilometer security zone along the Iranian-Azerbaijani border, where Azerbaijani forces would be protected by Iranian firepower. Iran also contributed to the upkeep of camps in southwestern Azerbaijan to house and feed up to 200,000 Azerbaijani refugees fleeing the fighting.

Fighting continued into early 1994, with Azerbaijani forces reportedly winning some engagements and regaining some ter-
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ritory lost in previous months. In January 1994, Aliyev pledged that in the coming year occupied territory would be liberated and Azerbaijani refugees would return to their homes. At that point, Armenian forces held an estimated 20 percent of Azerbaijan's territory outside Nagorno-Karabakh, including 160 kilometers along the Iranian border.

Physical Environment

Three physical features dominate Azerbaijan: the Caspian Sea, whose shoreline forms a natural boundary to the east; the Greater Caucasus mountain range to the north; and the extensive flatlands at the country's center (see fig. 2). About the size of Portugal or the state of Maine, Azerbaijan has a total land area of approximately 86,600 square kilometers, less than 1 percent of the land area of the former Soviet Union. Of the three Transcaucasian states, Azerbaijan has the greatest land area. Special administrative subdivisions are the Nakhichevan Autonomous Republic, which is separated from the rest of Azerbaijan by a strip of Armenian territory, and the Nagorno-Karabakh Autonomous Region, entirely within Azerbaijan. (The status of Nagorno-Karabakh was under negotiation in 1994.) Located in the region of the southern Caucasus Mountains, Azerbaijan borders the Caspian Sea to the east, Iran to the south, Armenia to the southwest and west, and Georgia and Russia to the north (see fig. 1). A small part of Nakhichevan also borders Turkey to the northwest. The capital of Azerbaijan is the ancient city of Baku, which has the largest and best harbor on the Caspian Sea and has long been the center of the republic's oil industry.

Topography and Drainage

The elevation changes over a relatively short distance from lowlands to highlands; nearly half the country is considered mountainous. Notable physical features are the gently undulating hills of the subtropical southeastern coast, which are covered with tea plantations, orange groves, and lemon groves; numerous mud volcanoes and mineral springs in the ravines of Kobystan Mountain near Baku; and coastal terrain that lies as much as twenty-eight meters below sea level.

Except for its eastern Caspian shoreline and some areas bordering Georgia and Iran, Azerbaijan is ringed by mountains. To the northeast, bordering Russia's Dagestan Autonomous Republic, is the Greater Caucasus range; to the west, bordering
Armenia, is the Lesser Caucasus range. To the extreme southeast, the Talish Mountains form part of the border with Iran. The highest elevations occur in the Greater Caucasus, where Mount Bazar-dyuzi rises 4,740 meters above sea level. Eight large rivers flow down from the Caucasus ranges into the central Kura-Aras lowlands, alluvial flatlands and low delta areas along the seacoast designated by the Azerbaijani name for the Mtkvari River and its main tributary, the Aras. The Mtkvari, the longest river in the Caucasus region, forms a delta and drains into the Caspian a short distance downstream from the confluence with the Aras. The Mingechaur Reservoir, with an area of 605 square kilometers that makes it the largest body of water in Azerbaijan, was formed by damming the Mtkvari in western Azerbaijan. The waters of the reservoir provide hydroelectric power and irrigation to the Kura-Aras plain. Most of the country's rivers are not navigable. About 15 percent of the land in Azerbaijan is arable.

**Climate**

The climate varies from subtropical and dry in central and eastern Azerbaijan to subtropical and humid in the southeast, temperate along the shores of the Caspian Sea, and cold at the higher mountain elevations. Baku, on the Caspian, enjoys mild weather, averaging 4°C in January and 25°C in July. Because most of Azerbaijan receives scant rainfall—on average 152 to 254 millimeters annually—agricultural areas require irrigation. Heaviest precipitation occurs in the highest elevations of the Caucasus and in the Lenkoran' Lowlands in the far southeast, where the yearly average exceeds 1,000 millimeters.

**Environmental Problems**

Air and water pollution are widespread and pose great challenges to economic development. Major sources of pollution include oil refineries and chemical and metallurgical industries, which in the early 1990s continued to operate as inefficiently as they had in the Soviet era. Air quality is extremely poor in Baku, the center of oil refining. Some reports have described Baku's air as the most polluted in the former Soviet Union, and other industrial centers suffer similar problems.

The Caspian Sea, including Baku Bay, has been polluted by oil leakages and the dumping of raw or inadequately treated sewage, reducing the yield of caviar and fish. In the Soviet period, Azerbaijan was pressed to use extremely heavy applica-
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tions of pesticides to improve its output of scarce subtropical crops for the rest of the Soviet Union. Particularly egregious was the continued regular use of the pesticide DDT in the 1970s and 1980s, although that chemical was officially banned in the Soviet Union because of its toxicity to humans. Excessive application of pesticides and chemical fertilizers has caused extensive groundwater pollution and has been linked by Azerbajani scientists to birth defects and illnesses. Rising water levels in the Caspian Sea, mainly caused by natural factors exacerbated by man-made structures, have reversed a decades-long drying trend and now threaten coastal areas; the average level rose 1.5 meters between 1978 and 1993. Because of the Nagorno-Karabakh conflict, large numbers of trees were felled, roads were built through pristine areas, and large expanses of agricultural land were occupied by military forces.

Like other former Soviet republics, Azerbaijan faces a gigantic environmental cleanup complicated by the economic uncertainties left in the wake of the Moscow-centered planning system. The Committee for the Protection of the Natural Environment is part of the Azerbajani government, but in the early 1990s it was ineffective at targeting critical applications of limited funds, establishing pollution standards, and monitoring compliance with environmental regulations. Early in 1994, plans called for Azerbaijan to participate in the international Caspian Sea Forum, sponsored by the European Union (EU).

Population and Ethnic Composition

The majority of Azerbaijan's population consists of a single ethnic group whose problems with ethnic minorities have been dominated by the Armenian uprisings in Nagorno-Karabakh. Nevertheless, Azerbaijan includes several other significant ethnic groups. The population of the country is concentrated in a few urban centers and in the most fertile agricultural regions.

Population Characteristics

In mid-1993 the population of Azerbaijan was estimated at 7.6 million. With eighty-eight persons per square kilometer, Azerbaijan is the second most densely populated of the Transcaucasian states; major portions of the populace live in and around the capital of Baku and in the Kura-Aras agricultural area. Baku's population exceeded 1.1 million in the late 1980s, but an influx of war refugees increased that figure to an estimated 1.7 million in 1993. In 1993 the estimated population...
growth rate of Azerbaijan was 1.5 percent per year. Gyandzha (formerly Kirovabad), in western Azerbaijan, is the second most populous city, with a population of more than 270,000, followed by Sumgait, just north of Baku, with a population of 235,000; figures for both cities are official 1987 estimates. Since that time, Gyandzha and Sumgait, like Baku, have been swollen by war refugees. With 54 percent of Azerbaijanis living in urban areas by 1989, Azerbaijan was one of the most urbanized of the Muslim former Soviet republics. According to the 1989 census, the population of Nagorno-Karabakh was 200,000, of which over 75 percent was ethnically Armenian.

In 1989 life expectancy was sixty-seven years for males and seventy-four years for females. According to legend and to Soviet-era statistics, unusually large numbers of centenarians and other long-lived people live in Nagorno-Karabakh and other areas of Azerbaijan. In 1990 the birth rate was twenty-five per 1,000 population. The fertility rate has declined significantly since 1970, when the average number of births per woman was 4.6. According to Western estimates, the figure was 2.8 in 1990.

In 1987 Azerbaijan’s crude death rate was about twelve per 1,000. As in other former Soviet republics, the rate was somewhat higher than in 1970. In Azerbaijan, however, the death rate continued rising through 1992 because of the escalating number of accidents, suicides, and murders; fatalities caused by the conflict with Armenia were also a factor.

According to the 1989 census, about 85 percent of the population was Azerbaijani (5.8 million), 5.8 percent was Russian (392,300), and 5.8 percent was Armenian (390,500). The percentage of Azerbaijanis has increased in recent decades because of a high birth rate and the emigration of Russians and other minorities. Between 1959 and 1989, the Azerbaijani share of the population rose by 16 percent. Since that time, however, growth of the Azerbaijani share of the population has accelerated with the addition of an estimated 200,000 Azerbaijani deportees and refugees from Armenia and the quickening rate of Armenian emigration. About 13 million Azerbaijanis reside in the northern provinces of neighboring Iran. Smaller groups live in Georgia, the Dagestan Autonomous Republic of Russia to Azerbaijan’s north, Uzbekistan, Turkmenistan, Kazakhstan, and Ukraine.
The Role of Women

Although religious practice in Azerbaijan is less restrictive of women's activities than in most of the other Muslim countries, vestiges of the traditional female role remain. Particularly in rural communities, women who appear in public unaccompanied, smoke in public, drive automobiles, or visit certain theaters and restaurants are subject to disapproval. Nevertheless, the majority of Azerbaijani women have jobs outside the home, and a few have attained leadership positions. In July 1993, Aliyev appointed surgeon Lala-Shovket Gajiyeva as his state secretary (a position equivalent at that time to vice president), largely because of her outspoken views on Azerbaijani political problems. Gajiyeva was a champion of women's rights and in late 1993 founded a political party critical of Aliyev's policies. In January 1994, she was moved from state secretary to permanent representative to the UN, presumably because of her controversial positions.

Smaller Ethnic Minorities

After the Azerbaijani, Russians, and Armenians, the next largest group is the Lezgians (Dagestanis), the majority of whom live across the Russian border in Dagestan, but 171,000 of whom resided in northern Azerbaijan in 1989 (see fig. 9). The Lezgians, who are predominantly Sunni (see Glossary) Muslims and speak a separate Caucasian language, have called for greater rights, including the right to maintain contacts with Lezgians in Russia. In October 1992, President Elchibey promised informally that border regulations would be interpreted loosely to assuage these Lezgian concerns.

In 1989 another 262,000 people belonging to ninety other nationalities lived in Azerbaijan. These groups include Avars, Kurds, Talish, and Tats. The Talish in Azerbaijan, estimates of whose numbers varied from the official 1989 census figure of 21,000 to their own estimates of 200,000 to 300,000, are an Iranian people living in southeastern Azerbaijan and contiguous areas of Iran. Like the Lezgians, the Talish have called for greater rights since Azerbaijan became independent.

In 1992 Elchibey attempted to reassure ethnic minorities by issuing an order that the government defend the political, economic, social, and cultural rights and freedoms of non-Azerbaijani, and by setting up the Consultative Council on Interethnic Relations as part of the presidential apparatus. At
Figure 9. Ethnic Groups in Azerbaijan

no point, however, were Armenians mentioned among the protected ethnic minorities.

Language, Religion, and Culture

Although Azerbaijan's history shows the mark of substantial religious and cultural influence from Iran, linguistically and ethnically the country is predominantly Turkic. The republic was part of the Soviet Union for seventy years, but Russian culture had only an incidental impact.

Language

The official language is Azerbaijani, a Turkic tongue belonging to the southern branch of the Altaic languages. In
1994 it was estimated that some 82 percent of Azerbaijan's citizens speak Azerbaijani as their first language. In addition, 38 percent of Azerbaijanis speak Russian fluently, reflecting Russian domination of the economy and politics. Although official Soviet figures showed that about 32 percent of Russians living in Azerbaijan spoke Azerbaijani, the Russian population generally was reluctant to learn the local language. Most Armenians living in Nagorno-Karabakh use Russian rather than Azerbaijani as their second language.

The Azerbaijani language is part of the Oghuz, or Western Turkic, group of Turkic languages, together with Anatolian Turkish (spoken in Turkey) and Turkmen (spoken in Turkmenistan). The Oghuz tribes of Central Asia spoke this precursor language between the seventh and eleventh centuries. The three descendent languages share common linguistic features. Dialectical differences between Azerbaijani and Anatolian Turkish have generally been attributed to Mongolian and Turkic influences. Despite these differences, Anatolian Turkish speakers and Azerbaijanis can often understand one another if they speak carefully. Spoken Azerbaijani includes several dialects. Beginning in the nineteenth century, Russian loanwords (particularly technical terms) and grammatical and lexical structures entered the Azerbaijani language in Russian-controlled Azerbaijan, as did Persian words in Iranian Azerbaijan. The resulting variants remain mutually intelligible, however.

In the immediate pre-Soviet period, literature in Azerbaijan was written in Arabic in several literary forms that by 1900 were giving way to a more vernacular Azerbaijani Turkish form. In 1924 Soviet officials pressured the Azerbaijani government into approving the gradual introduction of a modified Roman alphabet. Scholars have speculated that this decision was aimed at isolating the Muslim peoples from their Islamic culture, thus reducing the threat of nationalist movements. In the late 1930s, however, Soviet authorities reversed their policy and dictated use of the Cyrillic alphabet, which became official in 1940. Turkey's switch to a modified Roman alphabet in 1928 may have prompted Stalin to reinforce Azerbaijan's isolation from dangerous outside influences by switching to Cyrillic. This change also made it easier for Azerbaijanis to learn Russian.

When the Soviet Union disintegrated, the alphabet question arose once again. Iran reportedly advocated use of Arabic as part of a campaign to expand the influence of Shia (see Glos-
sary) Islam in Azerbaijan. Most Azerbaijani intellectuals ultimately rejected switching to Arabic, however, noting that Iran had not allowed proper study of the Azerbaijani language in northern Iran. Instead, the intellectuals preferred a modified Roman alphabet incorporating symbols for unique Azerbaijani language sounds. In December 1991, the legislature approved a gradual return to a "New Roman" alphabet.

Religion

The prophet Zoroaster (Zarathustra), who was born in the seventh century B.C. in what is now Azerbaijan, established a religion focused on the cosmic struggle between a supreme god and an evil spirit. Islam arrived in Azerbaijan with Arab invaders in the seventh century A.D., gradually supplanting Zoroastrianism and Azerbaijani pagan cults. In the seventh and eighth centuries, many Zoroastrians fled Muslim persecution and moved to India, where they became known as Parsis. Until Soviet Bolsheviks ended the practice, Zoroastrian pilgrims from India and Iran traveled to Azerbaijan to worship at sacred sites, including the Surakhany Temple on the Apsheron Peninsula near Baku.

In the sixteenth century, the first shah of the Safavid Dynasty, Ismail I (r. 1486–1524), established Shia Islam as the state religion, although large numbers of Azerbaijani remained followers of the other branch of Islam, Sunni. The Safavid court was subject to both Turkic (Sunni) and Iranian (Shia) influences, however, which reinforced the dual nature of Azerbaijani religion and culture in that period. As elsewhere in the Muslim world, the two branches of Islam came into conflict in Azerbaijan. Enforcement of Shia Islam as the state religion brought contention between the Safavid rulers of Azerbaijan and the ruling Sunnis of the neighboring Ottoman Empire.

In the nineteenth century, many Sunni Muslims emigrated from Russian-controlled Azerbaijan because of Russia's series of wars with their coreligionists in the Ottoman Empire. Thus, by the late nineteenth century, the Shia population was in the majority in Russian Azerbaijan. Antagonism between the Sunnis and the Shia diminished in the late nineteenth century as Azerbaijani nationalism began to emphasize a common Turkic heritage and opposition to Iranian religious influences. At present, about three-quarters of Azerbaijani Muslims are at
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At least nominally Shia (and 87 percent of the population were Muslim in 1989).

Azerbaijan's next largest official religion is Christianity, represented mainly by Russian Orthodox and Armenian Apostolic groups. Some rural Azerbaijaniis retain pre-Islamic shamanist or animist beliefs, such as the sanctity of certain sites and the veneration of certain trees and rocks.

Before Soviet power was established, about 2,000 mosques were active in Azerbaijan. Most mosques were closed in the 1930s, then some were allowed to reopen during World War II. In the 1980s, however, only two large and five smaller mosques held services in Baku, and only eleven others were operating in the rest of the country. Supplementing the officially sanctioned mosques were thousands of private houses of prayer and many secret Islamic sects. Beginning in the late Gorbachev period, and especially after independence, the number of mosques rose dramatically. Many were built with the support of other Islamic countries, such as Iran, Oman, and Saudi Arabia, which also contributed Qurans (Korans) and religious instructors to the new Muslim states. A Muslim seminary has also been established since 1991. As in the other former Soviet Muslim republics, religious observances in Azerbaijan do not follow all the traditional precepts of Islam. For example, drinking wine is permitted, and women are not veiled or segregated.

During World War II, Soviet authorities established the Muslim Spiritual Board of Transcaucasia in Baku as the governing body of Islam in the Caucasus, in effect reviving the nineteenth-century tsarist Muslim Ecclesiastical Board. During the tenures of Brezhnev and Gorbachev, Moscow encouraged Muslim religious leaders in Azerbaijan to visit and host foreign Muslim leaders, with the goal of advertising the freedom of religion and superior living conditions reportedly enjoyed by Muslims under Soviet communism.

In the early 1980s, Allashukur Humatogly Pashazade was appointed sheikh ul-Islam, head of the Muslim board. With the breakup of the Soviet Union, the Muslim board became known as the Supreme Religious Council of the Caucasus Peoples. In late 1993, the sheikh blessed Heydar Aliyev at his swearing-in ceremony as president of Azerbaijan.

The Arts

Azerbaijanis have sought to protect their cultural identity from long-standing outside influences by fostering indigenous
forms of artistic and intellectual expression. They proudly point to a number of scientists, philosophers, and literary figures who have built their centuries-old cultural tradition.

Literature and Music

Before the eleventh century, literary influences included the Zoroastrian sacred text, the Avesta, Turkish prose-poetry, and oral history recitations (called dastans), such as The Book of Dede Korkut and Koroglu, which contain pre-Islamic elements. Among the classics of medieval times are the Astronomy of Abul Hasan Shirvani (written in the eleventh or twelfth century) and Khamseh, a collection of five long romantic poems written in Persian by the twelfth-century poet Nezami Ganjavi. Fuzuli (1494–1556) wrote poetry and prose in Turkish, most notably the poem Laila and Majnun, the satire A Book of Complaints, and the treatise To the Heights of Conviction. Fuzuli's works influenced dramatic and operatic productions in the early twentieth century. Shah Ismail I, who was also the first Safavid shah, wrote court poems in Turkish. Fuzuli and Ismail are still read in their original Turkish dialects, which are very similar to modern literary Azerbaijani.

In music an ancient tradition was carried into modern times by ashugs, poet-singers who presented ancient songs or verses or improvised new ones, accompanied by a stringed instrument called the kobuz. Another early musical form was the mugam, a composition of alternating vocal and instrumental segments most strongly associated with the ancient town of Shusha in Nagorno-Karabakh.

Decorative Arts and Crafts

Carpet and textile making, both of which are ancient Azerbaijani crafts, flourished during the medieval period, and Azerbaijani products became well known in Asia and Europe. Azerbaijani carpets and textiles were known for their rich vegetation patterns, depictions from the poetry of Nezami Ganjavi, and traditional themes. Each region produced its own distinctive carpet patterns. Silk production became significant in the eighteenth century. During the Soviet period, carpets, textiles, and silk continued to be made in factories or at home. In medieval times, ornately chased weaponry was another major export. Azerbaijan was also famed for miniature books incorporating elaborate calligraphy and illustrations.
Architecture

Azerbaijani architecture typically combines elements of East and West. Many ancient architectural treasures survive in modern Azerbaijan. These sites include the so-called Maiden Tower in Baku, a rampart that has been dated variously from the pre-Christian era to the twelfth century, and from the top of which, legend says, a distraught medieval maiden flung herself. Among other medieval architectural treasures reflecting the influence of several schools are the Shirvan shahs' palace in Baku, the palace of the Sheki khans in the town of Sheki in north-central Azerbaijan, the Surakhany Temple on the ApsheRon Peninsula, a number of bridges spanning the Aras River, and several mausoleums. In the nineteenth and early twentieth centuries, little monumental architecture was created, but distinctive residences were built in Baku and elsewhere. Among the most recent architectural monuments, the Baku subways are noted for their lavish decor.

The Cultural Renaissance

In the second half of the nineteenth century and in the early twentieth century, Azerbaijan underwent a cultural renaissance that drew on the golden age of the eleventh to the thirteenth centuries and other influences. The patronage of the arts and education that characterized this movement was
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fueled in part by increasing oil wealth. Azerbaijan's new industrial and commercial elites contributed funds for the establishment of many libraries, schools, hospitals, and charitable organizations. In the 1880s, philanthropist Haji Zeinal Adibin Taghiyev built and endowed Baku's first theater.

Artistic flowering in Azerbaijan inspired Turkic Muslims throughout the Russian Empire and abroad, stimulating among other phenomena the establishment of theaters and opera houses that were among the first in the Muslim world. Tsarist authorities first encouraged, then tolerated, and finally used intensified Russification against this assertion of artistic independence.

Several artists played important roles in the renaissance. Mirza Fath Ali Akhundzade (also called Akhundov; 1812–78), a playwright and philosopher, influenced the Azerbaijani literary language by writing in vernacular Azerbaijani Turkish. His plays, among the first significant theater productions in Azerbaijan, continue to have wide popular appeal as models of form in the late twentieth century. The composer and poet Uzeir Hajibeyli (1885–1948) used traditional instruments and themes in his musical compositions, among which were the first operas in the Islamic world. The poet and playwright Husein Javid (1882–1941) wrote in Turkish about historical themes, most notably the era of Timur.

Under Soviet rule, Azerbaijani cultural expression was circumscribed and forcibly supplanted by Russian cultural values. Particularly during Stalin's purges of the 1930s, many Azerbaijani writers and intellectuals were murdered, and ruthless attempts were made to erase evidence of their lives and work from historical records. Cultural monuments, libraries, mosques, and archives were destroyed. The two forcible changes of alphabet in the 1920s and 1930s further isolated Azerbaijanis from their literary heritage. Never completely extinguished during the Soviet period, however, Azerbaijani culture underwent a modest rebirth during Khrushchev's relaxation of controls in the 1950s, when many who had been victims of Stalin's purges were posthumously rehabilitated and their works republished. In the 1970s and 1980s, another rebirth occurred when Moscow again loosened cultural restrictions. Under Aliyev's first regime, publication of some mildly nationalist pieces was allowed, including serialization of Aziza Jafarzade's historical novel Baku 1501.
In the late 1980s, Gorbachev's policy of glasnost (see Glossary) energized a major movement among Azerbaijani writers and historians to illuminate "blank pages" in the nation's past, such as Azerbaijani resistance to tsarist and Soviet power and Stalin's crimes against the peoples of the Soviet Union. Reprints of Azerbaijani historical and literary classics became more plentiful, as did political tracts on topics such as Azerbaijani claims to Nagorno-Karabakh.

Education, Health, and Welfare

When the Soviet Union crumbled, Azerbaijan, like other former Soviet republics, was forced to end its reliance upon the uniform, centralized system of social supports that had been administered from Moscow. In the early 1990s, however, Azerbaijan did not have the resources to make large-scale changes in the delivery of educational, health, and welfare services, so the basic Soviet-era structures remained in place.

Education

In the pre-Soviet period, Azerbaijani education included intensive Islamic religious training that commenced in early childhood. Beginning at roughly age five and sometimes continuing until age twenty, children attended madrasahs, education institutions affiliated with mosques. In the seventeenth and eighteenth centuries, madrasahs were established as separate education institutions in major cities, but the religious component of education remained significant. In 1865 the first technical high school and the first women's high school were opened in Baku. In the late nineteenth century, secular elementary schools for Azerbaijanis began to appear (schools for ethnic Russians had been established earlier), but institutions of higher education and the use of the Azerbaijani language in secondary schools were forbidden in Transcaucasia throughout the tsarist period. The majority of ethnic Azerbaijani children received no education in this period, and the Azerbaijani literacy rate remained very low, especially among women. Few women were allowed to attend school.

In the Soviet era, literacy and average education levels rose dramatically from their very low starting point, despite two changes in the standard alphabet, from Arabic to Roman in the 1920s and from Roman to Cyrillic in the 1930s (see Language, this ch.). According to Soviet data, 100 percent of males and females (ages nine to forty-nine) were literate in 1970.
During the Soviet period, the Azerbaijani education system was based on the standard model imposed by Moscow, which featured state control of all education institutions and heavy doses of Marxist-Leninist ideology at all levels. Since independence, the Azerbaijani system has undergone little structural change. Initial alterations have included the reestablishment of religious education (banned during the Soviet period) and curriculum changes that have reemphasized the use of the Azerbaijani language and have eliminated ideological content. In addition to elementary schools, the education institutions include thousands of preschools, general secondary schools, and vocational schools, including specialized secondary schools and technical schools. Education through the eighth grade is compulsory. At the end of the Soviet period, about 18 percent of instruction was in Russian, but the use of Russian began a steady decline beginning in 1988. A few schools teach in Armenian or Georgian.

Azerbaijan has more than a dozen institutions of higher education, in which enrollment totaled 105,000 in 1991. Because Azerbaijani culture has always included great respect for secular learning, the country traditionally has been an education center for the Muslim peoples of the former Soviet Union. For that reason and because of the role of the oil industry in Azerbaijan's economy, a relatively high percentage of Azerbaijani have obtained some form of higher education, most notably in scientific and technical subjects. Several vocational institutes train technicians for the oil industry and other primary industries.

The most significant institutions of higher education are the University of Azerbaijan in Baku, the Institute of Petroleum and Chemistry, the Polytechnic Institute, the Pedagogical Institute, the Mirza Fath Ali Akhundzade Pedagogical Institute for Languages, the Azerbaijan Medical Institute, and the Uzeir Hajibeyli Conservatory. Much scientific research, which during the Soviet period dealt mainly with enhancing oil production and refining, is carried out by the Azerbaijani Academy of Sciences, which was established in 1945. The University of Azerbaijan, established in 1919, includes more than a dozen departments, ranging from physics to Oriental studies, and has the largest library in Azerbaijan. The student population numbers more than 11,000, and the faculty over 600. The Institute of Petroleum and Chemistry, established in 1920, has more than 15,000 students and a faculty of about 1,000. The institute
trains engineers and scientists in the petrochemical industry, geology, and related areas.

Health

Azerbaijan's health care system was one of the least effective in the Soviet republics, and it deteriorated further after independence. On the eve of the breakup of the Soviet Union in 1991, the number of physicians per 1,000 people in Azerbaijan was about four, the number of hospital beds about ten, and the number of pharmacists about seven—all figures below the average for the Soviet Union as a whole (see table 2, Appendix). According to reports, in the late 1980s some 736 hospitals and clinics were operating in Azerbaijan, but according to Soviet data some of those were rudimentary facilities with little equipment. Medical facilities also include several dozen sanatoriums and special children's health facilities. The leading medical schools in Azerbaijan are the Azerbaijan Medical Institute in Baku, which trains doctors and pharmacists, and the Institute for Advanced Training of Physicians. Several research institutes also conduct medical studies.

After the breakup of the Soviet Union, Azerbaijan's declining economy made it impossible for the Azerbaijani government to provide full support of the health infrastructure. Shortages of medicines and equipment have occurred, and
some rural clinics have closed. In 1993 a Western report evaluated Azerbaijan's sanitation, pharmacies, medical system, medical industry, and medical research and development as below average, relative to similar services in the other former Soviet republics.

In 1987 the leading causes of death in order of occurrence were cardiovascular disease, cancer, respiratory infection, and accidents. The official 1991 infant mortality rate—twenty-five per 1,000 population—was by far the highest among the Transcaucasian nations. International experts estimated an even higher rate, however, if the standard international definition of infant mortality is used.

Social Welfare

The traditional extended family provides an unofficial support system for family members who are elderly or who are full-time students. The official social safety net nominally ensures at least a subsistence income to all citizens, continuing the practice of the Soviet era. Stated benefits include old-age, disability, and survivor pensions; additional allowances for children and supported family members; sick and maternity leave; temporary disability and unemployment compensation for workers; food subsidies; and tax exemptions for designated social groups. Most of these benefits are financed by extrabudgetary funds; in 1992 more than 4.2 million rubles were transferred from the budget to the State Pension Fund, however.

The actual effect of the social welfare system has differed greatly from its stated goals. During the late Soviet period, Azerbaijanis complained that their social benefits ranked near the bottom among the Soviet republics. The economic dislocations that followed independence eroded those benefits even further. In December 1993, the government estimated that 80 percent of the Azerbaijani population was living below the poverty level, even though about 15 percent of the gross domestic product (GDP—see Glossary) was spent on social security benefits.

The minimum monthly wage is set by presidential decree, but several increases in the minimum wage in 1992–93 failed to keep pace with the high rate of inflation. Retirement pensions, based on years of service and average earnings, also fell behind the cost of living in that period.

In the postcommunist era, government price controls have also been used to ease the transition from the centrally
planned economy. In 1992 subsidies were introduced to keep prices low for such items as bread, meat, butter, sugar, cooking oil, local transportation, housing, and medical care (see table 9; table 10, Appendix). At that point, the price-support safety net was expected to absorb at least 7 percent of the projected national budget. At the end of 1993, major increases in bread and fuel prices heightened social tensions and triggered riots because compensation to poor people, students, and refugees was considered inadequate.

The Economy

Azerbaijan possesses fertile agricultural lands, rich industrial resources, including considerable oil reserves, and a relatively developed industrial sector. Utilization of those resources in the Soviet period, however, was subject to the usual distortions of centralized planning. In the early 1990s, economic output declined drastically. The major factors in that decline were the deterioration of trade relations with the other former Soviet republics, the conflict in Nagorno-Karabakh, erosion of consumer buying power, and retention of the ruble alongside the national currency. In 1994 the economy remained heavily dependent on the other former republics of the Soviet Union, especially Russia.
The Work Force

According to Azerbaijani statistics, the work force numbered 2.7 million individuals in 1992. Agriculture was the largest area of employment (34 percent), followed by industry (16 percent) and education and culture (12 percent). In the industrial sector, the oil, chemical, and textile industries were major employers (see table 11, Appendix). In spite of the standard communist proclamation that employment was a right and employment was virtually full, large-scale, chronic unemployment had already emerged in the late 1980s, especially among youth and the growing ranks of refugees and displaced persons (see table 12, Appendix). In 1992 unemployment was still officially characterized as a minor problem, affecting some 200,000 people, but in fact the Azerbaijani government vastly underreported this statistic. Underreporting was facilitated by the practice of keeping workers listed as employees in idled industries. Funds set aside by the government to deal with unemployment proved woefully inadequate. One Western economic agency estimated the 1992 gross national product (GNP—see Glossary) as US$18.6 billion and the average per capita GNP as US$2,480, placing Azerbaijan sixth and eighth in those respective categories among the former Soviet republics.

Economic Dislocations

The general economic dislocations within the Soviet Union in the late Gorbachev period hurt Azerbaijan by weakening interrepublic trade links. After the breakup of the Soviet Union, trade links among the former republics weakened further. Azerbaijani enterprises responded by establishing many new trade ties on an ad hoc basis. Although some moves were made toward a market economy, state ownership of the means of production and state direction of the economy still dominated in early 1994.

Despite the economic turmoil caused in 1992 and 1993 by the demise of the Soviet Union and the conflict in Nagorno-Karabakh, the Azerbaijani economy remained in better condition than those of its neighbors Armenia and Georgia and some of the Central Asian states. According to estimates by Western economists, gross industrial production plunged at least 26 percent in 1992 and 10 percent in 1993.

In 1992 poor weather contributed to a decline in production of important cash crops. Crude oil and refinery produc-
tion continued a recent downward spiral, reflecting a lack of infrastructure maintenance and other inputs. Inflation took off in early 1992, when many prices were decontrolled, and accelerated throughout the year, reaching an annual rate of 735 percent by October. Inflation for 1993 was estimated at 1,200 percent, a figure exceeded only by rates for Russia and a few other CIS states. Officials tried unsuccessfully to protect the standard of living from inflation by periodically increasing wage payments and taking other measures. In his New Year's message in January 1994, Aliyev acknowledged that during 1993 Azerbaijan had faced a serious economic crisis that led to further declines in the standard of living, but he promised that 1994 would witness positive changes.

Agriculture

The major agricultural cash crops are grapes, cotton, tobacco, citrus fruits, and vegetables. The first three crops
account for over half of all production, and the last two together account for an additional 30 percent. Livestock, dairy products, and wine and spirits are also important farm products (see table 13, Appendix).

In the early 1990s, Azerbaijan's agricultural sector required substantial restructuring if it were to realize its vast potential. Prices for agricultural products did not rise as fast as the cost of inputs; the Soviet-era collective farm system discouraged private initiative; equipment in general and the irrigation system in particular were outdated; modern technology had not been introduced widely; and administration of agricultural programs was ineffective.

Most of Azerbaijan's cultivated lands, which total over 1 million hectares, are irrigated by more than 40,000 kilometers of canals and pipelines. The varied climate allows cultivation of a wide variety of crops, ranging from peaches to almonds and from rice to cotton. In the early 1990s, agricultural production contributed about 30 to 40 percent of Azerbaijan's net material product (NMP—see Glossary), while directly employing about one-third of the labor force and providing a livelihood to about half the country's population. In the early postwar decades, Azerbaijan's major cash crops were cotton and tobacco, but in the 1970s grapes became the most productive crop. An anti-alcohol campaign by Moscow in the mid-1980s contributed to a sharp decline in grape production in the late 1980s. In 1991 grapes accounted for over 20 percent of agricultural production, followed closely by cotton.

Production of virtually all crops declined in the early 1990s. In 1990 work stoppages and anti-Soviet demonstrations contributed to declines in agricultural production. The conflict in Nagorno-Karabakh, the site of about one-third of Azerbaijan's croplands, substantially reduced agricultural production beginning in 1989. In 1992 agriculture's contribution to NMP declined by 22 percent. This drop was attributed mainly to cool weather, which reduced cotton and grape harvests, and to the continuation of the Nagorno-Karabakh conflict. The conflict-induced blockade of the Nakhichevan Autonomous Republic also disrupted agriculture there.

An estimated 1,200 state and cooperative farms are in operation in Azerbaijan, with little actual difference between the rights and privileges of state and cooperative holdings. Small private garden plots, constituting only a fraction of total cultivated land, contribute as much as 20 percent of agricultural
production and more than half of livestock production. Private landholders do not have equal access, however, to the inputs, services, and financing that would maximize their output.

The Azerbaijani Ministry of Agriculture and Food runs procurement centers dispersed throughout the country for government purchase of most of the tobacco, cotton, tea, silk, and grapes that are produced. The Ministry of Grain and Bread Products runs similar operations that buy a major portion of grain production. Remaining crops are sold in the private sector.

Industry

During World War II, relocated and expanded factories in Azerbaijan produced steel, electrical motors, and finished weaponry for the Soviet Union’s war effort. The canning and textile industries were expanded to process foodstuffs and cotton from Azerbaijan’s fields. Azerbaijan’s postwar industrial economy was based on those wartime activities. Among the key elements of that base were petrochemical-derived products such as plastics and tires, oil-drilling equipment, and processed foods and textiles (see table 14, Appendix). In 1991 the largest share of Azerbaijan’s industrial output was contributed by the food industry, followed by light industry (defined to include synthetic and natural textiles, leather goods, carpets, and furniture), fuels, and machine building. Significant food processing and cotton textile operations are located in Gyandzha in western Azerbaijan, and petrochemical-based industries are clustered near Baku. The city of Sumgait, just north of Baku, is the nation’s center for steel, iron, and other metallurgical industries.

The Soviet-era Azerbaijan Oil Machinery Company (Azneftemash) controls virtually all of Azerbaijan’s oil equipment industry. Once a major exporter of equipment to the rest of the Soviet Union, Azneftemash has remained dependent since 1991 on imports of parts from the other former Soviet republics. The economic decline and the breakup of the union has disrupted imports and caused an estimated output reduction of 27 percent in the Azerbaijani oil equipment industry in 1992.

Energy

Azerbaijan has ample energy resources, including major hydroelectric generating capacity and offshore oil reserves in
the Caspian Sea. Despite what amounts to an overall excess of production capacity, fuel shortages and transport problems disrupted generation in the early 1990s. In 1991 Azerbaijan produced 23 billion kilowatt-hours, but near the end of 1992 the country had produced only 16 billion kilowatt-hours. Electricity is generated at major hydroelectric plants on the Mtkvari, Terter (in western Azerbaijan), and Aras rivers (the last a joint project with Iran). A larger share of power comes from oil-fired electric power plants, however. In the late Soviet period, Azerbaijan's power plants were part of the Joint Transcaucasian Power Grid shared with Armenia and Georgia, but Azerbaijan cut off power to Armenia as a result of the conflict over Nagorno-Karabakh.

Azerbaijan has exported oil and gas to Russia since the late nineteenth century. The birthplace of the oil-refining industry at the beginning of the twentieth century, Azerbaijan was the world's leading producer of petroleum. During World War II, about 70 percent of the Soviet Union's petroleum output came from the small republic. After World War II, when oil output from the Volga-Ural oil fields in Russia increased, Azerbaijan lost its position as a dominant producer of Soviet oil. When the Soviet Union disintegrated, Azerbaijan was producing 60 percent of Soviet oil extraction machinery and spare parts but less than 2 percent of the union's oil.

Azerbaijan's four major offshore oil fields in the Caspian Sea are Gunesli, Cirak, Azeri, and Kepez. In 1992 the Gunesli field accounted for about 60 percent of Azerbaijani oil production. Crude oil production has decreased in recent years, mainly because of a weak global market, well maturity, inadequate investment, and outdated equipment. According to Azerbaijani estimates, for the first seven months of 1993 compared with the same period in 1992, crude oil production declined 7.1 percent, gasoline refining 2.8 percent, and diesel fuel production 19.9 percent. These rates of decline compare favorably, however, with those experienced in the oil production and refining industries of Russia, Turkmenistan, and other former Soviet republics in the early 1990s.

Some oil is shipped by train to Black Sea ports in Russia and Ukraine, and some is shipped by tanker to northern Iran. Pipeline shipment has been slowed by infrastructure problems. One old oil pipeline from Azerbaijan to the Georgian port of Batumi on the Black Sea is inoperable, and the Russian pipeline is unavailable because that line is already at capacity. Azer-
Baku's oil production is processed at two refineries near Baku. Because domestic oil production has not matched refining capacity in recent years, the refineries also process Kazakh and Russian oil.

Russia, Ukraine, and other former Soviet republics have been involved in contentious negotiations with Azerbaijan over oil payment. Azerbaijan has sought prices close to world market rates for its oil as large payment arrearages have developed with several customer states. Azerbaijanis seek "fair payment" for their oil from Russia, pointing out that during the Soviet period Azerbaijani oil was sold far below market prices to support the Soviet economy.

Azerbaijan has encouraged joint ventures and other agreements with foreign oil firms, and a consortium has been formed with Russia, Kazakhstan, and Oman to build an oil pipeline to Mediterranean, Persian Gulf, or Black Sea ports. In
the planning stage, Russia advocated a Black Sea route, whereas Western oil companies, also interested in Azerbaijan's oil, preferred a Mediterranean terminus for a pipeline used in common. In March 1993, Turkey and Azerbaijan agreed on a pipeline traversing Iran, the Nakhichevan Autonomous Republic, and southern Turkey to reach the Mediterranean. In 1993 other negotiations defined terms of exploitation by eight Western oil companies in two Caspian oil fields and established a profit-sharing ratio between Azerbaijan and its partners. In late 1993, Russia's role in the oil industry also increased with the signing of new bilateral agreements.

Azerbaijan has proven natural gas reserves of 2 trillion cubic meters, and a much larger amount is present in association with offshore oil deposits. Although the price of natural gas in Azerbaijan has remained low compared with world prices, in 1991 about half the gas brought to the surface was burned off or vented, while consumption of fuel oil increased. Since 1991 Azerbaijan's production has declined to a level that meets only about 35 percent of domestic needs, which amounted to 17 billion cubic meters per year in 1993. The major sources of natural gas imports are Turkmenistan, Kazakhstan, and Iran. Experts consider that exploitation of untapped natural gas deposits would enhance Azerbaijan's domestic fuel balance and provide substantial export income.

Economic Reform

Azerbaijan's prospects for movement toward a market economy are enhanced by a fairly well-developed infrastructure, an educated labor force, diversity in both agricultural and industrial production, and yet-un tapped oil reserves. Obstacles to reform include the rigidity of remaining Soviet economic structures, the Nagorno-Karabakh conflict, continued trade dependence on the other former Soviet republics, insufficient economic expertise to guide the transition, and capital stock that is inefficient and environmentally hazardous.

Price Liberalization

In January 1992, about 70 to 80 percent of producer and consumer prices were decontrolled, although prices for commodities such as gasoline were artificially increased. Further rounds of price liberalization took place in April, September, and December 1992. Because most industries are still monopolies, price-setting is supervised by the Antimonopoly Commit-
tee, which approves requests for price increases. Because the state still procures much of Azerbaijan's agricultural production, prices are set by negotiations between the state and producers.

Retail price inflation surged after the first round of price liberalization in January 1992. Thereafter, the monthly rate eased somewhat, averaging about 24 percent during most of 1992. According to official figures, in 1993 average living expenses exceeded income by about 50 percent. The ratio of expenses to income was about the same in Kazakhstan and worse in Armenia and Turkmenistan. Although prices for items such as bread and fuel remained controlled during 1993, in November 1993 the government announced price rises because commodities were being smuggled out of Azerbaijan to be sold elsewhere where prices were higher. By the end of 1993, it was reported that the minimum weekly wage would not even buy one loaf of bread and that hundreds of thousands of refugees in Azerbaijan "simply face starvation," a situation that heightened social and political instability.

Privatization

From the earliest days of Azerbaijan's independence, the country had a vigorous, small-scale private economy whose most urgent need was unambiguous legislation that would legitimize its operations and allow expansion. A privatization law passed in January 1993 was not implemented fully in the year following. Privatization plans envisioned sales, auctions, and joint-stock enterprises. Small retail establishments would be privatized by auction, and medium-sized and large enterprises would be privatized by a combination of auctions and joint-stock programs. Retail establishments were supposed to be privatized fully by the end of 1993, but this goal was not met. Housing was also to be privatized by transferring ownership to the present tenants. At the end of 1993, land redistribution was stalled by disagreement over the choice between private ownership and long-term leaseholding, over optimum terms for either of those arrangements, and over the distribution of agricultural equipment.

The Budget

To lessen the budgetary impact of losing subsidies from the Soviet Union, beginning in 1992 a value-added tax (VAT—see Glossary) and excise taxes were introduced to replace sales and
turnover taxes. The new taxes enabled Azerbaijan to maintain only a small state budgetary deficit for 1992 (see table 15, Appendix). The deficit came mainly from increases in wages and from defense and refugee expenses related to the conflict in Nagorno-Karabakh. State-owned enterprises continued to survive on liberal bank credits and interenterprise borrowing, which caused the accumulation of sizable debts. Substantial increases in defense expenditures (from 1.3 percent of GDP in 1991 to 7.6 percent in 1992) drastically reduced expenditures for consumer subsidies in bread and fuels, as well as government investment and other support for enterprises. Increased salaries for civil servants also increased the 1992 deficit.

In mid-1992 Azerbaijan was not receiving enough printed rubles from Moscow to meet wage payments, so it introduced its own currency, the manat (for value of the manat—see Glossary). Because domestic financial transactions still involved Russian banks and because many rubles remained in circulation, the ruble remained as an alternate currency. After ruble notes became more plentiful in late 1992, the manat remained a small fraction of circulating currency. In September 1993, Azerbaijan planned to make the manat the sole national currency, but the weakness of the Azerbaijani monetary and financial systems forced postponement of that move. The manat finally became the sole currency in January 1994.

**Banking**

Under the Soviet system, Azerbaijani banks were subordinate to central banks in Moscow and elsewhere in Russia. Bank funds were distributed according to a single state plan, and republic banks had little input into the raising or allocation of funds. In early 1992, former Soviet banks were incorporated into the National Bank of Azerbaijan (NBA). The 1992 Law on Banks and Banking Activity and the Law on the National Bank established the NBA as the top level of the new system and commercial banks (state- and privately owned) on the second level. However, in 1993 the system was undermined by poor technology, large unresolved debts among state-owned enterprises, irregular participation by enterprises, and bank delays in transferring funds. The main bank for the exchange of funds among private and state enterprises is the Industrial Investment Joint Stock Commercial Bank.
Foreign Trade

As during the Soviet era, Azerbaijan’s economy depends heavily on foreign trade, including commerce with the other former Soviet republics. In the late 1980s, exports and imports averaged about 40 percent of GDP. At that time, Azerbaijan’s exports to other Soviet republics averaged 46 percent of GDP and over 90 percent of total exports; its imports from those republics averaged 37 percent of GDP and nearly 80 percent of total imports. In the early 1990s, Azerbaijan’s main trading partners in the CIS were Russia, Ukraine, Kazakhstan, and Belarus, in that order.

In the last years of the Soviet Union, Azerbaijan showed a net trade surplus. After a sharp decline in the net trade surplus in 1990, oil sales outside the Soviet Union boosted the surplus in 1991 and 1992. In 1992 Azerbaijan made major gains in hard-currency exports, mainly from selling refined oil products abroad at world prices. Trade with CIS countries, determined by yearly bilateral agreements, declined significantly after 1991. Although products from those countries still dominated Azerbaijan’s imports, less than half of exports went to them. Important obstacles were the bypassing of the state order system in the Baltic states and Russia, the high VAT on some items, and the complexity of central-bank credit systems in the transitional period. Trade agreements were negotiated for 1993 with Belarus, Estonia, Kazakhstan, Latvia, Lithuania, Moldova, Russia, Turkmenistan, and Ukraine.

In 1990 Azerbaijan’s major trading partners outside the Soviet Union were led by Germany and Poland (see table 16, Appendix). In 1992 Azerbaijan’s main non-CIS trading partners were Britain and Iran. According to government statistics for 1993, Azerbaijan had a large trade surplus with Russia, and more than US$60 billion was owed Azerbaijan by customers in Greece, Iran, and Turkey. Through 1993 Turkish enterprises, considered a primary source of new foreign capital, refrained from large-scale investment in Azerbaijan because of concerns about political instability in Baku. Disagreements with Russia and Turkey delayed construction of an oil pipeline that would connect Baku with the Mediterranean through Turkish territory (see Energy, this ch.).

In the early 1990s, increasing numbers of products were sold directly by Azerbaijani enterprises to foreign enterprises without government export licenses, although the inefficient state-managed trade system of the Soviet era remained in place.
In 1993 the Ministry of Foreign Economic Relations monitored all foreign trade and supervised the export of petroleum products and other strategic items. In late 1993, government control was tightened because most private firms were keeping hard-currency foreign-trade earnings outside Azerbaijan.

**Transportation and Telecommunications**

Azerbaijan's transportation system is extensive for a country of its size and level of economic development. Analysts attribute this advantage to the fact that when Azerbaijan was part of the Soviet Union, its economy was heavily geared to export of petroleum and to transshipment of goods across the Caucasus. The system is burdened by an extensive bureaucracy, however, that makes prompt equipment repair difficult, and the country's economic problems have delayed replacement of aging equipment and facilities.

In 1990 Azerbaijan had 36,700 kilometers of roads, 31,800 kilometers of which were paved. One of the country's two main routes parallels the Caspian Sea coast from Russia to Iran, passing through Baku (see fig. 10). The other, Route M27, leads west out of the capital to the Georgian border. A major branch from this route heads south through Stepanakert, capital of Nagorno-Karabakh. All major towns have a paved road connection with one of the principal routes. An extensive intercity bus service is the primary mode of intercity travel. Maintenance of the system has deteriorated since independence in 1991, however, and one study estimated that 60 percent of the main highways were in bad condition, resulting in excessive wear on vehicles and tires and in poor fuel consumption.

Azerbaijan had 2,090 kilometers of rail lines in 1990, excluding several small industrial lines. Most lines are 1,520-meter broad gauge, and the principal routes are electrified. In the 1990s, the rail system carried the vast majority of the country's freight. As with the highway system, one of the two main lines parallels the Caspian Sea coast from Russia to Iran before heading west to Turkey, and the other closely parallels Route M27 from Baku to the Georgian border. A major spur also parallels the highway to Stepanakert. Another smaller rail line begins just west of Baku and hugs the Iranian border to provide the only rail link to Azerbaijan's Nakhichevan Autonomous Republic, isolated southwest of Armenia. Passenger service from Baku to Erevan has been suspended, and service from Baku to Tbilisi has sometimes been disrupted because of the Nagorno-Karab-
Azerbaijan

bakh conflict. In 1994 passenger service from Baku to Iran also was halted. Trains making the forty-three-hour trip to Moscow, however, still operate three times daily. The government estimates that 700 kilometers, or about one-third, of the rail system are in such poor condition that reconstruction is necessary. Much of the system has speed restrictions because of the poor condition of the rails.

Baku has a modest subway system with twenty-nine kilometers of heavy-rail lines. The system has eighteen stations and is arranged in two lines that cross in the center of the city. Another seventeen kilometers, under construction in 1994, would add twelve more stations to the system.

In 1992 Azerbaijan had twenty-six airfields with paved surfaces. Baku International Airport, twenty-eight kilometers southwest of the city, is the country's principal airport. The number of international air passengers is higher in Azerbaijan than in Armenia and Georgia, with most air traffic moving between Baku and cities in the former Soviet Union. Besides flights to Russia, Azerbaijan Airlines provides service to Turkey and Iran, and direct flights on foreign carriers are available to Pakistan and Tajikistan.

Although situated on an excellent natural harbor, Baku has not developed into a major international port because of its location on the landlocked Caspian Sea. The port serves mostly as a transshipment point for goods (primarily petroleum products and lumber) crossing the Caspian Sea and destined for places to the west, or for passenger service to ports on the eastern or southern shores of the Caspian Sea. The port has seventeen berths, of which five are dedicated for transport of crude oil and petroleum products, two are used for passengers, and the remaining ten handle timber or other cargo. The port can accommodate ships up to 12,000 tons, and its facilities include portal cranes, tugboats, and equipment for handling petroleum and petroleum products. The port area has 10,000 square meters of covered storage and 28,700 square meters of open storage.

Baku is the center of a major oil- and gas-producing region, and major long-distance pipelines radiate from the region's oil fields to all neighboring areas. Pipelines are generally high-capacity lines and have diameters of either 1,020 or 1,220 millimeters. The main petroleum pipeline pumps crude oil from the onshore and offshore Caspian fields near Baku west across Azerbaijan and Georgia to the Black Sea port of Batumi.
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There, the oil is either exported in its crude form or processed at Batumi's refinery. Two natural gas lines parallel the petroleum line as far as Tbilisi, where they turn north across the Caucasus Mountains to join the grid of natural gas pipelines that supply cities throughout Russia and Eastern Europe. A spur extends off these main gas pipelines in western Azerbaijan to deliver gas to Nakhichevan. This spur crosses Armenian territory, however, and in 1994 its status was unclear. Altogether, in 1994 Azerbaijan had 1,130 kilometers of crude oil pipeline, 630 kilometers of pipeline for petroleum products, and 1,240 kilometers of natural gas pipeline.

In 1991 some 644,000 telephone lines were in operation, providing nine telephones per 100 persons. At that time, 200,000 Azerbaijanis were on waiting lists for telephone instal-
Azerbaijan's telephone system is connected with other CIS republics by cable and microwave, but connections to non-CIS countries go through Moscow. In 1992 Turkey provided support for installation of an International Telecommunications Satellite Organization (Intelsat) satellite station in Baku, providing access to 200 countries through Turkey. Azerbaijan receives Turkish and Iranian television programming by satellite, and domestic and Russian broadcasts are received locally.

Government and Politics

In the late 1980s, the advent of Gorbachev's policy of glasnost in Moscow encouraged vocal opposition to the ruling Azerbaijani Communist Party (ACP). In 1989 the central opposition role went to the Azerbaijani Popular Front (APF), which was able to capture the presidency in the 1992 election. But failure to resolve the disastrous conflict in Nagorno-Karabakh continued to destabilize Azerbaijani regimes throughout the early 1990s. Growing masses of disaffected refugees pressed vociferously for military victory and quickly shifted their support from one leader to another when losses occurred, negating efforts to establish solid political institutions at home or to make concessions that might provide a diplomatic solution to the Nagorno-Karabakh conflict. In 1993 the APF leadership was overthrown, and former communist official Heydar Aliyev was installed as president.

The Appearance of Opposition Parties

The political and social groups that sprang up in Azerbaijan in the late 1980s were initially termed "informal organizations" because they were not yet recognized as legal under Soviet practice. By the end of 1988, about forty such organizations had emerged, many of them focused on nationalism or anti-Armenian issues. The ACP was increasingly regarded as illegitimate by the population, especially after the Soviet army intervened to protect the communist regime in January 1990.

The Azerbaijani Popular Front

Widespread discontent with ACP rule led to the formation of the APF in March 1989 by intellectuals, including journalists and researchers belonging to the Azerbaijani Academy of Sciences. The APF's founding congress in July 1989 elected Abel-faz Elchibey party chairman. The APF characterized itself as an umbrella organization composed of smaller parties and groups
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and like-minded individuals. A central plank of its program was rejection of self-determination for Nagorno-Karabakh and defense of Azerbaijani territorial integrity. In its initial policy statements, the APF advocated decentralization of economic and political power from Moscow to Baku rather than Azerbaijani independence from the Soviet Union. Nevertheless, the ACP refused to recognize the APF.

Within months of its founding, the APF had hardened its position, launching a series of industrial strikes and rail service disruptions calculated to force recognition by the ACP. By the fall of 1989, the APF was at the forefront of Azerbaijani public opinion on the issue of national sovereignty for Nagorno-Karabakh, and the ACP recognized the APF as an opposition party. The APF used its influence on the Azerbaijani Supreme Soviet, the republic's parliament, in advocating the Law on Sovereignty that was passed in October 1989. In January 1990, APF-led demonstrations against the ACP brought Soviet military intervention. In early 1992, the APF played an important role in organizing demonstrations against then-president Ayaz Mutalibov.

Party Configuration after 1991

Two small parties, the Independent Democratic Party (IDP) and the National Independence Party (NIP), were formed by former members of the APF in early 1992. The IDP was led by Leyla Yunosova, a prominent intellectual who had helped form the APF, and the NIP was led by Etibar Mamedov, a frequent critic of Elchibey's rule and APF domination of the electoral process. Azerbaijani military defeats in March 1993 led Mamedov to call for Elchibey's resignation. Mamedov initially approved Elchibey's ouster by Aliyev and the subsequent referendum on his rule.

The ACP formally disbanded in September 1991 during a wave of popular revulsion against the role it played in supporting the Moscow coup attempted against Gorbachev the previous month. Nevertheless, former leaders and members of the ACP continue to play a role in the family- and patronage-based political system, and Aliyev's faction regained its preeminent position. The ACP was revived formally in December 1993 at a "restorative" congress, after which it reported having 3,000 members. When Aliyev ran for president in 1993, he combined former communists and other minor groups into the New
Azerbaijan Party, which became the governing party when Aliyev was elected.

Under election legislation passed since Aliyev's accession, a party must have at least 1,000 members to be legally registered by the Ministry of Justice. Party membership is forbidden to government officials in agencies of the judiciary, law enforcement, security, border defense, customs, taxation, finance, and the state-run media. The president and members of the clergy are likewise enjoined. Parties are not allowed to accept foreign funding or to establish cells in government agencies. The government has banned parties that reject Azerbaijan's territorial integrity or inflame racial, national, or religious enmity.

**Legislative Politics**

Parliamentary elections were held in September 1990, under a state of martial law (see After Communist Rule, this ch.). The opposition coalition led by the APF gained only about forty seats in the 350-seat Azerbaijani Supreme Soviet. Communists received the balance of seats in what the APF and others described as fraudulent elections. Most would-be international observers had been expelled from the republic by September. Bowing to massive popular demonstrations calling for the dissolution of the communist-dominated Supreme Soviet and to concerted pressure by the APF and other oppositionists, in November 1991 the Azerbaijani Supreme Soviet voted to establish a fifty-deputy National Council, or Melli-Majlis. This council, a "mini-legislature" that met in continuous session, was divided equally between former communists and the opposition. Because of the Supreme Soviet's complicity in the effort to bring Mutalibov back to power in May 1992, the APF forced the Supreme Soviet to convene, elect APF official Isa Gambarov as acting president, dissolve itself, and cede its power to the Melli-Majlis pending new parliamentary elections.

Having repeatedly postponed the elections, the Melli-Majlis remained the sole legislative authority within Azerbaijan in early 1994. The Melli-Majlis proved generally amenable to Elchibey's policies, but in 1993 the worsening military situation in Nagorno-Karabakh brought increasing criticism. In his first six months as president, Aliyev gained support from the Melli-Majlis for most of his proposals.

**The Presidential Election of 1992**

The presidential election of June 1992 was the first in more than seventy years not held under communist control. Five can-
candidates were on the ballot, seeking election to a five-year term. The election featured the unprecedented use of television, posters, and other media by multiple candidates to communicate platforms and solicit votes. The candidates included APF leader Elchibey, former parliament speaker Yakub Mamedov, Movement for Democratic Reforms leader and Minister of Justice Ilias Ismailov, National Democratic Group leader Rafik Abdullayev, and Union of Democratic Intelligentsia candidate Nizami Suleymanov. Two other candidates, from the NIP and the APF, withdrew from the race during the campaign. To register, each candidate had to collect at least 20,000 signatures and present them to the Central Electoral Commission. Aliyev was unable to run because of a constitutional provision barring candidates over sixty-five years of age. The government agreed to allow international observers to monitor the election. Etibar Mamedov, Elchibey's main rival in the polls, dropped out of the race a few days before the election, calling for rule by a coalition government and the postponement of balloting until Azerbaijan's state of war with Armenia ended.

Elchibey's election as president signaled a break in communist party dominance of Azerbaijani politics. He received 59.4 percent of more than 3.3 million votes cast. The runner-up, Suleymanov, made a surprise showing of 33 percent of the vote by promising Azerbaijani instant wealth and victory in Nagorno-Karabakh. No other candidate garnered as much as 5 percent of the vote.

Elchibey had been a student of Arabic philology, a translator, and a college instructor. In 1975 the KGB imprisoned him for two years for anti-Soviet activities. In a postelection address to the nation, he announced a stabilization phase based on the transfer of power to his democratic faction. When that phase ended in 1993, constitutional, economic, and cultural reforms would be implemented, according to this plan. His top domestic policy priorities—creation of a national army and a national currency backed by gold reserves—were seen as necessary elements for national sovereignty. Despite the new president's intentions, the war in Nagorno-Karabakh dominated politics, and Elchibey and his party steadily lost influence and popular appeal because of continual military losses, a worsening economy, political stalemate, and government corruption.

The Coup of June 1993

In June 1993, an unsuccessful government attempt to disarm mutinous paramilitary forces precipitated the fall of Azer-
Abulfaz Elchibey, first elected president of Azerbaijan, 1992
Courtesy S. Rasimindir, Azerbaijan International

Azerbaijan's fourth government since independence and provided the opportunity for Aliyev's return to power. The erstwhile communist's reappearance was part of a trend in which members of the former elites in various parts of the old Soviet sphere reclaimed authority. Suret Huseynov, a one-time troop commander in Nagorno-Karabakh dismissed by Elchibey, led the paramilitary forces that triggered the president's removal. In support of one of Elchibey's rivals, Huseynov had amassed troops and weaponry (largely obtained from the departing Russian military) in his home territory. He then easily defeated army forces sent to defeat him and precipitated a government crisis by marching toward Baku with several thousand troops.

Huseynov's exploits thoroughly discredited the Elchibey APF government in the minds of most Azerbaijanis. After several top government officials were fired or resigned and after massed demonstrators demanded a change in government, Elchibey endorsed Aliyev's election as chairman of the Melli-Majlis. After a brief attempt to retain the presidency, Elchibey fled Baku in mid-June as Huseynov's forces approached.

Aliyev announced his immediate assumption of power as acting head of state, and within a week a bare quorum of Melli-Majlis legislators, mostly former communist deputies, formally transferred Elchibey's powers to Aliyev until a new president could be elected. Aliyev then replaced Elchibey's ministers and
other officials with his own appointees. Huseynov received the post of prime minister. The legislature also granted Huseynov control over the "power" ministries of defense, internal affairs, and security.

In late July 1993, Aliyev convinced the legislature to hold a popular vote of confidence on Elchibey's moribund presidency and an extension of a state of emergency that had existed since April 1993 because of military setbacks. Although the APF boycotted the referendum, more than 90 percent of the electorate reportedly turned out to cast a 97 percent vote of no-confidence in Elchibey's rule. This outcome buttressed Aliyev's position and opened the way for new presidential elections.

In early September 1993, the Melli-Majlis scheduled new presidential elections for October 3, 1993. Removal of the maximum age requirement in the election law allowed Aliyev to run. Aliyev's position was strengthened further in August when paramilitary forces defeated a rebel warlord who had seized several areas of southern Azerbaijan and declared an autonomous republic of Talish-Mugan.

Early in his tenure as acting president, Aliyev stated that his political goals were to prevent civil war, regain territory lost to Armenia during the Nagorno-Karabakh conflict, and ensure the territorial integrity of Azerbaijan. Aliyev claimed that freedom of speech and human rights would be respected in Azerbaijan, although he also called for continuing a state of emergency that would ban political rallies. Huseynov had stated in June that the Azerbaijan government would pursue a negotiated settlement in Nagorno-Karabakh, but, if that failed, a military victory was the goal. He added that the government focus would be on improving the Azerbaijan armed forces, stabilizing the economy, and securing food for the population.

Aliyev and the Presidential Election of October 1993

Aliyev and two minor party candidates ran in presidential elections held in October 1993. Voter turnout was about 90 percent, of which almost 99 percent voted for Aliyev. Many international observers declared the elections biased because no major opposition candidates ran, and reporting by the mass media favored Aliyev and failed to report views of the other candidates or of the APF. Aliyev was sworn in as Azerbaijan's president on October 10.

Aliyev was born in 1923 in Nakhichevan of blue-collar Azerbaijani parents. He crowned a career in Soviet intelligence and
counterintelligence services by reaching the post of chairman of the Azerbaijani branch of the KGB in 1967. Appointed first secretary of the ACP Central Committee beginning in 1969, Aliyev purged Azerbaijani nationalists and directed Russification and state economic development activities with notable success through the 1970s. His support of Soviet intervention in Afghanistan in 1979 brought recognition in Moscow and the Order of Lenin from First Secretary Leonid Brezhnev, and in 1982 Aliyev became a full member of the Politburo of the Communist Party of the Soviet Union. From 1982 to 1987, he was also first deputy chairman of the Soviet Council of Ministers.

In 1987 Gorbachev ousted Aliyev from the Politburo and relieved him as party leader in Azerbaijan. Soon after returning to Nakhichevan in 1990, Aliyev was elected overwhelmingly to the Supreme Soviet of the Nakhichevan Autonomous Republic on a nationalist platform. The next year, he resigned his communist party membership. After the failed August 1991 coup in Moscow, he called for total independence for Azerbaijan and denounced Mutalibov, who was then aspiring to the presidency, for supporting the coup. In late 1991, Aliyev built a power base as chairman of the Nakhichevan Supreme Soviet, from which he asserted Nakhichevan’s near-total independence from Baku.

**The Constitution**

The preparation of a new constitution to replace the 1978 document (which had been based on the 1977 Soviet constitution) began in 1992, but adoption has been repeatedly delayed by civil and political turmoil. Pending the adoption of a new constitution, the fundamental document in the early 1990s was the October 18, 1991, Act of Independence, which government authorities have described as the basis for a new constitution. Meanwhile, the provisions of the 1978 constitution are valid if they do not violate or contradict the Act of Independence. The act declares that Azerbaijan is a secular, democratic, and unitary state, with equality of all citizens before the law. Freedoms enshrined in the Universal Declaration of Human Rights and other international human rights documents are upheld, and the right to form political parties is stipulated. The Act of Independence also proclaims Azerbaijan’s territorial integrity and its sovereignty over all its territory. In October 1993, the Mellim Majlis revised the existing constitution of 1978, retaining it for the time being. Finally deleted were the document’s many ref-
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erences to "Soviet" and "communist" institutions and philosophy.

The Court System

The legal system of Azerbaijan has changed little from the system of the Soviet period. The national Supreme Court serves as a court of appeals; below it are two levels of judicial jurisdiction, the district and municipal courts. These courts, supposedly independent, are not immune to political manipulation, as evidenced by Aliyev's ouster of the chief justice of the Supreme Court in July 1993 because of the judge's support for Elchibey and the APF.

Trials are generally public, and defendants have the right to choose their own attorney, to be present at their own trials, to confront witnesses, to present evidence, and to appeal the verdict. In cases involving national security or sex offenses, a judge may decide to hold a closed trial. Despite the other stipulated rights of the defendant, the presumption of innocence has not been incorporated specifically into the criminal code. Thus the decision of the state prosecutor to bring a case to trial has considerable bearing on the final verdict.

Human Rights and the Media

Ethnic conflict between Armenians and Azerbaijanis has resulted in widespread human rights violations by vigilante groups and local authorities. During the Elchibey period, the minister of internal affairs was replaced after admitting to numerous human rights abuses. Lezgians in Azerbaijan have complained of human rights abuses such as restrictions on educational opportunities in their native language (see Smaller Ethnic Minorities, this ch.). In the early 1990s, Amnesty International and Helsinki Watch cited numerous cases of arbitrary arrest and torture, including incidents that had occurred since Aliyev assumed power in 1993. These organizations and several foreign governments protested against the arrest and beating of hundreds of APF and other political and government officials and raids on APF offices, all after the change of government in mid-1993. At one point, Isa Kamber, a former speaker of the Melli-Majlis, was seized in the legislative chamber and held for two months. In late 1993, other APF officials were reportedly arrested for antigovernment activity, and Aliyev asserted that APF members were plotting an armed uprising against him.
Based on these and other incidents, in late 1993 the international human rights monitoring group Freedom House downgraded Azerbaijan to the rank of world states adjudged "not free." Nevertheless, Aliyev has proclaimed Azerbaijani adherence to international human rights standards, and in December 1993 he signed the CSCE Paris Accords on democracy and human rights.

News media censorship and other constraints on human rights, tightened after Aliyev came to power, were eased somewhat in September 1993 with the lifting of the national state of emergency. In the face of a growing political crisis in late 1993 caused by heavy military losses, however, many in the Azerbaijani government urged Aliyev to declare another period of emergency rule. Instead, he announced several measures to "tighten public discipline," including curfews and the creation
of military tribunals to judge military deserters and draft evaders.

In late November 1993, the legislature refused to pass an Aliyev-backed press bill restricting news media freedom in the name of ensuring national unity. Nevertheless, efforts to restrict the media continued, and passage of a law on military censorship in December 1993 raised concerns among journalists that new restrictions would be imposed on a broad scale. At the end of 1993, the only newspaper publishing house, Azerbaijan, was under government control. The state was able to curtail the supply of printing materials to independent publishers because most of those items came from Russia. Meanwhile, rising prices cut newspaper and magazine subscriptions by over 50 percent in early 1994. Television, the preferred information source for most Azerbaijani, was controlled by the government, which operated the only national television channel.

Foreign Relations

Azerbaijan carried out some diplomatic activities during its troubled first independence period between 1918 and 1920. In September 1920, newly formed Soviet Azerbaijan signed a treaty with Russia unifying the military forces, the economy, and the foreign trade of the two countries, although the fiction of Azerbaijani autonomy in conducting foreign affairs was maintained. At that time, Azerbaijan established diplomatic relations with six countries, sending diplomatic representatives to Germany and Finland. The Ministry of Foreign Affairs in Moscow initially used Azerbaijani diplomats to increase Soviet influence in the Middle East through missions in Turkey, Iran, and Afghanistan, but most transborder contacts by Azerbaijanis had been eliminated by the 1930s. In the post-World War II period, the Azerbaijani Ministry of Foreign Affairs could issue limited visas for travel to Iran only. Iran also maintained a consulate in Baku.

The Foreign Policy Establishment

After regaining its independence in 1991, Azerbaijan faced reorganization of its minuscule foreign policy establishment. This process involved creating or upgrading various functional and geographical departments within the Ministry of Foreign Affairs, recruiting and training diplomats, and establishing and staffing embassies abroad. Because of the complexity of these tasks, few embassies were established during the first months of
independence. Full diplomatic relations, including mutual exchanges of missions, were first established with Turkey, the United States, and Iran.

**Post-Soviet Diplomacy**

Even before the breakup of the Soviet Union, the Azerbaijani diplomatic establishment had become more active, primarily with the goal of countering a worldwide Armenian information campaign on the Nagorno-Karabakh issue. Initiatives in this policy included establishing contacts with Azerbaijani émigrés living in the United States and reinforcing diplomatic connections with Turkey, Iran, and Israel.

After the breakup of the Soviet Union, most nations moved quickly to recognize Azerbaijan's independence, and several established full diplomatic relations within the first year. The first to do so was Turkey in January 1992. During his presidency, Elchibey stressed close relations with Turkey, which he saw as the best hope for arbitrating an end to the Nagorno-Karabakh conflict. He also endorsed unification of the Azerbaijani populations of his country and northern Iran and, to that end, autonomy for the Iranian Azerbaijani—a stand that alienated the Iranian government.

During the June 1993 coup, Turkey expressed support for Elchibey, but Aliyev and Turkish authorities subsequently expressed willingness to continue cordial relations. Relations did cool somewhat in the second half of 1993 as Aliyev sought to improve relations with Iran and Russia, which had flagged under Elchibey.

Meanwhile, the failure of arbitration efforts by the Minsk Group, which included Russia, Turkey, and the United States, had frustrated both Armenia and Azerbaijan by mid-1993. The Minsk Group was sponsored by the CSCE, which in the early 1990s undertook arbitration in several Caucasus conflicts under the organization's broad mandate for peacekeeping in Europe (see Threats of Fragmentation, ch. 3). Aliyev's alternative strategies included requesting personal involvement by Russia's President Boris N. Yeltsin, who began six months of shuttle diplomacy among the capitals involved, and initiation of direct talks with Armenian leaders in Nagorno-Karabakh, a step that Elchibey had avoided. Throughout the last half of 1993, the new contacts ran concurrently with formal meetings convened by the Minsk Group to arrange a cease-fire.
To broaden its relations with nations both East and West, Azerbaijan joined a number of international and regional organizations, including the UN, the CSCE, the Organization of the Islamic Conference, the International Monetary Fund (IMF—see Glossary), the European Bank for Reconstruction and Development, and the Black Sea Economic Cooperation Organization. Azerbaijan has observer status in the General Agreement on Tariffs and Trade.

In the early 1990s, the primary criterion governing Azerbaijan's relations with foreign states and organizations was their stance on Azerbaijani sovereignty in Nagorno-Karabakh. Most governments and international organizations formally support the concept of territorial integrity, so this criterion has not restricted most of Azerbaijan's diplomatic efforts. Relations with some states have been affected, however. For example, in 1992 the United States Congress placed restrictions on United States aid to Azerbaijan pending the lifting of the Azerbaijani economic blockade on Armenia and cessation of offensive military actions against Armenia and Nagorno-Karabakh.

In messages and interviews early in his administration, Aliyev asserted that his new government would not alter Azerbaijan's domestic and foreign policies and that his country would seek good relations with all countries, especially its neighbors, including Russia. He criticized the uneven relations that existed between Azerbaijan and Russia during the Elchibey regime. At the same time, Aliyev stressed that he viewed Azerbaijan as an independent state that should never again be "someone's vassal or colony." In the summer of 1993, Aliyev issued a blanket plea to the United States, Turkey, Russia, the UN, and the CSCE to work more resolutely toward settlement of the Nagorno-Karabakh conflict. Later that year, he sought repeal of the Azerbaijan clause of the United States Freedom Support Act, which had been amended in 1992 to prohibit United States government assistance to Azerbaijan.

### Relations with Former Soviet Republics

Although Elchibey stressed Azerbaijani independence from Moscow, he signed a friendship treaty with Russia on October 12, 1992, calling for mutual assistance in the case of aggression directed at either party and pledging mutual protection of the rights of the other's resident citizens. Between that time and the coup of 1993, however, Elchibey accused Russia of aiding Armenia in Nagorno-Karabakh, and Russia accused Elchibey of
Azerbaijan

mistreating the Russian minority in Azerbaijan. Relations improved with the return to power of Aliyev, who pledged to uphold and strengthen Azerbaijan's ties to Russia. Russia's official position on Nagorno-Karabakh was strict nonintervention barring an invitation to mediate from both sides; in the Russian view, Azerbaijani territory seized by Armenia was to be returned, however. In early 1994, seizure of property from Russian citizens in Azerbaijan (mostly to house refugees from Nagorno-Karabakh) remained a source of irritation.

Azerbaijan's role in the CIS changed drastically in the early 1990s. After Azerbaijan signed the Alma-Ata Declaration as a founding member of the CIS in December 1991, the legislature voted in October 1992 against ratifying this membership. However, Azerbaijan retained observer status, and its representatives attended some CIS functions. Aliyev's announcement in September 1993 that Azerbaijan would rejoin the CIS brought a heated debate in the legislature, which finally approved membership. Aliyev then signed the CIS charter, its Treaty on Collective Security, and an agreement on economic cooperation. Relations with former Soviet republics in Central Asia also were uneven after independence. Elchibey's advocacy of the overthrow of President Islam Karimov of Uzbekistan caused particular diplomatic problems with that country. In keeping with the policy of rapprochement with the CIS, Aliyev began improving ties with Central Asian leaders in the second half of 1993.

National Security

From the very beginning of its existence as a post-Soviet independent republic, Azerbaijan faced a single compelling national security issue: its enduring struggle with Armenian forces in Nagorno-Karabakh and the surrounding territory. The withdrawal of Russian troops and matériel left an Azerbaijani army ill-equipped and poorly disciplined. Government efforts to build a new national defense force achieved only limited results, and Armenian forces continued to advance into Azerbaijani territory during most of 1993. By the end of that year, the Aliyev regime had bolstered some components of the Azerbaijani military, however.

Forming a National Defense Force

Even before the formal breakup of the Soviet Union at the end of 1991, Azerbaijan had created its own Ministry of
Defense and a Defense Council to advise the president on national security policy. The national armed forces of Azerbaijan were formed by presidential decree in October 1991. Subsequently, the Azerbaijani Supreme Soviet declared that the Soviet 4th Army, which included most of the Soviet troops based in Azerbaijan, would be placed under Azerbaijani jurisdiction. About the same time, the Azerbaijani Supreme Soviet summoned Azerbaijanis serving in the Soviet armed forces outside Azerbaijan to return and serve in their homeland. By the end of 1991, the Supreme Soviet had enacted independently several statutes governing military matters.

Formed in mid-1992, the Azerbaijani navy has about 3,000 personnel in sixteen units from the former Soviet Caspian Flotilla and Border Guards. The navy has five minesweepers, four landing ships, and three patrol boats. The air force has about 2,000 troops, forty-eight combat aircraft, and one helicopter squadron.

According to legislation and a decree both promulgated in 1991, the president serves as the commander in chief of the Azerbaijani armed forces. In this capacity, the president oversees defense and security efforts undertaken by the prime minister and the ministers of defense, internal affairs, and security. Between 1991 and 1993, Azerbaijani presidents exercised this power by ousting several defense ministers because of alleged incompetence. Despite propitious legislation and decrees, however, efforts to field a national army faced many challenges.

In the pre-Soviet period, many Azerbaijanis graduated from Russian military academies, and Azerbaijani regiments of the imperial army were noted for their fighting skill. In the Soviet military system, however, Azerbaijanis were underrepresented in the top ranks of the armed forces, despite the presence of the Higher All Arms Command School and the Caspian High Naval School in Azerbaijan. Many Azerbaijani conscripts were assigned to construction battalions, in which military training was minimal and the troops carried out noncombat duties. Pre-induction military training in most Azerbaijani secondary schools was also reportedly less stringent than in other Soviet republics. For these and other reasons, the Azerbaijanis were not prepared for long-term warfare in Nagorno-Karabakh when independence arrived.

**Russian Troop Withdrawal**

The continued presence of Russian forces in Azerbaijan
became problematic when Russian troops were alleged to have assisted Armenians in an attack that killed hundreds of civilians in the town of Khodzhaly, in southwestern Azerbaijan, in February 1992. In the face of widespread demands from the political opposition in Baku, components of a 62,000-member Russian force began to withdraw from Azerbaijan almost immediately. Striking a contrast to the protracted withdrawal of Russian troops from the Baltic states, the last Russian unit, the 104th Airborne Division, withdrew from Azerbaijan in May 1993, about a year ahead of the schedule that the two countries had set in 1992.

According to an agreement between Russia and the Transcaucasian states calling for distribution of former Soviet military assets among the participating parties, Azerbaijan would receive most of the matériel of the 4th Army that had been stationed there, together with part of the Caspian Flotilla. The Russians destroyed or removed much of their weaponry upon withdrawing, but a substantial amount was stolen, exchanged, or handed over to Azerbaijani forces. Some Russians answered appeals from Azerbaijani military leaders to serve in the Azerbaijani armed forces. By agreement with Russia, many former members of the Soviet Border Guards also continued their duties under Azerbaijani jurisdiction, with Russian assistance in training and weapons supplies. In January 1994, Russia and Azerbaijan discussed possible use of Russian forces to bolster Azerbaijan's border defenses.

**Force Levels and Performance**

During the late Soviet period, Azerbaijan had supplied as many as 60,000 conscripts per year to the Soviet armed forces. In August 1992, Elchibey announced projected personnel levels for the Azerbaijani armed forces. His projection called for a force of 30,000 troops by 1996, divided into ground units, air force and air defense units, and a navy. Half of this force would consist of conscripts, half of individuals serving under contract. In 1994 estimated total troop strength had reached 56,000, of which 49,000 were in the army, 3,000 in the navy, 2,000 in the air force, and 2,000 in the air defense forces.

According to training plans, officers would graduate from a revamped Combined Forces Command School (formerly the Baku Higher Arms Command School) and the Caspian High Naval School. The new Azerbaijani armed forces would rely almost exclusively on transferred or purchased Soviet equip-
iment, although Azerbaijani machine industries have the capability to do some manufacturing and repairs. According to most Azerbaijani accounts, defense strategy for the near term is focused on territorial defense, the goals of which are defeating separatism in Nagorno-Karabakh and defending Azerbaijan's borders with Armenia.

Despite Elchibey's ambitious plan, in 1992 and 1993 Azerbaijan was forced to seek military assistance elsewhere. Reportedly, a group of American mercenary advisers arrived in Azerbaijan in 1992, and some Americans were believed still in the country in early 1994. Iranian, Russian, and Turkish officers also were training Azerbaijani forces in the early 1990s. In early 1993, Azerbaijan was able to field no more than a few thousand well-trained troops against Armenia, according to most accounts. In 1993 continued military defeats brought mass desertions.

To meet the need for troops, Azerbaijani authorities encouraged the organization and fielding of up to thirty paramilitary detachments, which in late 1993 were heavily criticized by Aliyev for their lack of military discipline. Aliyev reported to the legislature that these detachments were abandoning positions and weapons to the Armenians without an effort to defend them. About 1,000 former Afghan freedom fighters were hired in 1993, and volunteers from other Muslim countries also reportedly enlisted. In late 1993, the government began forced recruitment of teenagers, who were said to be used in human-wave attacks against Armenian positions.

Supply and Budgeting

Azerbaijan reportedly receives weapons of uncertain origin from various Islamic nations to assist in the struggle to retain Nagorno-Karabakh. In late 1993, the Ministry of Foreign Affairs made an official report to the CSCE on the weapons at Azerbaijan's disposal, fulfilling the requirement of the 1991 Conventional Forces in Europe Treaty (CFE Treaty—see Glossary). According to this report, during 1992 and 1993 Azerbaijan received more than 1,700 weapons—including tanks, armored personnel carriers, aircraft, artillery systems, and helicopters—from Russia and Ukraine, far above the CFE Treaty limits.

According to IMF and Azerbaijani government data, defense expenditures placed a severe burden on the national budget. In 1992 some US$125 million, or 10.5 percent of the
total budget, went to defense. The Nagorno-Karabakh conflict also raised expenses for internal security to 4 billion rubles in 1992. By 1994 military expenditures officially reached US$132 million, although unofficial estimates were much higher.

**Aliyev's National Security Reform**

In November 1993, Aliyev created the Defense Council to provide him direct oversight of military affairs and to curtail the loss of considerable Azerbaijani territory outside Nagorno-Karabakh. The new council, which reports to the president, also strengthened Aliyev's control over military and security affairs, which previously had been directed by Prime Minister Huseynov. At its first meeting, the Defense Council replaced the deputy defense ministers in charge of the Border Guards and the general staff, and the council criticized the Council of Ministers for neglecting urgent defense matters. At the end of 1993, Aliyev continued his criticism of widespread draft evasion, appealing particularly to the 10,000 Afghan war veterans in Azerbaijan to reenlist. Penalties for draft evasion and desertion were tightened. At the same time, Aliyev ordered most officers with desk assignments to be deployed to the front lines.

In 1998 Aliyev attempted to establish better relations with Russian military and political officials by rejoining the CIS and signing CIS agreements on multilateral peacekeeping and mutual security policy. He answered nationalist critics by citing the hope that Russia might coax or coerce Armenia and the Karabakh Armenians into reaching a suitable settlement of the conflict. Some APF members and others denounced these moves as jeopardizing Azerbaijani sovereignty more seriously than did the existing conflict.

In November 1998, the Melli-Majlis approved the Law on Defense, ratifying Aliyev's proposed reforms. Paramilitary forces were officially disbanded, and strenuous efforts were undertaken to increase the size of the military. In early 1994, these measures appeared to help Azerbaijani forces to regain some territory that had been lost in late 1993. These successes were attributed to several factors: Aliyev's success in wooing veterans, including officers, back into military service; increased enlistments and a lower desertion rate; improved morale; a streamlined command system with Aliyev at its head; and training assistance and volunteers from abroad.
Crime and Crime Prevention

In the early 1990s, crime in Azerbaijan generally intensified and expanded to new parts of society. In the confusion of economic reform, white-collar criminals absconded with investment and savings funds entrusted to new and unproven financial institutions, and mass refugee movements and territorial occupation promoted the activities of armed criminal groups. At the same time, law enforcement agencies of the Ministry of Internal Affairs underwent several reorganizations that hindered effective crime prevention.

Narcotics Trade

According to United States and Russian sources, illegal narcotics, including opium, hashish, and marijuana, are assuming a large role in Azerbaijani exports, although official economic indicators do not reflect such commerce. In 1993 the United States Department of State reported that Azerbaijani criminal networks controlled 80 percent of drug distribution in Moscow. Only seven kilograms of narcotics were confiscated by customs officials at border points in 1993, however. According to official Russian sources, in 1993 some 38.6 percent of illegal drugs entering Russia from former Soviet republics came from Azerbaijan, and 82 percent of drug arrests in Moscow were of Azerbaijani. The Russian government and Armenian authorities have alleged that Azerbaijani government officials are involved in drug trafficking, which they assert helps support Azerbaijani military operations in Nagorno-Karabakh. In 1993 Azerbaijan joined the International Association Against Narcotics Abuse and the Narcobusiness.

Wartime conditions and expanded trade relations also increased other types of smuggling dramatically. Widespread corruption and poor organization in the Azerbaijani customs service fostered customs violations; in one two-month period in 1994, customs officials seized 6,300 Iranian rials, US$23,700, forty truckloads of iron pipe, 1,633 tons of metal, 620 grams of mercury, and batches of military optics equipment.

Crime Prevention Agencies

Azerbaijan established a separate contingent of border troops in 1992, but the demands of the Nagorno-Karabakh conflict have limited staffing. In 1993 liaison was established with the border troop commands of Russia, Kazakhstan, and
Ukraine for cooperative drug control and exchange of methodology. A small officer training program for border troops has been established at the Combined Forces Command School, with the intention of increasing enrollment once the issue of Nagorno-Karabakh is resolved. Long-term plans call for European-style checkpoints after war damage is repaired and official borders are recognized.

In 1993 the Ministry of Internal Affairs underwent a major reform, a significant aspect of which was abolition of its Administration for the Struggle Against Terrorism and Banditry. That agency, nominally the spearhead of national crime prevention, had proven ineffective because of unclear jurisdiction and poor professional performance. Law enforcement cooperation with other CIS countries has been irregular. In restructuring its law enforcement operations, however, the government has consulted the ministries of internal affairs of Georgia, Iran, Kyrgyzstan, Latvia, Russia, and Turkey. In 1993 the Ministry of Internal Affairs sent ninety employees to study law enforcement at education institutions in Russia and Ukraine. Also, contacts were strengthened with the International Criminal Police Organization (Interpol) and the national law enforcement agencies of neighboring countries.

Despite Aliyev's reforms, the delicate state of Azerbaijani national security continued to affect all other aspects of the new nation's activities. Normal foreign relations and trade were blocked by the ramifications of other nations dealing with one side or the other of the Nagorno-Karabakh conflict. But despite the clear need for action, extreme nationalists sharply limited the president's range of options by holding the threat of ouster over his head for any step that might appear to be conciliatory toward the traditional enemy, Armenia.

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For historical background on Azerbaijan, the best source is Audrey L. Alstadt's The Azerbaijani Turks: Power and Identity under Russian Rule. Earlier sources covering specific historical topics include J.D. Henry's Baku: An Eventful History (covering the exploitation of oil in the late nineteenth and early twentieth centuries); Russian Azerbaijan, 1905–1920: The Shaping of National Identity in a Muslim Community by Tadeusz Swietochowski (including an introductory chapter covering nineteenth-century Russian rule); Ronald G. Suny's The Baku Commune, 1917–1918: Class and Nationality in the Russian Revolu-
tion; and The Struggle for Transcaucasia, 1917–1921 by Firuz Kazemzadeh. Overviews of nationality issues include Tamara Dragadze's "Azerbaijanis" in The Nationalities Question in the Soviet Union, edited by Graham Smith, and Frank Huddle, Jr.'s "Azerbaijanzhan and the Azerbaijanzhanis" in Handbook of Major Soviet Nationalities, edited by Zev Katz. (For further information and complete citations, see Bibliography.)
Chapter 3. Georgia
Religious medallion bearing likeness of Saint George
Country Profile

Country

Formal Name: Republic of Georgia.
Short Name: Georgia.
Term for Citizens: Georgian(s).
Capital: Tbilisi.
Date of Independence: April 9, 1991.

Geography

Size: Approximately 69,875 square kilometers.
Topography: Extremely varied; Greater Caucasus and Lesser Caucasus ranges dominate northern and eastern regions. Many rivers flow through mountain gorges into Black Sea and Caspian Sea. Narrow lowland area along Black Sea. Plains region in east.
Climate: Subtropical, humid along coast. Mountains protect country from northern influences and create temperature zones according to elevation. Eastern plains, isolated from sea, have continental climate. Year-round snow in highest mountains.

Society


NOTE—The Country Profile contains updated information as available.
Ethnic Groups: In early 1990s, Georgians 70.1 percent, Armenians 8.1 percent, Russians 6.3 percent, Azerbaijanis 5.7 percent, Ossetians 3 percent, and Abkhaz 1.8 percent.

Languages: In 1993 official language, Georgian, spoken by 71 percent of population. Russian spoken by 9 percent, followed by Armenian with 7 percent and Azerbaijani with 6 percent.

Religion: In 1993 Georgian Orthodox 65 percent, Muslim 11 percent, Russian Orthodox 10 percent, and Armenian Apostolic 8 percent.

Education and Literacy: Free and compulsory through secondary school. Previous Soviet system modified to eliminate ideology and strengthen Georgian language and history. Some teaching continues in minority languages. Nineteen institutions of higher learning. Literacy estimated at 100 percent by 1980s.


Economy


Agriculture: Very productive with irrigation of western lowlands, but efficiency hindered by post-Soviet misallocation of land and materials. Tea and citrus fruits produced in subtropical areas; also grain, sugar beets, fruits, wine, cattle, pigs, and sheep. Over half of cultivated land privatized as of early 1994.

Industry and Mining: Industry heavily dependent on inputs from other members of Commonwealth of Independent States (CIS) and from abroad. Main products semifinished metals, vehicles, textiles, and chemicals. Coal, copper, and manganese principal minerals.

Energy: Scant domestic fuel reserves; 95 percent imported
(mostly oil and natural gas) in 1990. Coal output dropped sharply through early 1990s. Hydroelectric potential high, but mainly untapped. Power output does not meet domestic needs.

**Exports:** Estimated at US$32.6 million in 1992. Major exports citrus fruits, tea, machinery, ferrous and nonferrous metals, and textiles. Main markets Armenia, Azerbaijan, Bulgaria, Czechoslovakia, Germany, Poland, Russia, and Turkey.

**Imports:** Estimated at US$43.8 million in 1992. Major imports machinery and parts, fuels, transportation equipment, and textiles. Main suppliers Bulgaria, Czechoslovakia, Poland, Russia, and Ukraine.

**Balance of Payments:** Estimated as US$23.7 million deficit in 1992.

**Exchange Rate:** Coupon introduced in early 1993. November 1994 exchange rate 1,625,000 coupons per US$1.

**Inflation:** Estimated in January 1993 at 50 percent per month.

**Fiscal Year:** Calendar year.

**Fiscal Policy:** Centralized decision making, but large underground economy limits economic control. Extensive manipulation of tax structure in 1992–93 to shrink large budget deficits. Deficits remained high as revenue estimates fell short. Enterprise privatization slow.

**Transportation and Telecommunications**

**Highways:** In 1990 about 35,100 kilometers of roads, of which 31,200 kilometers hard-surface. Four main highways radiate from Tbilisi, roughly in the cardinal directions, to Russia, Azerbaijan, Armenia, and Black Sea. Tbilisi hub of Caucasus region's highway system.


**Civil Aviation:** National airline, Orbis, provides direct flights from Tbilisi to some West European cities. Passenger and cargo service limited by fuel shortages in 1991–94. Nineteen of twenty-six airports with permanent-surface runways in 1993; longest runway, at Novoalekseyevka near Tbilisi, about 2,500
Inland Waterways: None navigable by commercial shipping.

Ports: Batumi, Poti, and Sukhumi on Black Sea, with international shipping connections to other Black Sea ports and Mediterranean ports.

Pipelines: In 1992 approximately 370 kilometers of pipeline for crude oil, 300 kilometers for refined products, and 440 kilometers for natural gas. Subject to disruption.

Telecommunications: About 672,000 telephone lines in use in 1991, or twelve per 100 persons; long waiting list for installation. International links overland to CIS countries and Turkey; low-capacity satellite earth station in operation. Three television stations and numerous radio stations broadcast in Georgian and Russian.

Government and Politics

Government: Two autonomous republics, Abkhazian Autonomous Republic and Ajarian Autonomous Republic; one autonomous region, South Ossetian Autonomous Region. Strong executive (head of state, who is also chairman of parliament) with extensive emergency powers in civil war period of 1992–93. Cabinet of Ministers selected by head of state; power of prime minister secondary to that of head of state. Unicameral parliament (Supreme Soviet, 225 deputies) elects head of state and has legislative power, but is plagued by disorder and fragmentation. Judicial branch, weak in communist era, under reform in early 1990s.


Foreign Relations: In 1992–94 broad diplomatic campaign to establish relations with CIS nations, other neighbors, and West after isolation created by Zviad Gamsakhurdia government in 1991. Balanced position maintained between warring Armenia...
Georgia

and Azerbaijan. Joined CIS in October 1993, after refusing to do so at first, to ensure Russian aid in ending civil war.

**International Agreements and Memberships:** Member of United Nations, Conference on Security and Cooperation in Europe, International Monetary Fund, European Bank for Reconstruction and Development, and International Bank for Reconstruction and Development.

**National Security**

**Armed Forces:** Defense policy made by Council for National Security and Defense, chaired by head of state. Main forces—National Guard (15,000 troops) and paramilitary Rescue Corps (about 1,000 troops formerly known as the Mkhedrioni)—not fully under government control in 1994. Plans call for national force of 20,000 with two-year compulsory service. About 15,000 Russian troops remained in mid-1993, supplemented in fall of 1993 to prevent widening of civil war and to guard borders. In 1993 Georgia joined CIS mutual security agreements.

**Major Military Units:** Emphasis in early 1990s on establishing national ground forces, with small air force using training aircraft. Most equipment obtained from Soviet (later Russian) occupation forces—both legally, under official 1992 quota agreement, and illegally.

**Military Budget:** In 1992 estimated at US$23.6 million, or 8.3 percent of budgeted expenditures.

**Internal Security:** Since 1992 intelligence operations under Information and Intelligence Service, chaired by head of state. Ministry of Internal Affairs combined security agencies in 1993. Government police authority uneven; white-collar and highway crime rampant in some regions.
Figure 11. Georgia, 1994
GEORGIA’S LOCATION AT a major commercial crossroads and among several powerful neighbors has provided both advantages and disadvantages through some twenty-five centuries of history. Georgia comprises regions having distinctive traits. The ethnic, religious, and linguistic characteristics of the country as a unit coalesced to a greater degree than before under Russian rule in the nineteenth century. Then, beneath a veneer of centralized economic and political control imposed during seventy years of Soviet rule, Georgian cultural and social institutions survived, thanks in part to Georgia’s relative distance from Moscow. As the republic entered the post-Soviet period in the 1990s, however, the prospects of establishing true national autonomy based on a common heritage remained unclear.

Historical Background

Although Saint George is the country’s patron saint, the name Georgia derives from the Arabic and Persian words, Kurj and Gurj, for the country. In 1991 Georgia—called Sakartvelo in Georgian and Gruziia in Russian—had been part of a Russian or Soviet empire almost continuously since the beginning of the nineteenth century, when most of the regions that constitute modern Georgia accepted Russian annexation in order to gain protection from Persia. Prior to that time, some combination of the territories that make up modern Georgia had been ruled by the Bagratid Dynasty for about 1,000 years, including periods of foreign domination and fragmentation.

Early History

Archaeological evidence indicates a neolithic culture in the area of modern Georgia as early as the fifth millennium B.C. Between that time and the modern era, a number of ethnic groups invaded or migrated into the region, merging with numerous indigenous tribes to form the ethnic base of the modern Georgian people. Throughout history the territory comprising the Georgian state varied considerably in size as foreign forces occupied some regions and as centrally ruled federations controlled others.
Christianity and the Georgian Empire

In the last centuries of the pre-Christian era, Georgia, in the form of the kingdom of Kartli-Iberia, was strongly influenced by Greece to the west and Persia to the east. After the Roman Empire completed its conquest of the Caucasus region in 66 B.C., the kingdom was a Roman client state and ally for some 400 years. In A.D. 330, King Marian III's acceptance of Christianity ultimately tied Georgia to the neighboring Byzantine Empire, which exerted a strong cultural influence for several centuries. Although Arabs captured the capital city of Tbilisi in A.D. 645, Kartli-Iberia retained considerable independence under local Arab rulers. In A.D. 813, the Armenian prince Ashot I became the first of the Bagrationi family to rule Georgia. Ashot's reign began a period of nearly 1,000 years during which the Bagratids, as the house was known, ruled at least part of what is now Georgia.

Western and eastern Georgia were united under Bagrat V (r. 1027–72). In the next century, David IV (called the Builder, r. 1099–1125) initiated the Georgian golden age by driving the Turks from the country and expanding Georgian cultural and political influence southward into Armenia and eastward to the Caspian Sea. That era of unparalleled power and prestige for the Georgian monarchy concluded with the great literary flowering of Queen Tamar's reign (1184–1212). At the end of that period, Georgia was well known in the Christian West (and relied upon as an ally by the Crusaders). Outside the national boundaries, several provinces were dependent to some degree on Georgian power: the Trabzon Empire on the southern shore of the Black Sea, regions in the Caucasus to the north and east, and southern Azerbaijan (see fig. 12).

Occupation and Inclusion in the Russian Empire

The Mongol invasion in 1236 marked the beginning of a century of fragmentation and decline. A brief resurgence of Georgian power in the fourteenth century ended when the Turkic conquerer Timur (Tamerlane) destroyed Tbilisi in 1386. The capture of Constantinople by the Ottoman Turks in 1453 began three centuries of domination by the militant Ottoman and Persian empires, which divided Georgia into spheres of influence in 1553 and subsequently redistributed Georgian territory between them (see fig. 13). By the eighteenth century, however, the Bagratid line again had achieved substantial independence under nominal Persian rule. In this period,
Georgia was threatened more by rebellious Georgian and Persian nobles from within than by the major powers surrounding the country. In 1762 Herekle II was able to unite the east Georgian regions of Kartli and Kakhetia under his independent but tenuous rule. In this period of renewed unity, trade increased and feudal institutions lost influence in Georgia.

In 1773 Herekle began efforts to gain Russian protection from the Turks, who were threatening to retake his kingdom. In this period, Russian troops intermittently occupied parts of Georgia, making the country a pawn in the explosive Russian-Turkish rivalry of the last three decades of the eighteenth century. After the Persians sacked Tbilisi in 1795, Herekle again sought the protection of Orthodox Russia.

**Within the Russian Empire**

Annexation by the Russian Empire began a new stage of Georgian history, in which security was achieved by linking Georgia more closely than ever with Russia. This subordinate relationship would last nearly two centuries.

**Russian Influence in the Nineteenth Century**

Because of its weak position, Georgia could not name the terms of protection by the Russian Empire. In 1801 Tsar Alexander I summarily abolished the kingdom of Kartli-Kakhetia, and the heir to the Bagratid throne was forced to abdicate. In the next decade, the Russian Empire gradually annexed Georgia's entire territory. Eastern Georgia (the regions of Kartli and Kakhetia) became part of the Russian Empire in 1801, and western Georgia (Imeretia) was incorporated in 1804. After annexation Russian governors tried to rearrange Georgian feudal society and government according to the Russian model. Russian education and ranks of nobility were introduced, and the Georgian Orthodox Church lost its autocephalous status in 1811. In the second half of the nineteenth century, Russification intensified, as did Georgian rebellions against the process.

**Social and Intellectual Developments**

By 1850 the social and political position of the Georgian nobility, for centuries the foundation of Georgian society, had deteriorated. A new worker class began to exert social pressure in Georgian population centers. Because the nobility still represented Georgian national interests, its decline meant that the Armenian merchant class, which had been a constructive part
of urban life since the Middle Ages, gained greater economic power within Georgia. At the same time, Russian political hegemony over the Caucasus now went unopposed by Georgians. In response to these conditions, Georgian intellectuals borrowed the thinking of Russian and West European political philosophers, forging a variety of theoretical salvations for Georgian nationalism that had little relation to the changing economic conditions of the Georgian people.

By the end of the nineteenth century, Russia, fearing increased Armenian power in Georgia, asserted direct control over Armenian religious and political institutions. In the first decade of the twentieth century, a full-fledged Georgian national liberation movement was established by Marxist followers of the Russian Social Democrat Party. Marxist precepts fell on fertile soil in Georgia; by 1900 migration from rural areas and the growth of manufacturing had generated a fairly cohesive working class led by a new generation of Georgian intellectuals, who called for elimination of both the Armenian bourgeoisie and the Russian government bureaucracy. The main foe, however, was tsarist autocracy.
Figure 13. Georgia in the Sixteenth Century

The Spirit of Revolution

In 1905 a large-scale peasant revolt in western Georgia and general strikes in industrial centers throughout the Caucasus caused Russia to declare martial law. As elsewhere in the Russian Empire, the political reforms of 1905 temporarily eased tensions between the Georgian population and the Russian government. For the next decade, the Georgian revolutionaries of the Social Democrat Party were split between the gradualist Menshevik and the radical Bolshevik factions, and the incidence of strikes and mass demonstrations declined sharply between 1906 and 1917. Mensheviks, however, occupied all the Georgian seats in the first two seatings of the Duma, the Russian parliamentary institution established in 1905. In this period, Joseph V. Stalin (a Georgian who changed his name from Ioseb Jugashvili around 1910) became a leader of Bolshe-
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vik conspiracies against the Russian government in Georgia and the chief foe of Menshevik leader Noe Zhordania.

World War I and Independence

Because Turkey was a member of the Central Powers in World War I, the Caucasus region became a major battleground in that conflict. In 1915 and 1916, Russian forces pushed southwest into eastern Turkey from bases in the Caucasus, with limited success. As part of the Russian Empire, Georgia officially backed the Allies, although it stood to gain little from victory by either side. By 1916 economic conditions and mass immigration of war refugees had raised social discontent throughout the Caucasus, and the Russian Empire's decade-old experiment with constitutional monarchy was judged a failure.

The revolution of 1917 in Russia intensified the struggle between the Mensheviks and the Bolsheviks in Georgia. In May 1918, Georgia declared its independence under the protection of Germany. Georgia turned toward Germany to prevent opportunistic invasion by the Turks; the move also resulted from Georgians' perception of Germany as the center of European culture. The major European powers recognized Georgia's independence, and in May 1920, Russian leader Vladimir I. Lenin officially followed suit.

To gain peasant support, Zhordania's moderate new Menshevik-dominated government redistributed much of Georgia's remaining aristocratic landholdings to the peasants, eliminating the long-time privileged status of the nobility. The few years of postwar independence were economically disastrous, however, because Georgia did not establish commercial relations with the West, Russia, or its smaller neighbors.

Within the Soviet Union

In seven decades as part of the Soviet Union, Georgia maintained some cultural independence, and Georgian nationalism remained a significant—though at times muted—issue in relations with the Russians. In economic and political terms, however, Georgia was thoroughly integrated into the Soviet system.

The Interwar Years

After independence was declared in 1918, the Georgian Bolsheviks campaigned to undermine the Menshevik leader Zhordania, and in 1921 the Red Army invaded Georgia and forced him to flee. From 1922 until 1936, Georgia was part of a united
Georgia

Transcaucasian Soviet Federated Socialist Republic (TSFSR) within the Soviet Union. In 1936 the federated republic was split up into Armenia, Azerbaijan, and Georgia, which remained separate Soviet socialist republics of the Soviet Union until the end of 1991.

Although Stalin and Lavrenti Beria, his chief of secret police from 1938 to 1953, were both Georgians, Stalin's regime oppressed Georgians as severely as it oppressed citizens of other Soviet republics. The most notable manifestations of this policy were the execution of 5,000 nobles in 1924 as punishment for a Menshevik revolt and the purge of Georgian intellectuals and artists in 1936–37. Another Georgian Bolshevik, Sergo Ordzhonikidze, played an important role in the early 1920s in bringing Georgia and other Soviet republics into a centralized, Moscow-directed state. Ordzhonikidze later became Stalin's top economic official.

World War II and the Late Stalin Period

Georgia was not invaded in World War II. It contributed more than 500,000 fighters to the Red Army, however, and was a vital source of textiles and munitions. Stalin's successful appeal for patriotic unity eclipsed Georgian nationalism during the war and diffused it in the years following. Restoration of autonomy to the Georgian Orthodox Church in 1943 facilitated this process.

The last two decades of Stalin's rule saw rapid, forced urbanization and industrialization, as well as drastic reductions in illiteracy and the preferential treatment of Georgians at the expense of ethnic minorities in the republic. The full Soviet centralized economic planning structure was in place in Georgia by 1934. Between 1940 and 1958, the republic's industrial output grew by 240 percent. In that time, the influence of traditional village life decreased significantly for a large part of the Georgian population.

Post-Stalin Politics

Upon Stalin's death in 1953, Georgian nationalism revived and resumed its struggle against dictates from the central government in Moscow. In the 1950s, reforms under Soviet leader Nikita S. Khrushchev included the shifting of economic authority from Moscow to republic-level officials, but the Russian Khrushchev's repudiation of Stalin set off a backlash in Georgia. In 1956 hundreds of Georgians were killed when they
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demonstrated against Khrushchev's policy of de-Stalinization. Long afterward many Stalin monuments and place-names—as well as the museum constructed at Stalin's birthplace in the town of Gori, northwest of Tbilisi—were maintained. Only with Mikhail S. Gorbachev's policy of glasnost (see Glossary) in the late 1980s did criticism of Stalin become acceptable and a full account of Stalin's crimes against his fellow Georgians become known in Georgia.

Between 1955 and 1972, Georgian communists used decentralization to become entrenched in political posts and to reduce further the influence of other ethnic groups in Georgia. In addition, enterprising Georgians created factories whose entire output was "off the books" (see The Underground Economy, this ch.). In 1972 the long-standing corruption and economic inefficiency of Georgia's leaders led Moscow to sponsor Eduard Shevardnadze as first secretary of the Georgian Communist Party. Shevardnadze had risen through the ranks of the Communist Youth League (Komso- mol) to become a party first secretary at the district level in 1961. From 1964 until 1972, Shevardnadze oversaw the Georgian police from the Ministry of Internal Affairs, where he made a reputation as a competent and incorruptible official.

The First Shevardnadze Period

As party first secretary, Shevardnadze used purges to attack the corruption and chauvinism for which Georgia's elite had become infamous even among the corrupt and chauvinistic republics of the Soviet Union. Meanwhile, a small group of dissident nationalists coalesced around academician Zviad Gamsakhurdia, who stressed the threat that Russification presented to the Georgian national identity. This theme would remain at the center of Georgian-Russian relations into the new era of Georgian independence in the 1990s. Soviet power and Georgian nationalism clashed in 1978 when Moscow ordered revision of the constitutional status of the Georgian language as Georgia's official state language. Bowing to pressure from street demonstrations, Moscow approved Shevardnadze's reinstatement of the constitutional guarantee the same year.

In the 1970s and early 1980s, Shevardnadze successfully walked a narrow line between the demands of Moscow and the Georgians' growing desire for national autonomy. He maintained political and economic control while listening carefully to popular demands and making strategic concessions. She-
vardnadze dealt with nationalism and dissent by explaining his policies to hostile audiences and seeking compromise solutions. The most serious ethnic dispute of Shevardnadze's tenure arose in 1978, when leaders of the Abkhazian Autonomous Republic threatened to secede from Georgia, alleging unfair cultural, linguistic, political, and economic restrictions imposed by Tbilisi. Shevardnadze took a series of steps to diffuse the crisis, including an affirmative action program that increased the role of Abkhazian elites in running "their" region, despite the minority status of their group in Abkhazia.

Shevardnadze initiated experiments that foreshadowed the economic and political reforms that Gorbachev later introduced into the central Soviet system. The Abasha economic experiment in agriculture created new incentives for farmers similar to those used in the Hungarian agricultural reform of the time. A reorganization in the seaport of Poti expanded the role of local authorities at the expense of republic and all-union ministries. By 1980 Shevardnadze had raised Georgia's industrial and agricultural production significantly and had dismissed about 300 members of the party's corrupt hierarchy. When Shevardnadze left office in 1985, considerable government corruption remained, however, and Georgia's official economy was still weakened by an extensive illegal "second economy." But his reputation for honesty and political courage earned Shevardnadze great popularity among Georgians, the awarding of the Order of Lenin by the Communist Party of the Soviet Union (CPSU—see Glossary) in 1978, and appointment as minister of foreign affairs of the Soviet Union in 1985.

Patiashvili

Jumber Patiashvili, a nondescript party loyalist, succeeded Shevardnadze as head of the Georgian Communist Party. Under Patiashvili, most of Shevardnadze's initiatives atrophied, and no new policy innovations were undertaken. Patiashvili removed some of Shevardnadze's key appointees, although he could not dismiss his predecessor's many middle-echelon appointees without seriously damaging the party apparatus.

In dealing with dissent, Patiashvili, who distrusted radical and unofficial groups, returned to the usual confrontational strategy of Soviet regional party officials. The party head met major resistance when he backed a plan for a new Transcaucasian railroad that would cut a swath parallel to the Georgian Military Highway in a historic, scenic, and environmentally sig-
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significant region. In a televised speech, Patiashvili called opponents of the project "enemies of the people"—a phrase used in the 1930s to justify liquidation of Stalin's real and imagined opponents. By isolating opposition groups, Patiashvili forced reformist leaders into underground organizations and confrontational behavior.

After Communist Rule

In Georgia, Gorbachev's simultaneous policies of glasnost and continued control energized the forces of nationalism, which pushed the republic out of the central state before the Soviet Union fell apart. The first years of independence were marked by struggle among Georgians for control of the government and by conflict with ethnic minorities seeking to escape the control of Tbilisi.

Nationalism Rises

In April 1989, Soviet troops broke up a peaceful demonstration at the government building in Tbilisi. Under unclear circumstances, twenty Georgians, mostly women and children, were killed. The military authorities and the official media blamed the demonstrators, and opposition leaders were arrested. The Georgian public was outraged. What was afterward referred to as the April Tragedy fundamentally radicalized political life in the republic. Shevardnadze was sent to Georgia to restore calm. He arranged for the replacement of Patiashvili by Givi Gumbaridze, head of the Georgian branch of the Committee for State Security (Komitet gosudarstvennoi bezopasnosti—KGB).

In an atmosphere of renewed nationalist fervor, public opinion surveys indicated that the vast majority of the population was committed to immediate independence from Moscow. Although the communist party was discredited, it continued to control the formal instruments of power. In the months following the April Tragedy, the opposition used strikes and other forms of pressure to undermine communist power and set the stage for de facto separation from the Soviet Union.

The Rise of Gamsakhurdia

Partly as a result of the conspiratorial nature of antigovernment activity prior to 1989, opposition groups tended to be small, tightly knit units organized around prominent individuals. The personal ambitions of opposition leaders prevented
Old salt baths and Narikala Fortress, Tbilisi
Courtesy Michael W. Serafin

Old Tbilisi seen from Mtkvari (Kura) River
Courtesy Monica O'Keefe, United States Information Agency
the emergence of a united front, but Zviad Gamsakhurdia, the
most widely honored and recognized of the nationalist dissi-
dents, moved naturally to a position of leadership. The son of
Georgia's foremost contemporary novelist, Gamsakhurdia had
gained many enemies during the communist years in acrimoni-
ous disputes and irreconcilable factional splits.

Opposition pressure resulted in a multiparty election in
October 1990. Despite guarantees written into the new law on
elections, many prominent opposition parties boycotted the
vote, arguing that their groups could not compete fairly and
that their participation under existing conditions would only
legitimize continuation of Georgia's "colonial status" within the
Soviet system.

As an alternative, the opposition parties had held their own
election, without government approval, in September 1990.
Although the minimum turnout for a valid election was not
achieved, the new "legislative" body, called the Georgian
National Congress, met and became a center of opposition to
the government chosen in the official October election. In the
officially sanctioned voting, Gamsakhurdia's Round Table/
Free Georgia coalition won a solid majority in the Supreme
Soviet, Georgia's official parliamentary body.

Arguably the most virulently anticommunist politician ever
elected in a Soviet republic, Gamsakhurdia was intolerant of all
political opposition. He often accused his opposition of trea-
son or involvement with the KGB. The quality of political
debate in Georgia was lowered by the exchange of such charges
between Gamsakhurdia and opposition leaders such as Gia
Chanturia of the National Democratic Party.

After his election, Gamsakhurdia's greatest concern was the
armed opposition. Both Gamsakhurdia's Round Table/Free
Georgia coalition and some opposition factions in the Geor-
gian National Congress had informal military units, which the
previous, communist Supreme Soviet had legalized under pres-
sure from informal groups. The most formidable of these
groups were the Mkhedrioni (horsemen), said to number
5,000 men, and the so-called National Guard. The new parlia-
ment, dominated by Gamsakhurdia, outlawed such groups and
ordered them to surrender their weapons, but the order had
no effect. After the elections, independent military groups
raided local police stations and Soviet military installations,
sometimes adding formidable weaponry to their arsenals. In
February 1991, a Soviet army counterattack against Mkhedri-
Georgia

oni headquarters had led to the imprisonment of the Mkhedri-
oni leader.

Gamsakhurdia moved quickly to assert Georgia’s independ-
dence from Moscow. He took steps to bring the Georgian KGB
and Ministry of Internal Affairs (both overseen until then from
Moscow) under his control. Gamsakhurdia refused to attend
meetings called by Gorbachev to preserve a working union
among the rapidly separating Soviet republics. Gamsakhurdia's
communications with the Soviet leader usually took the form of
angry telegrams and telephone calls. In May 1991, Gamsakhur-
dia ended the collection in Georgia of Gorbachev's national
sales tax on the grounds that it damaged the Georgian econ-
omy. Soon Georgia ceased all payments to Moscow, and the
Soviet government took steps to isolate the republic economi-
cally.

Rather than consent to participate in Gorbachev's March
1991 referendum on preserving a federation of Soviet republics,
Gamsakhurdia organized a separate referendum on Geor-
gian independence. The measure was approved by 98.9
percent of Georgian voters. On April 9, 1991, the second anni-
sery of the April Tragedy, the Georgian parliament passed a
declaration of independence from the Soviet Union. Once the
Soviet Union collapsed at the end of 1991, Georgia refused to
participate in the formation or subsequent activities of the
Commonwealth of Independent States (CIS—see Glossary),
the loose confederation of independent republics that suc-
cceeded the Soviet Union.

The Struggle for Control

In May 1991, Gamsakhurdia was elected president of Geor-
gia (receiving over 86 percent of the vote) in the first popular
presidential election in a Soviet republic. Apparently perceiv-
ing the election as a mandate to run Georgia personally, Gam-
sakhurdia made increasingly erratic policy and personnel
decisions in the months that followed, while his attitude toward
the opposition became more strident. After intense conflict
with Gamsakhurdia, Prime Minister Tengiz Sigua resigned in

The August 1991 coup attempt against Gorbachev in Mos-
cow marked a turning point in Georgian as well as in Soviet
politics. Gamsakhurdia made it clear that he believed the coup,
headed by the Soviet minister of defense and the head of the
KGB, was both inevitable and likely to succeed. Accordingly, he
ordered Russian president Boris N. Yeltsin's proclamations against the coup removed from the streets of Tbilisi. Gamsakhurdia also ordered the National Guard to turn in its weapons, disband, and integrate itself into the forces of the Ministry of Internal Affairs. Opposition leaders immediately denounced this action as capitulation to the coup. In defiance of Gamsakhurdia, National Guard commander Tengiz Kitovani led most of his troops out of Tbilisi.

The opposition to Gamsakhurdia, now joined in an uneasy coalition behind Sigua and Kitovani, demanded that Gamsakhurdia resign and call new parliamentary elections. Gamsakhurdia refused to compromise, and his troops forcibly dispersed a large opposition rally in Tbilisi in September 1991. Chanturia, whose National Democratic Party was one of the most active opposition groups at that time, was arrested and imprisoned on charges of seeking help from Moscow to overthrow the government.

In the ensuing period, both the government and extraparliamentary opposition intensified the purchase and "liberation" of large quantities of weapons—mostly from Soviet military units stationed in Georgia—including heavy artillery, tanks, helicopter gunships, and armored personnel carriers. On December 22, intense fighting broke out in central Tbilisi after government troops again used force to disperse demonstrators. At this point, the National Guard and the Mkhedrioni besieged Gamsakhurdia and his supporters in the heavily fortified parliament building. Gunfire and artillery severely damaged central Tbilisi, and Gamsakhurdia fled the city in early January 1992 to seek refuge outside Georgia.

The Military Council

A Military Council made up of Sigua, Kitovani, and Mkhedrioni leader Jaba Ioseliani took control after Gamsakhurdia's departure. Shortly thereafter, a Political Consultative Council and a larger State Council were formed to provide more decisive leadership (see Government and Politics, this ch.). In March 1992, Eduard Shevardnadze returned to Georgia at the invitation of the Military Council. Shortly thereafter, Shevardnadze joined Ioseliani, Sigua, and Kitovani to form the State Council Presidium. All four were given the right of veto over State Council decisions.

Gamsakhurdia, despite his absence, continued to enjoy substantial support within Georgia, especially in rural areas and in
his home region of Mingrelia in western Georgia. Gamsakhurdia supporters now constituted another extraparliamentary opposition, viewing themselves as victims of an illegal and unconstitutional putsch and refusing to participate in future elections. Based in the neighboring Chechen Autonomous Republic of Russia, Gamsakhurdia continued to play a direct role in Georgian politics, characterizing Shevardnadze as an agent of Moscow in a neocommunist conspiracy against Georgia. In March 1992, Gamsakhurdia convened a parliament in exile in the Chechen city of Groznyy. In 1992 and 1993, his armed supporters prevented the Georgian government from gaining control of parts of western Georgia.

**Threats of Fragmentation**

The autonomous areas of South Ossetia and Abkhazia added to the problems of Georgia's post-Soviet governments. By 1993 separatist movements in those regions threatened to tear the republic into several sections. Intimations of Russian interference in the ethnic crises also complicated Georgia's relations with its giant neighbor.

**South Ossetia**

The first major crisis faced by the Gamsakhurdia regime was in the South Ossetian Autonomous Region, which is largely populated by Ossetians, a separate ethnic group speaking a language based on Persian (see Population and Ethnic Composition, this ch.). In December 1990, Gamsakhurdia summarily abolished the region's autonomous status within Georgia in response to its longtime efforts to gain independence. When the South Ossetian regional legislature took its first steps toward secession and union with the North Ossetian Autonomous Republic of Russia, Georgian forces invaded. The resulting conflict lasted throughout 1991, causing thousands of casualties and creating tens of thousands of refugees on both sides of the Georgian-Russian border. Yeltsin mediated a cease-fire in July 1992. A year later, the cease-fire was still in place, enforced by Ossetian and Georgian troops together with six Russian battalions. Representatives of the Conference on Security and Cooperation in Europe (CSCE—see Glossary) attempted mediation, but the two sides remained intractable. In July 1993, the South Ossetian government declared negotiations over and threatened to renew large-scale combat, but the cease-fire held through early 1994.
Church and fortress on Georgian Military Highway at Ananuri
Courtesy Gordon Snider
Abkhazia

In the Abkhazian Autonomous Republic of Georgia, the Abkhazian population, like the Ossetians a distinct ethnic group, feared that the Georgians would eliminate their political autonomy and destroy the Abkhaz as a cultural entity. On one hand, a long history of ill will between the Abkhaz and the Georgians was complicated by the minority status of the Abkhaz within the autonomous republic and by periodic Georgianization campaigns, first by the Soviet and later by the Georgian government. On the other hand, the Georgian majority in Abkhazia resented disproportionate distribution of political and administrative positions to the Abkhaz. Beginning in 1978, Moscow had sought to head off Abkhazian demands for independence by allocating as much as 67 percent of party and government positions to the Abkhaz, although, according to the 1989 census, 2.5 times as many Georgians as Abkhaz lived in Abkhazia.

Tensions in Abkhazia led to open warfare on a much larger scale than in South Ossetia. In July 1992, the Abkhazian Supreme Soviet voted to return to the 1925 constitution, under which Abkhazia was separate from Georgia. In August 1992, a force of the Georgian National Guard was sent to the Abkhazian capital of Sukhumi with orders to protect Georgian rail and road supply lines and to secure the border with Russia. When Abkhazian authorities reacted to this transgression of their self-proclaimed sovereignty, hundreds were killed in fighting between Abkhazian and Georgian forces, and large numbers of refugees fled across the border into Russia or into other parts of Georgia. The Abkhazian government was forced to flee Sukhumi.

For two centuries, the Abkhaz had viewed Russia as a protector of their interests against the Georgians; accordingly, the Georgian incursion of 1992 brought an Abkhazian plea for Russia to intervene and settle the issue. An unknown number of Russian military personnel and volunteers also fought on the side of the Abkhaz, and Shevardnadze accused Yeltsin of intentionally weakening Georgia's national security by supporting separatists. After the failure of three cease-fires, in September 1993 Abkhazian forces besieged and captured Sukhumi and drove the remaining Georgian forces out of Abkhazia. In the fall of 1993, mediation efforts by the United Nations (UN) and Russia were slowed by Georgia's struggle against Gamsakhurdia's forces in Mingrelia, south of Abkhazia. In early 1994,
a de facto cease-fire remained in place, with the Inguri River in northwest Georgia serving as the dividing line. Separatist forces made occasional forays into Georgian territory, however.

In September 1993, Gamsakhurdia took advantage of the struggle in Abkhazia to return to Georgia and rally enthusiastic but disorganized Mingrelians against the demoralized Georgian army. Although Gamsakhurdia initially represented his return as a rescue of Georgian forces, he actually included Abkhazian troops in his new advance. Gamsakhurdia's forces took several towns in western Georgia, adding urgency to an appeal by Shevardnadze for Russian military assistance. In mid-October the addition of Russian weapons, supply-line security, and technical assistance turned the tide against Gamsakhurdia and brought a quick end to hostilities on the Mingrelian front (see Foreign Relations, this ch.). His cause apparently lost, Gamsakhurdia committed suicide in January 1994.

Physical Environment

Georgia is a small country of approximately 69,875 square kilometers—about the size of West Virginia. To the north and northeast, Georgia borders the Russian republics of Chechnya, Ingushetia, and North Ossetia (all of which began to seek autonomy from Russia in 1992). Neighbors to the south are Armenia, Azerbaijan, and Turkey. The shoreline of the Black Sea constitutes Georgia's entire western border (see fig. 1).

Topography

Despite its small area, Georgia has one of the most varied topographies of the former Soviet republics (see fig. 2). Georgia lies mostly in the Caucasus Mountains, and its northern boundary is partly defined by the Greater Caucasus range. The Lesser Caucasus range, which runs parallel to the Turkish and Armenian borders, and the Surami and Imereti ranges, which connect the Greater Caucasus and the Lesser Caucasus, create natural barriers that are partly responsible for cultural and linguistic differences among regions. Because of their elevation and a poorly developed transportation infrastructure, many mountain villages are virtually isolated from the outside world during the winter. Earthquakes and landslides in mountainous areas present a significant threat to life and property. Among the most recent natural disasters were massive rock- and mudslides in Ajaria in 1989 that displaced thousands of people in southwestern Georgia, and two earthquakes in 1991 that
destroyed several villages in north-central Georgia and South Ossetia.

Georgia has about 25,000 rivers, many of which power small hydroelectric stations. Drainage is into the Black Sea to the west and through Azerbaijan to the Caspian Sea to the east. The largest river is the Mtkvari (formerly known by its Azerbaijani name, Kura, which is still used in Azerbaijan), which flows 1,364 kilometers from northeast Turkey across the plains of eastern Georgia, through the capital, Tbilisi, and into the Caspian Sea. The Rioni River, the largest river in western Georgia, rises in the Greater Caucasus and empties into the Black Sea at the port of Poti. Soviet engineers turned the river lowlands along the Black Sea coast into prime subtropical agricultural land, embanked and straightened many stretches of river, and built an extensive system of canals. Deep mountain gorges form topographical belts within the Greater Caucasus.

**Climate**

Georgia's climate is affected by subtropical influences from the west and mediterranean influences from the east. The Greater Caucasus range moderates local climate by serving as a barrier against cold air from the north. Warm, moist air from the Black Sea moves easily into the coastal lowlands from the west. Climatic zones are determined by distance from the Black Sea and by altitude. Along the Black Sea coast, from Abkhazia to the Turkish border, and in the region known as the Kolkhida Lowlands inland from the coast, the dominant subtropical climate features high humidity and heavy precipitation (1,000 to 2,000 millimeters per year; the Black Sea port of Batumi receives 2,500 millimeters per year). Several varieties of palm trees grow in these regions, where the midwinter average temperature is 5°C and the midsummer average is 22°C.

The plains of eastern Georgia are shielded from the influence of the Black Sea by mountains that provide a more continental climate. Summer temperatures average 20°C to 24°C, winter temperatures 2°C to 4°C. Humidity is lower, and rainfall averages 500 to 800 millimeters per year. Alpine and highland regions in the east and west, as well as a semiarid region on the Iori Plateau to the southeast, have distinct microclimates.

At higher elevations, precipitation is sometimes twice as heavy as in the eastern plains. In the west, the climate is subtropical to about 650 meters; above that altitude (and to the north and east) is a band of moist and moderately warm
weather, then a band of cool and wet conditions. Alpine conditions begin at about 2,100 meters, and above 3,600 meters snow and ice are present year-round.

**Environmental Issues**

Beginning in the 1980s, Black Sea pollution has greatly harmed Georgia's tourist industry. Inadequate sewage treatment is the main cause of that condition. In Batumi, for example, only 18 percent of wastewater is treated before release into the sea. An estimated 70 percent of surface water contains health-endangering bacteria, to which Georgia's high rate of intestinal disease is attributed.

The war in Abkhazia did substantial damage to the ecological habitats unique to that region. In other respects, experts considered Georgia's environmental problems less serious than those of more industrialized former Soviet republics. Solving Georgia's environmental problems was not a high priority of the national government in the post-Soviet years, however; in 1993 the minister of protection of the environment resigned to protest this inactivity. In January 1994, the Cabinet of Ministers announced a new, interdepartmental environmental monitoring system to centralize separate programs under the direction of the Ministry of Protection of the Environment. The system would include a central environmental and information and research agency. The Green Party used its small contingent in the parliament to press environmental issues in 1993.

**Population and Ethnic Composition**

Over many centuries, Georgia gained a reputation for tolerance of minority religions and ethnic groups from elsewhere, but the postcommunist era was a time of sharp conflict among groups long considered part of the national fabric. Modern Georgia is populated by several ethnic groups, but by far the most numerous of them is the Georgians. In the early 1990s, the population was increasing slowly, and armed hostilities were causing large-scale emigration from certain regions. The ethnic background of some groups, such as the Abkhaz, was a matter of sharp dispute.

**Population Characteristics**

According to the Soviet Union's 1989 census, the total popu-
lation of Georgia was 5.3 million. The estimated population in 1993 was 5.6 million. Between 1979 and 1989, the population grew by 8.5 percent, with growth rates of 16.7 percent among the urban population and 0.3 percent in rural areas. In 1993 the overall growth rate was 0.8 percent. About 55.8 percent of the population was classified as urban; Tbilisi, the capital and largest city, had more than 1.2 million inhabitants in 1989, or approximately 23 percent of the national total. The capital's population grew by 18.1 percent between 1979 and 1989, mainly because of migration from rural areas. Kutaisi, the second largest city, had a population of about 235,000.

In 1991 Georgia's birth rate was seventeen per 1,000 population, its death rate nine per 1,000. Life expectancy was sixty-seven years for males and seventy-five years for females. In 1990 the infant mortality rate was 196 per 10,000 live births. Average family size in 1989 was 4.1, with larger families predominantly located in rural areas. In the 1980s and early 1990s, the Georgian population was aging slowly; the cohort under age nineteen shrank slightly and the cohort over sixty increased slightly as percentages of the entire population during that period. The Georgian and Abkhazian populations were the subjects of substantial international study by anthropologists and gerontologists because of the relatively high number of centenarians among them.

**Ethnic Minorities**

Regional ethnic distribution is a major cause of the problems Georgia faces along its borders and within its territory (see fig. 14). Russians, who make up the third largest ethnic group in the country (6.7 percent of the total population in 1989), do not constitute a majority in any district. The highest concentration of Russians is in Abkhazia, but the overall dispersion of the Russian population restricts political representation of the Russians' interests.

Azerbaijanis are a majority of the population in the districts of Marneuli and Bolnisi, south of Tbilisi on the Azerbaijan border, while Armenians are a majority in the Akhalkalaki, Ninotsminda, and Dmanisi districts immediately to the west of the Azerbaijani-dominated regions and just north of the Armenian border. Despite the proximity and intermingling of Armenian and Azerbaijani populations in Georgia, in the early 1990s few conflicts in Georgia reflected the hostility of the Armenian and Azerbaijani nations over the territory of Nagorno-Karabakh.
Georgia

(see Nagorno-Karabakh and Independence, ch. 1; National Security, ch. 2). Organizations in Georgia representing the interests of the Armenian and Azerbaijani populations had relatively few conflicts with authorities in Tbilisi in the first post-communist years.

Under Soviet rule, a large part of Georgian territory was divided into autonomous areas that included concentrations of non-Georgian peoples. The largest such region was the Abkhazian Autonomous Soviet Socialist Republic (Abkhazian ASSR); after Georgian independence, it was redesignated the Abkhazian Autonomous Republic. The distribution of territory and the past policies of tsarist and Soviet rule meant that in 1989 the Abkhaz made up only 17.8 percent of the population of the autonomous republic named for them (compared with 44 percent Georgians and 16 percent Russians). The Abkhaz constituted less than 2 percent of the total population of Georgia. Although Georgian was the prevailing language of the region as early as the eighth century A.D., Abkhazia was an autonomous republic of Russia from 1921 until 1930, when it was incorporated into Georgia as an autonomous republic.

In the thirteenth century, Ossetians arrived on the south side of the Caucasus Mountains, in Georgian territory, when the Mongols drove them from what is now the North Ossetian Autonomous Republic of Russia. In 1922 the South Ossetian Autonomous Region was formed within the new Transcaucasian republic of the Soviet Union. The autonomous region was abolished officially by the Georgian government in 1990, then reinstated in 1992. South Ossetia includes many all-Georgian villages, and the Ossetian population is concentrated in the cities of Tskhinvali and Java. Overall, in the 1980s the population in South Ossetia was 66 percent Ossetian and 29 percent Georgian. In 1989 more than 60 percent of the Ossetian population of Georgia lived outside South Ossetia.

The Ajarian Autonomous Soviet Socialist Republic (Ajarian ASSR) in southwest Georgia was redesignated the Ajarian Autonomous Republic in 1992. The existence of that republic reflects the religious and cultural differences that developed when the Ottoman Empire occupied part of Georgia in the sixteenth century and converted the local population to Islam. The Ajarian region was not included in Georgia until the Treaty of Berlin separated it from the Ottoman Empire in 1878. An autonomous republic within Georgia was declared in 1921. Because the Ajarian population is indistinguishable from
the Georgian population in language and belongs to the same ethnic group, it generally considers itself Georgian. Eventually, the term "Ajarian" was dropped from the ethnic categories in the Soviet national census. Thus, in the 1979 census the ethnic breakdown of the region showed about 80 percent Georgians (including Ajars) and 10 percent Russians. Nevertheless, the autonomous republic remains an administrative subdivision of the Republic of Georgia, local elites having fought hard to preserve the special status that this distinction affords them.

The so-called Meskhetian Turks are another potential source of ethnic discord. Forcibly exiled from southern Georgia to Uzbekistan by Stalin during World War II, many of the estimated 200,000 Meskhetian Turks outside Georgia sought to return to their homes in Georgia after 1990. Many Georgians
argued that the Meskhetian Turks had lost their links to Georgia and hence had no rights that would justify the large-scale upheaval that resettlement would cause. However, Shevardnadze argued that Georgians had a moral obligation to allow this group to return.

Within the leading ethnic groups, the fastest growth between 1979 and 1989 occurred in the Azerbaijani population and among the Kurds (see Glossary), whose numbers increased by 20 percent and 30 percent, respectively. This trend worried Georgians, even though both groups combined made up less than 7 percent of the republic's population. Over the same period, the dominant Georgians' share of the population increased from 68.8 percent to 70.1 percent. Ethnic shifts after 1989—particularly the emigration of Russians, Ukrainians, and Ossetians—were largely responsible for the Georgians' increased share of the population.

Language, Religion, and Culture

For centuries, Georgia's geographic position has opened it to religious and cultural influences from the West, Persia, Turkey, and Russia. The resultant diversity continues to characterize the cultural and religious life of modern Georgia. However, the Georgian language displays unique qualities that cannot be attributed to any outside influence.

Language

Even more than religion, the issue of language was deeply entwined with political struggles in Georgia under communist rule. As elsewhere, language became a key factor in ethnic self-identification under the uniformity of the communist system. Written in a unique alphabet that began to exhibit distinctions from the Greek alphabet in the fifth century A.D., Georgian is linguistically distant from Turkic and Indo-European languages. In the Soviet period, Georgians fought relentlessly to prevent what they perceived as the encroachment of Russian on their native language. Even the republic's Soviet-era constitutions specified Georgian as the state language. In 1978 Moscow failed to impose a constitutional change giving Russian equal status with Georgian as an official language when Shevardnadze yielded to mass demonstrations against the amendment (see Within the Soviet Union, this ch.). Nevertheless, the Russian language predominated in official documents and communications from the central government. In 1991 the
Gamsakhurdia government reestablished the primacy of Georgian, to the dismay of minorities that did not use the language. In 1993 some 71 percent of the population used Georgian as their first language. Russian was the first language of 9 percent, Armenian of 7 percent, and Azerbaijani of 6 percent.

Religion

The wide variety of peoples inhabiting Georgia has meant a correspondingly rich array of active religions. The dominant religion is Christianity, and the Georgian Orthodox Church is by far the largest church. The conversion of the Georgians in A.D. 330 placed them among the first peoples to accept Christianity. According to tradition, a holy slave woman, who became known as Saint Nino, cured Queen Nana of Iberia of an unknown illness, and King Marian III accepted Christianity when a second miracle occurred during a royal hunting trip. The Georgians' new faith, which replaced Greek pagan and Zoroastrian beliefs, was to place them permanently on the front line of conflict between the Islamic and Christian worlds. As was true elsewhere, the Christian church in Georgia was crucial to the development of a written language, and most of the earliest written works were religious texts. After Georgia was annexed by the Russian Empire, the Russian Orthodox Church took over the Georgian church in 1811. The colorful frescoes and wall paintings typical of Georgian cathedrals were whitewashed by the Russian occupiers.

The Georgian church regained its autonomy only when Russian rule ended in 1918. Neither the Georgian Menshevik government nor the Bolshevik regime that followed considered revitalization of the Georgian church an important goal, however. Soviet rule brought severe purges of the Georgian church hierarchy and constant repression of Orthodox worship. As elsewhere in the Soviet Union, many churches were destroyed or converted into secular buildings. This history of repression encouraged the incorporation of religious identity into the strong nationalist movement in twentieth-century Georgia and the quest of Georgians for religious expression outside the official, government-controlled church. In the late 1960s and early 1970s, opposition leaders, especially Zviad Gamsakhurdia, criticized corruption in the church hierarchy. When Ilia II became the patriarch (catholicos) of the Georgian Orthodox Church in the late 1970s, he brought order and a new morality to church affairs, and Georgian Orthodoxy experienced a revival.
In 1988 Moscow permitted the patriarch to begin consecrating and reopening closed churches, and a large-scale restoration process began. In 1993 some 65 percent of Georgians were Georgian Orthodox, 11 percent were Muslim, 10 percent Russian Orthodox, and 8 percent Armenian Apostolic.

Non-Orthodox religions traditionally have received tolerant treatment in Georgia. Jewish communities exist throughout the country, with major concentrations in the two largest cities, Tbilisi and Kutaisi. Azerbaijani groups have practiced Islam in Georgia for centuries, as have the Abkhazian and Ajarian groups concentrated in their respective autonomous republics. The Armenian Apostolic Church, whose doctrine differs in some ways from that of Georgian Orthodoxy, has autocephalous status.

The Arts

In many art forms, Georgia has a tradition spanning millennia. The golden age of the Georgian Empire (early twelfth century to early thirteenth century) was the time of greatest development in many forms, and subsequent centuries of occupation and political domination brought decline or dilution. Folk music and dance, however, remain an important part of Georgia's unique culture, and Georgians have made significant contributions to theater and film in the late twentieth century.
Armenia, Azerbaijan, and Georgia: Country Studies

Literature

Among literary works written in Georgian, Shota Rustaveli’s long poem *The Knight in the Panther Skin* occupies a unique position as the Georgian national epic. Supposedly Rustaveli was a government official during Queen Tamar’s reign (1184–1212), late in the golden age. In describing the questing adventures of three hero-knights, the poem includes rich philosophical musings that have become proverbs in Georgian. Even during communist rule, the main street of the Georgian capital was named after Rustaveli.

Architecture

Starting in its earliest days, Georgia developed a unique architectural style that is most visible in religious structures dating as far back as the sixth century A.D. The cupola structure typical of Georgian churches probably was based on circular domestic dwellings that existed as early as 3000 B.C. Roman, Greek, and Syrian architecture also influenced this style. Persian occupation added a new element, and in the nineteenth century Russian domination created a hybrid architectural style visible in many buildings in Tbilisi. The so-called Stalinist architecture of the mid-twentieth century also left its mark on the capital.

Painting, Sculpture, and Metalworking

Like literature, Georgian mural painting reached its zenith during the golden age of the twelfth and thirteenth centuries. Featuring both religious and secular themes, many monuments of this and the later Byzantine- and Persian-influenced periods were destroyed by the Russians in the nineteenth century. Examples of Georgian religious painting remain in some of the old churches. Stone carving and metalworking traditions had developed in antiquity, when Roman and Greek techniques were incorporated. In the golden age, sculpture was applied most often to the outside of buildings. In the twentieth century, several Georgian sculptors have gained international recognition. Among them is Elguja Amasukheli, whose monuments are landmarks in Tbilisi. Metalworking was well established in the Caucasus among the ancestors of the Georgians as early as the Bronze Age (second millennium B.C.). This art form, applied to both religious and secular subjects, declined in the Middle Ages.
Georgia

Music and Dance

Georgia is known for its rich and unique folk dance and music. The Georgian State Dance Company, founded in the 1940s, has traveled around the world performing spectacular renditions of traditional Georgian dances. Unique in folk-dancing tradition, Georgian male performers dance on their toes without the help of special blocked shoes. Georgian folk music, featuring complex, three-part, polyphonic harmonies, has long been a subject of special interest among musicologists. Men and women sing in separate ensembles with entirely different repertoires. Most Georgian folk songs are peculiar to individual regions of Georgia. The inspiration is most often the church, work in the fields, or special occasions. The Rustavi Choir, formed in 1968, is the best known Georgian group performing a traditional repertoire.

In modern Georgia, folk songs are most frequently sung around the table. The ceremonial dinner (supra), a frequent occurrence in Georgian homes, is a highly ritualized event that itself forms a direct link to Georgia's past. On such occasions, rounds of standardized and improvised toasts typically extend long into the night. Georgian cuisine, which includes a variety of delicate sauces and sharp spices, is also an important part of the culture that links the generations. In the Soviet period, the best restaurants in the large cities of other republics were often Georgian.

Film and Theater

In the postwar era, Georgian filmmaking and theater developed an outstanding reputation in the Soviet Union. Several Georgian filmmakers achieved international recognition in this period. Perhaps the single most important film of the perestroika (see Glossary) period was Tengiz Abuladze's Repentance. This powerful work, which won international acclaim when released in 1987, showed the consequences of Stalin's Great Terror of the 1930s through a depiction of the reign of a fictional local dictator. In 1993, despite chaotic political conditions, Tbilisi hosted the Golden Eagle Film Festival of the Black Sea Basin Countries, Georgia's first international film festival. Georgians also excel in theater. The Tbilisi-based Rustaveli Theater has been acclaimed internationally for its stagings (in Georgian) of the works of William Shakespeare and German dramatist Bertolt Brecht.
Education, Health, and Welfare

In 1992 Georgia retained the basic structure of education, health, and social welfare programs established in the Soviet era, although major reforms were being discussed. Georgia's requests for aid from the West have included technical assistance in streamlining its social welfare system, which heavily burdens the economy and generally fails to help those in greatest need.

Education

In the Soviet era, the Georgian population achieved one of the highest education levels in the Soviet Union. In 1989 some 15.1 percent of adults in Georgia had graduated from a university or completed some other form of higher education. About 57.4 percent had completed secondary school or obtained a specialized secondary education. Georgia also had an extensive network of 230 scientific and research institutes employing more than 70,000 people in 1990. The Soviet system of free and compulsory schooling had eradicated illiteracy by the 1980s, and Georgia had the Soviet Union's highest percentage of residents with a higher or specialized secondary education.

During Soviet rule, the CPSU controlled the operation of the Georgian education system. Theoretically, education was inseparable from politics, and the schools were deemed an important tool in remaking society along Marxist-Leninist lines. Central ministries for primary and secondary education and for higher and specialized education transmitted policy decisions to the ministries in the republics for implementation in local and regional systems. Even at the local level, most administrators were party members. The combination of party organs and government agencies overseeing education at all levels formed a huge bureaucracy that made significant reform impossible. By the mid-1980s, an education crisis was openly recognized everywhere in the Soviet Union.

In the early 1990s, Soviet education institutions were still in place in Georgia, although Soviet-style political propaganda and authoritarian teaching methods gradually disappeared. Most Georgian children attended general school (grades one to eleven), beginning at age seven. In 1988 some 86,400 students were enrolled in Georgia's nineteen institutions of higher learning. Universities are located in Batumi, Kutaisi, Sukhumi, and Tbilisi. In the early 1990s, private education
Elementary school children in English class, Children's Palace, Tbilisi
Courtesy Janet A. Koczak

institutes began to appear. Higher education was provided almost exclusively in Georgian, although 25 percent of general classes were taught in a minority language. Abkhazian and Ossetian children were taught in their native language until fifth grade, when they began instruction in Georgian or Russian.

Health

The Soviet system of health care, which embraced all the republics, included extensive networks of state-run hospitals, clinics, and emergency first aid stations. The huge government health bureaucracy in Moscow set basic policies for the entire country, then transmitted them to the health ministries of the republics. In the republics, programs were set up by regional and local health authorities. The emphasis was on meeting national standards and quotas for patient visits, treatments pro-
vided, and hospital beds occupied, with little consideration of regional differences or requirements.

Under this system, the average Georgian would go first to one of the polyclinics serving all the residents of a particular area. In the mid-1980s, polyclinics provided about 90 percent of medical care, offering very basic diagnostic services. In addition, most workplaces had their own clinics, which minimized time lost from work for medical reasons. The hospital system provided more complex diagnosis and treatment, although overcrowding often resulted from the admission of patients with minor complaints. Crowding was exacerbated by official standards requiring hospital treatment of a certain duration for every type of complaint.

The Soviet system placed special emphasis on treatment of women and children; many specialized treatment, diagnostic, and advanced-study centers offered pediatric, obstetric, and gynecological care. Maternity services and prenatal care were readily accessible. Emergency first aid was provided by specialized ambulance teams, most of which had only very basic equipment. Severe cases went to special emergency hospitals because regular hospitals lacked emergency rooms. Although this system worked efficiently in urban centers such as Tbilisi, it did not reach remote areas. Most Georgians cared for elderly family members at home, and nursing care was generally mediocre. Georgian health spas were a vital part of the Soviet Union's well-known sanatorium system, access to which was a privilege of employment in most state enterprises.

When the Soviet Union dissolved, it left a legacy of health problems to the respective republics, which faced the necessity of organizing separate health systems under conditions of scarce resources. By 1990 the Soviet health system had become drastically underfunded, and the incidence of disease and accidents was increased by poor living standards and environmental hazards. Nominally equal availability of medical treatment and materials was undermined by the privileged status of elite groups that had access to the country's best medical facilities. In 1990 the former republics also differed substantially in health conditions and availability of care (see table 2, Appendix). Subsequent membership in the Commonwealth of Independent States, to which Georgia committed itself in late 1993, did not affect this inequality.

According to most standard indicators, in 1991 the health and medical care of the Georgian population were among the
best in the Soviet Union. The rate at which tuberculosis was diagnosed, 28.9 cases per 100,000 population in 1990, was third lowest, and Georgia's 140.9 cancer diagnoses per 100,000 population in 1990 was the lowest rate among the Soviet republics. Georgia also led in physicians per capita, with 59.2 per 10,000 population, and in dentists per capita. However, hospital bed availability, 110.7 per 10,000 population in 1990, placed Georgia in the bottom half among Soviet republics, and infant mortality, 15.9 per 1,000 live births in 1990, was at the average for republics outside Central Asia.

Although illegal drugs were available and Georgia increasingly found itself on the international drug-trading route in the early 1990s, the drug culture was confined to a small percentage of the population. The relatively high rate of delinquency among Georgian youth, however, was frequently associated with alcohol abuse.

In 1993 the Republic AIDS and Immunodeficiency Center in Tbilisi reported that sixteen cases of acquired immune deficiency syndrome (AIDS) had been detected; five victims were non-Georgians and were deported. Of the remaining eleven, two had contracted AIDS through drug use and one through a medical procedure. Despite the small number of cases, the AIDS epidemic has caused considerable alarm in the Georgian medical community, which formed a physicians' anti-AIDS association in 1993. The AIDS center, located in a makeshift facility in Tbilisi, conducts AIDS research and oversees testing in twenty-nine laboratories throughout Georgia, stressing efforts among high-risk groups.

As in other former Soviet republics, Georgia began devising health care reform strategies in 1992. Budget expenditures for health increased drastically once the Soviet welfare system collapsed. Theoretical elements of Georgian health reform were compulsory medical insurance, privatization and foreign investment in institutions providing health care, and stronger emphasis on preventive medicine. Little progress was made in the first two years of the reform process, however. In Georgia political instability and civil war have destroyed medical facilities while increasing the need for emergency care and creating a large-scale refugee problem (see Threats of Fragmentation, this ch.).

Social Security

In 1985 some 47 percent of Georgia's budget went to sup-
port the food, health, and education needs of the population. Social services included partial payment for maternity leave for up to eighteen months and unpaid maternity leave for up to three years. State pensions were automatic after twenty years of work for women and twenty-five years for men. As inflation rose in the postcommunist era, however, a large percentage of older Georgians continued working because their pensions could not support them. In 1991 the social security fund—supported mainly by a payroll tax—provided pensions for 1.3 million persons. The fund also paid benefits for sick leave and rest homes, as well as allowances for families with young children.

In 1992 subsidies were in place for basic commodities, pensions, unemployment benefits, and allowances for single mothers and children. At that time, a payroll tax of 3 percent was designated to support the national unemployment fund. Deficits in the social security fund were nominally covered by the state budget, but budget shortfalls elsewhere shifted that responsibility to the banking system. In 1992 increased benefit payments and the decision not to increase the payroll tax eroded the financial base of the fund.

**The Economy**

In the Soviet period, Georgia played an important role in supplying food products and minerals and as a center of tourism for the centralized state economy. However, the republic was also heavily dependent on imports to provide products vital to industrial support. In the post-Soviet years, the Georgian economy suffered a major decline because sources of those products were no longer reliable and because political instability limited the economic reorganization and foreign investment that might support an internationalized, free-market economy. The net material product (NMP—see Glossary) already had declined by 5 percent in 1989 and by 12 percent in 1990, after growing at an annual rate of 6 percent between 1971 and 1985. In late 1993, Shevardnadze reported that industrial production had declined by 60.5 percent in 1993 and that the annual inflation rate had reached 2,000 percent, largely as a result of the economic disruption caused by military conflict within Georgia's borders.

**Conditions in the Soviet System**

Georgian nationalists contended that Georgia's role in the "division of labor" among Soviet republics was unfairly assigned
and that other republics, especially Russia, benefited from the terms of trade set by Moscow. Georgian manganese, for example, went to Soviet steel plants at an extremely low price, and Georgian agricultural goods also sold at very low prices in other republics. At the same time, Georgia paid high prices for machinery and equipment purchased elsewhere in the Soviet Union and in Eastern Europe. Despite Georgia's popularity as a tourist destination, the republic reaped few benefits because most hard-currency earnings from tourism went to Moscow and because Soviet tourists paid little for their state-sponsored "vacation packages." Georgia benefited, however, from energy prices that were far below world market levels.

Despite the ambiguities of official statistics, all evidence indicates that after 1989 Georgia experienced a disastrous drop in industrial output, real income, consumption, capital investment, and virtually every other economic indicator. For example, official statistics showed a decline in national income of 34 percent in 1992 from 1985 levels.

Obstacles to Development

Several noneconomic factors influenced the broad decline of the Georgian economy that began before independence was declared in 1991. National liberation leaders used strikes in 1989 and 1990 to gain political concessions from the communist leadership; a 1990 railroad strike, for instance, paralyzed most of the Georgian economy. In 1991 the Gamsakhurdia government ordered strikes at enterprises subordinated to ministries in Moscow as a protest against Soviet interference in South Ossetia (see Ethnic Minorities, this ch.).

Although combat in Georgia in the period after 1991 left most of the republic unscathed, the economy suffered greatly from military action. Railroad transport between Georgia and Russia was disrupted severely in 1992 and 1993 because most lines from Russia passed through regions of severe political unrest. Georgia's natural gas pipeline to the north entered Russia through South Ossetia and thus was subject to attack during the ethnic war that began in that region in late 1990. In western Georgia, Gamsakhurdia's forces and Abkhazian separatists often stopped trains or blew up bridges in 1992. As a result, supplies could only enter Georgia through the Black Sea ports of Poti and Batumi or over a circuitous route from Russia through Azerbaijan.
In both the Soviet and the post-Soviet periods, conflicts between Georgia and Moscow broke many vital links in the republic's economy. Official 1988 data showed imports to Georgia from other republics of more than 5.2 billion rubles and exports of more than 5.5 billion rubles. As a result of Gamsakhurdia's policies, goods destined for Russia were withheld by Georgian officials. The Soviet leadership, encouraged by conservative provincial leaders in the Russian regions bordering Georgia, responded with their own partial economic blockade of Georgia in late 1990 and 1991. All-union enterprises in Georgia stopped receiving most of their supplies from outside the republic. The strangling of energy resources forced much of Georgian industry to shut down in 1991.

The Underground Economy

Economic statistics for Georgia are difficult to evaluate for both the Soviet era and the post-Soviet period, primarily because of the country's large underground economy. Traditional Georgian familial and clan relations have intensified the economic corruption that infused the entire communist system. Local elites in the communist party joined with underground speculators and entrepreneurs to form an economic mafia. Repeated efforts to eradicate this phenomenon, including an aggressive effort by Shevardnadze in the early 1970s, apparently had little impact. In the postcommunist period, struggles for economic control among competing mafias have been an important part of the political conflict plaguing Georgia.

Wages and Prices

Until 1991 Georgia's price system and inflation rate generally coincided with those of the other Soviet republics. Under central planning, prices of state enterprise products were fixed by direct regulation, fixed markup rates, or negotiation at the wholesale level, with subsequent sanction by state authority. The prices of agricultural products from the private sector fluctuated freely in the Soviet system.

Once it forsook the artificial conditions of the Soviet system, Georgia faced the necessity for major changes in its pricing policy. Following the political upheaval of late 1991, which delayed price adjustments, the Georgian government raised the prices of basic commodities substantially in early 1992, to match adjustments made in most of the other former Soviet republics.
The price of bread, for example, rose from 0.4 ruble to 4.8 rubles per kilogram. By the end of 1992, all prices except those for bread, fuel, and transportation had been liberalized in order to avoid distortions and shortages. This policy brought steep inflation rates throughout 1993.

Beginning in 1991, a severe shortage of ruble notes restricted enterprises from acquiring enough currency to prevent a significant drop in real wages. In early 1992, public-sector wages were doubled, and every Georgian received an additional 40 rubles per month to compensate for the rising cost of living. Such compensatory increases were far below those in other former Soviet republics, however. In 1992 the Shevardnadze government considered wage indexing or regular adjustment of benefits to the lowest wage groups as a way of improving the public's buying power.
In mid-1993 the majority of Georgians still depended on state enterprises for their salaries, but in most cases some form of private income was necessary to live above the poverty level. Private jobs paid substantially more than state jobs, and the discrepancy grew larger in 1993. For example, in 1993 a secretary in a private company earned the equivalent of US$30 per month, while a state university professor made the equivalent of US$4 per month.

Banking, the Budget, and the Currency

In the spring of 1991, Georgian banks ended their relationship with parent banks in Moscow. The National Bank of Georgia was created in mid-1991 as an independent central national bank; its main function was to ensure the stability of the national currency, and it was not responsible for obligations incurred by the government. The National Bank also assumed all debts of Georgian banks to the state banks in Moscow. In 1992 the national system included five specialized government commercial banks and sixty private commercial banks. The five government-owned commercial banks provided 95 percent of bank credit going to the economy. They included the Agricultural and Industrial Bank of Georgia, the Housing Bank of Georgia, and the Bank for Industry and Construction, which were the main sources of financing for state enterprises during this period. Private commercial banks, which began operation in 1989, grew rapidly in 1991–92 because of favorable interest rates; new banking laws were passed in 1991 to cover their activity.

Under communist rule, transfers from the Soviet national budget had enabled Georgia to show a budget surplus in most years. When the Soviet contribution of 751 million rubles—over 5 percent of Georgia's gross domestic product (GDP—see Glossary)—became unavailable in 1991, the Georgian government ran a budget deficit estimated at around 2 billion rubles. The destruction of government records during the Tbilisi hostilities of late 1991 left the new government lacking reliable information on which to base financial policy for 1992 and beyond (see After Communist Rule, this ch.).

In 1992 the government assumed an additional 2 billion to 3 billion rubles of unpaid debts from state enterprises, raising the deficit to between 17 and 21 percent of GDP (see table 17, Appendix). By May 1992, when the State Council approved a new tax system, the budget deficit was estimated at 6 billion to
7 billion rubles. The deficit was exacerbated by military expenditures associated with the conflicts in South Ossetia and Abkhazia and by the cost of dealing with natural disasters.

The 1992 budget was restricted by a delay in the broadening of the country's tax base, the cost of assuming defense and security expenses formerly paid by the Soviet Union, the doubling of state wages, and the cost of earthquake relief in the north. When the 1993 budget was proposed, only 11 billion of the prescribed 43.6 billion rubles of expenditures were covered by revenues.

Tax reform in early 1992 added an excise tax on selected luxury items and a flat-rate value-added tax (VAT—see Glossary) on most goods and services, while abolishing the turnover and sales taxes of the communist system. In 1992 tax revenues fell below the expected level, however, because of noncompliance with new tax requirements; a government study showed that 80 percent of businesses underpaid their taxes in 1992.

In early 1993, Georgia remained in the "ruble zone," still using the Russian ruble as the official national currency. Efforts begun in 1991 to establish a separate currency convertible on world markets were frustrated by political and economic instability. Beginning in August 1993, the Central Bank of Russia began withdrawing ruble banknotes; a new unit, designated the coupon (for value of the coupon—see Glossary), became the official national currency after several months of provisional status. Rubles and United States dollars continued to circulate widely, however, especially in large transactions. After the National Bank of Georgia had established weekly exchange rates for two months, the coupon's exchange rate against the United States dollar inflated from 5,569 to 12,629. In September all salaries were doubled, setting off a new round of inflation. By October the rate had reached 42,000 coupons to the dollar.

Industry

In 1990 about 20 percent of Georgia's 1,029 industrial enterprises, including the largest, were directly administered by the central ministries of the Soviet Union. Until 1991 Georgian industry was integrated with the rest of the Soviet economy. About 90 percent of the raw materials used by Georgian light industry came from outside the republic. The Transcaucasian Metallurgical Plant at Rustavi and the Kutaisi Automotive
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Works, as well as other centers of heavy industry, depended heavily on commercial agreements with the other Soviet republics. The Rustavi plant, for example, could not operate without importing iron ore, most of which it received (and continues to receive) from Azerbaijan. The Kutaisi works depended on other republics for raw materials, machinery, and spare parts. Georgia contributed significantly to Soviet mineral output, particularly of manganese (a component of steel alloy found in the Chiatura and Kutaisi regions in west-central Georgia) and copper.

In the late 1980s, Georgia's main industrial products were machine tools, prefabricated building structures, cast iron, steel pipe, synthetic ammonia, and silk thread. Georgian refineries also processed gasoline and diesel fuel from imported crude oil. Georgian industry made its largest contributions to the Soviet Union's total industrial production in wool fabric, chemical fibers, rolled ferrous metals, and metal-cutting machine tools (see table 18, Appendix).

Energy Resources

The lack of significant domestic fuel reserves made the Georgian economy extremely dependent on neighboring republics, especially Russia, to meet its energy needs. Under the fuel supply conditions of 1994, only further exploitation of hydroelectric power could enhance energy self-sufficiency. In 1990 over 95 percent of Georgia's fuel was imported. For that reason, the collapse of the Soviet Union in 1991 caused an energy crisis and stimulated a search for alternative suppliers.

The harsh winter of 1991–92 increased fuel demand at a time when supply was especially limited. Oil imports were reduced by the conflict between Armenia and Azerbaijan, cold weather curtailed domestic hydroelectric production, and the price of fuel and energy imports from other former Soviet republics rose drastically because of Georgia's independent political stance and the new economic realities throughout the former union. Beginning in December 1991, industries received only about one-third of the energy needed for full-scale operation, and most operated far below capacity throughout 1992.

Small amounts of oil were discovered in the Samgori region (southern Georgia) in the 1930s and in eastern Georgia in the 1970s, but no oil exploration has occurred in most of the republic. In 1993 some 96 percent of Georgia's oil came from
Azerbaijan and Russia, although new supply agreements had been reached with Iran and Turkey. Oil and gas pipelines connect Georgia with Azerbaijan, Armenia, Russia, and Turkmenistan. Refinery and storage facilities in Batumi receive oil through a long pipeline from Baku in Azerbaijan.

Coal is mined in Abkhazia and near Kutaisi, but between 1976 and 1991 output fell nearly 50 percent, to about 1 million tons. The largest deposits, both of which are in Abkhazia, are estimated to contain 250 million tons and 80 million tons, respectively. Domestic coal provides half the Rustavi plant's needs and fuels some electrical power generation. In 1993 natural gas, nearly all of which was imported, accounted for 44 percent of fuel consumption.

Georgia has substantial hydroelectric potential, only 14 percent of which was in use in 1993 in a network of small hydroelectric stations. In 1993 all but eight of Georgia's seventy-two power stations were hydroelectric, but together they provided only half the republic's energy needs. In the early 1990s, Georgia's total consumption of electrical energy exceeded domestic generation by as much as 30 percent. Georgian planners see further hydroelectric development as the best domestic solution to the country's power shortage.
Agriculture

Georgia's climate and soil have made agriculture one of its most productive economic sectors; the 18 percent of Georgian land that is arable provided 32 percent of the republic's NMP in 1990. In the Soviet period, swampy areas in the west were drained, and arid regions in the east were salvaged by a complex irrigation system, allowing Georgian agriculture to expand production tenfold between 1918 and 1980. Production was hindered in the Soviet period, however, by the misallocation of agricultural land (for example, the assignment of prime grain fields to tea cultivation) and excessive specialization. Georgia's emphasis on labor-intensive crops such as tea and grapes kept the rural work force at an unsatisfactory level of productivity. Some 25 percent of the Georgian work force was engaged in agriculture in 1990; 37 percent had been so engaged in 1970 (see table 19, Appendix). In the spring of 1993, sowing of spring crops was reduced by one-third on state land and by a substantial amount on private land as well because of fuel and equipment shortages. For the first half of 1993, overall agricultural production was 35 percent less than for the same period of 1992.

Land Redistribution

Until the land-privatization program that began in 1992, most Georgian farms were state-run collectives averaging 428 hectares in size. Even under Soviet rule, however, Georgia had a vigorous private agricultural sector. In 1990, according to official statistics, the private sector contributed 46 percent of gross agricultural output, and private productivity averaged about twice that of the state farms (see table 20, Appendix). Under the state system, designated plots were leased to farmers and town dwellers for private crop and livestock raising. As during the Soviet era, more than half of Georgia's meat and milk and nearly half of its eggs came from private producers.

As was the case with enterprise privatization, Gamsakhurdia postponed systematic land reform because he feared that local mafias would dominate the redistribution process. But within weeks of his ouster in early 1992, the new government issued a land reform resolution providing land grants of one-half hectare to individuals with the stipulation that the land be farmed. Commissions were established in each village to inventory land parcels and identify those to be privatized. Limitations were placed on what the new "owners" could do with their land, and
would-be private farmers faced serious problems in obtaining seeds, fertilizer, and equipment. By the end of 1993, over half the cultivated land was in private hands. Small plots were given free to city dwellers to relieve the acute food shortage that year.

**Crop Distribution**

In 1993 about 85 percent of cultivated land, excluding orchards, vineyards, and tea plantations, was dedicated to grains. Within that category, corn grew on 40 percent of the land, and winter wheat on 37 percent. The second most important agricultural product is wine. Georgia has one of the world's oldest and finest winemaking traditions; archaeological findings indicate that wine was being made in Georgia as early as 300 B.C. Some forty major wineries were operating in 1990, and about 500 types of local wines were made. The center of the wine industry is Kakhetia in eastern Georgia. Georgia is also known for the high quality of its mineral waters.

Other important crops are tea, citrus fruits, and noncitrus fruits, which account for 18.3 percent, 7.7 percent, and 8.4 percent of Georgia's agricultural output, respectively. Cultivation of tea and citrus fruits is confined to the western coastal area. Tea accounts for 36 percent of the output of the large food-processing industry, although the quality of Georgian tea dropped perceptibly under Soviet management in the 1970s and 1980s. Animal husbandry, mainly the keeping of cattle, pigs, and sheep, accounts for about 25 percent of Georgia's agricultural output, although high density and low mechanization have hindered efficiency.

Until 1991 other Soviet republics bought 95 percent of Georgia's processed tea, 62 percent of its wine, and 70 percent of its canned goods (see table 21; table 22, Appendix). In turn, Georgia depended on Russia for 75 percent of its grain. One-third of Georgia's meat and 60 percent of its dairy products were supplied from outside the republic. Failure to adjust these relationships contributed to Georgia's food crises in the early 1990s.

**Transportation and Telecommunications**

Georgia's location makes it an important commercial transit route, and the country inherited a well-developed transportation system when it became independent in 1991. However, lack of money and political unrest have cut into the system's maintenance and allowed it to deteriorate somewhat since
independence. Fighting in and around the secessionist Abkhazian Autonomous Republic in the northwest has isolated that area and also has cut some of the principal rail and highway links between Georgia and Russia.

In 1990 Georgia had 35,100 kilometers of roads, 31,200 kilometers of which were paved (see fig. 15). Since the nineteenth century, Tbilisi has been the center of the Caucasus region's highway system, a position reinforced during the Soviet era. The country's four principal highways radiate from Tbilisi roughly in the four cardinal directions. Route M27 extends west from the capital through the broad valley between the country's two main mountain ranges and reaches the Black Sea south of Sukhumi. The highway then turns northwest along the Black Sea to the Russian border. A secondary road, Route A305, branches off Route M27 and carries traffic to the port of Poti. Another secondary road runs south along the Black Sea coast from Poti to the port of Batumi. From Batumi a short spur of about ten kilometers is Georgia's only paved connection with Turkey.

Route A301, more commonly known as the Georgian Military Highway, runs north from Tbilisi across the Greater Caucasus range to Russia. The route was first described by Greek geographers in the first century B.C. and was the only land route north into Russia until the late 1800s. The route contains many hairpin turns and winds through several passes higher than 2,000 meters in elevation before reaching the Russian border. Heavy snows in winter often close the road for short periods. The country's other two main highways connect Tbilisi with the neighboring Transcaucasian countries. Route A310 runs south to Erevan, and Route A302 extends east across a lower portion of the Greater Caucasus range to Azerbaijan. All major routes have regular and frequent bus transport.

Georgia had 1,421 kilometers of rail lines in 1993, excluding several small industrial lines. In the early 1990s, most lines were 1.520-meter broad gauge, and the principal routes were electrified. The tsarist government built the first rail links in the region from Baku on the Caspian Sea through Tbilisi to Poti on the Black Sea in 1883; this route remains the principal rail route of Transcaucasia. Along the Black Sea, a rail route extends from the main east-west line into Russia, and two lines run south from Tbilisi—one to Armenia and the other to Azerbaijan. Spurs link these main routes with smaller towns in Georgia's broad central valley. Principal classification yards and
rail repair services are in Batumi and Tbilisi. Most rail lines provide passenger service, but in 1994 international passenger service was limited to the Tbilisi-to-Baku train. Because of fighting in Abkhazia, freight and passenger service to Russia has been suspended, with only the section from Tbilisi to the port of Poti still operative. Service on the Tbilisi-to-Erevan line has also been disrupted because the tracks pass through the area of armed conflict between Armenia and Azerbaijan.

Tbilisi was one of the first cities of the Soviet Union to have a subway system. The system consists of twenty-three kilometers of heavy rail lines, most of which are underground. Three lines with twenty stations radiate from downtown, with extensions either planned or under construction in 1994. The system is heavily used, and trains run at least every four minutes throughout the day. In 1985, the last year of available statistics, 145 million passengers were carried, about the same number of passengers that used Washington, D.C.'s Metrorail system in 1992.

Georgia's principal airport, Novoalekseyevka, is about eighteen kilometers northeast of downtown Tbilisi. With a runway approximately 2,500 meters long, the airport can accommodate airplanes as large as the Russian Tu-154, the Boeing 727, and the McDonnell Douglas DC-9. In 1993 the airport handled about 26,000 tons of freight. Orbis, the new state-run airline, provides service to neighboring countries, flights to several destinations throughout Russia, and direct service to some European capitals. Between 1991 and 1993, fuel shortages severely curtailed air passenger and cargo service, however. Eighteen other airports throughout the country have paved runways, but most are used for minor freight transport.

Georgia's Black Sea ports provide access to the Mediterranean Sea via the Bosphorus. Georgia has two principal ports, at Poti and Batumi, and a minor port at Sukhumi. Although Batumi has a natural harbor, Poti's man-made harbor carries more cargo because of that city's rail links to Tbilisi. The port at Poti can handle ships having up to ten meters draught and 30,000 tons in weight. Altogether, nine berths can process as much as 100,000 tons of general cargo, 4 million tons of bulk cargo, and 1 million tons of grain per year. Facilities include tugboats, equipment for unloading tankers, a grain elevator, 22,000 square meters of covered storage area, and 57,000 square meters of open storage area. Direct onloading of containers to rail cars is available. The port primarily handles
imports of general cargo and exports of grain, coal, and ores. Poti is ice-free, but in winter strong west winds can make entry into the port hazardous.

Batumi’s natural port is located on a bay just northeast of the city. Eight alongside berths have a total capacity of 100,000 tons of general cargo, 800,000 tons of bulk cargo, and 6 million tons of petroleum products. Facilities include portal cranes, loaders for moving containers onto rail cars, 5,400 square meters of covered storage, and 13,700 square meters of open storage. The port lies at the end of the Transcaucasan pipeline from Baku and is used primarily for the export of petroleum and petroleum products. The port’s location provides some protection from the winds that buffet Poti. However, strong winds can
cause dangerous currents in the port area, forcing ships to remain offshore until conditions improve.

Sukhumi, capital of the Abkhazian Autonomous Republic, is a small port that handles limited amounts of cargo, passenger ferries, and cruise ships. Imports consist mostly of building materials, and the port handles exports of local agricultural products, mostly fruit. Strong westerly and southwesterly winds make the port virtually unusable for long periods in the autumn and winter. Sukhumi has been unavailable to Georgia since Georgian forces abandoned the city during the conflict of the autumn of 1993.

In 1992 Georgia had 370 kilometers of crude oil pipeline, 300 kilometers of pipeline for refined petroleum products, and 440 kilometers of natural gas pipeline. Batumi is the terminus of a major oil pipeline that transports petroleum from Baku across the Caucasus for export. Two natural gas pipelines roughly parallel the route of the oil pipeline from Baku to Tbilisi before veering north along the Georgian Military Highway to Russia. Pipelines are generally high-capacity lines and have a diameter of either 1,020 or 1,220 millimeters.

Historically, Georgia was an important point on the Silk Road linking China with Europe. Since independence Georgians have discussed resuming this role by turning the republic into a modern transportation and communications hub. Such a plan might also make the republic a "dry Suez" for the transshipment of Iranian oil west across the Caucasus.

In 1991 about 672,000 telephone lines were in use, providing twelve lines per 100 persons. The waiting list for telephone installation was quite long in the early 1990s. Georgia is linked to the CIS countries and Turkey by overland lines, and one low-capacity satellite earth station is in operation. Three television stations, including the independent Iberia Television, and numerous radio stations broadcast in Georgian and Russian.

Economic Reform

Like all the former Soviet republics, Georgia recognized the need to restructure its economic system in the early 1990s, using national economic strengths to accommodate its own needs rather than the needs of central planners in Moscow. The road to reform has been full of obstacles, however: poor political leadership, the economic decline that began in the 1980s, civil war, and a well-established underground economy that is difficult to control.
Price Policy

Gamsakhurdia understood little about economics, and he postponed major economic reforms to avoid weakening his political position. In an effort to maintain popular support, he stabilized fares for public transportation and prices for basic consumer goods in state retail outlets (see table 22, Appendix). In March 1991, a new rationing system bound local residents to neighborhood shops. In April 1991, price controls were imposed in state stores. Price liberalization began only after Gamsakhurdia's departure as president, and it did not cover several basic consumer goods and services. Continued food subsidies were an additional factor contributing to the national budget deficit. In the interest of stimulating competition, a government decree removed restrictions on trade in May 1992, and at the same time taxes were eliminated on goods brought into Georgia. Persistent shortages of bread led the government to introduce ration cards for bread in December 1992. Under these conditions, inflation soared in private markets in 1991–92, although prices remained substantially lower than in Moscow for similar items.

In 1993 wholesale prices increased especially quickly under the influence of falling productivity. In the second half of 1993, the construction industry was hit hard by material cost increases of up to thirty times, although gasoline prices rose only gradually. The prices of heavy engineering and ferrous-metallurgy products rose by three to five times in the second half of 1993.

Enterprise Privatization

Another key element of economic reform, privatization of state enterprises, was stifled under Gamsakhurdia. He feared that the "economic mafia," which already owned a significant share of the nation's wealth, would use that wealth to accumulate state assets. Rapid growth had already occurred in the private retail sector, however, once cooperative enterprises began expanding in 1988. In 1990–91 privately run "commercial shops" began proliferating, often in place of state stores. Typically, these shops offered consumer goods brought from Turkey and resold at very high prices. The Law on Privatization of State Enterprises was adopted in August 1991 to outline general principles, and the Committee on Privatization was established in 1992. Under Shevardnadze, privatization began cautiously in August 1992 when the State Council adopted the
State Program on the Privatization of State Enterprises. The law copied Russia's approach to privatization by providing for several methods, including "popular privatization," consisting of a combination of vouchers distributed to the public and auctions of state enterprises. The country's political crises delayed meaningful measures, however. By 1993 few Georgian industries had been privatized, although large numbers of small enterprises were scheduled for privatization in 1993 and 1994.

**Foreign Trade**

In the Soviet period, Georgian trade with the world outside the Soviet Union was severely restricted by Moscow's foreign economic policy (see table 23, Appendix). Almost all of Georgian foreign economic activity was conducted by fourteen central enterprises, most of which operated under the direct management of Moscow. Bulgaria, Czechoslovakia, Germany, Japan, and Poland were among the most important of Georgia's trading partners (see table 24, Appendix). Gamsakhurdia, suspicious of businessmen who sought to export Georgian goods, banned all export activity. The Shevardnadze government, however, created conditions for significant improvement of international investment and trade. In May 1992, licensing requirements for import or export activities were dropped except for the import of goods in the military and in medical categories. This change represented a significant expansion of the rights of enterprises to engage in foreign economic activity. Export of twelve commodities, mostly foodstuffs, was still prohibited at the end of 1992. Fees and other restrictions on the registration of joint ventures were removed, and the state tax on all imports was canceled. Import duties ranged from 5 to 55 percent, and export duties from 5 to 90 percent, with an exemption for former Soviet republics; the VAT on exports dropped to 14 percent in late 1992. The National Bank of Georgia imposed a tax of 12 percent on exporters' hard-currency earnings. In early 1993, new trade policies had not led to major increases in foreign trade and investment. Continued political instability, ethnic warfare, and extremely poor transportation and telecommunications facilities continued to discourage foreign investors in 1993.

In the second half of 1993, continued military upheaval did not entirely deter progress in foreign investment. The Renault automobile company of France, the German Tee Kanes tea company, and British and Dutch liquor companies signed con-
tracts in August, and officials of Mitsubishi and an American shipbuilder visited Georgia to assess investment conditions.

**Government and Politics**

In the late 1980s and the early 1990s, the tone of Georgian political life changed significantly. National elections held in 1989, 1990, and 1992 reflected that change. The nature of governance in newly independent Georgia was most influenced by the personalities of two men, Zviad Gamsakhurdia and Eduard Shevardnadze. But democratic institutions evolved slowly and sporadically in the early 1990s.

**Establishing Democratic Institutions**

Prior to the 1989 elections, the Georgian Communist Party maintained tight control over the nomination process. Even in 1989, candidates ran unopposed in forty-three of seventy-five races, and elsewhere pairings with opposition candidates were manipulated to guarantee results favoring the party. In Tbilisi grassroots movements succeeded in nominating three candidates to the Georgian Supreme Soviet in 1989. The leaders of these movements were mostly young intellectuals who had not been active dissidents. Many of those figures later joined to form a new political party, Democratic Choice for Georgia, abbreviated as DASi in Georgian. Because of expertise in local political organization, DASi played a leading role in drafting legislation for local and national elections between 1990 and 1992.

The death of the Tbilisi demonstrators in April 1989 led to a major change in the Georgian political atmosphere. Radical nationalists such as Gamsakhurdia were the primary beneficiaries of the national outrage following the April Tragedy. In his role as opposition leader, Gamsakhurdia formed a new political bloc in 1990, the Round Table/Free Georgia coalition.

In 1990 Georgia was the last Soviet republic to hold elections for the republic parliament. Protests and strikes against the election law and the nominating process had led to a six-month postponement of the elections until October 1990. Opposition forces feared that the political realities favored entrenched communist party functionaries and the enterprise and collective farm officials they had put in place. According to reports, about one-third of the 2,300 candidates for the Supreme Soviet fell into this category.
The electoral system adopted in August 1990, which represented a compromise between competing versions put forward by the Patiashvili government and the opposition, created the first truly multiparty elections in the Soviet Union. The new Georgian election law combined district-level, single-mandate, majority elections with a proportional party list system for the republic as a whole; a total of 250 seats would constitute the new parliament. On one hand, the proportional voting system required that a party gain at least 4 percent of the total votes to achieve representation in parliament. On the other hand, candidates with strong local support could win office even if their national totals fell below the 4 percent threshold. When the elections finally were held, widespread fears of violence or communist manipulation (expressed most vocally by Gamsakhurdia) proved unfounded.
The 1990 Election

The 1990 parliamentary election was a struggle between what remained of the Georgian Communist Party, which still held power at that point, and thirty-one opposition parties constituting the Georgian national movement. The national movement was not completely represented in the official election, however, because many opposition parties organized separate elections to an alternative body called the Georgian National Congress. An important factor in the results was a provision in the election law that forbade members of the communist party to run simultaneously on the ticket of another party. (By contrast, in this interim period other Soviet republics allowed even proponents of radical reform to retain their communist party memberships while representing popular fronts and similar organizations.)

The election decisively rejected the communists and gave a resounding popular mandate to the Round Table/Free Georgia bloc that Gamsakhurdia headed. That coalition captured 54 percent of the proportional vote to gain 155 seats out of the 250 up for election, while the communists gained 64 seats and 30 percent of the proportional vote. Communist strongholds remained in Azerbaijani and Armenian districts of southern Georgia. No other party reached the 4 percent share necessary for representation in the party-list system, and only a handful of candidates from other parties won victories in the individual district races. Boycotts prevented voting in two districts of Abkhazia and in two districts of South Ossetia.

Gamsakhurdia raised initial hopes for compromise in his new government by withdrawing Round Table/Free Georgia candidacies from runoffs against the opposition Popular Front Party in twelve races. That move ensured the election of Popular Front candidates as individuals in those contests; otherwise, the 4 percent rule would have precluded representation for the Popular Front.

The Gamsakhurdia Government

Gamsakhurdia's choice to head the new government, Tengiz Sigua, was almost universally praised. Sigua, formerly director of a metallurgy institute, had been an adroit and evenhanded deputy chairman of the Central Election Commission supervising the 1990 election. The government formed by Gamsakhurdia included many officials who lacked previous government
experience. Only one full minister was retained from the communist government, although former deputy ministers were frequently promoted to the top post in ministries concerned with the economy. Initially, the large number of remaining communist deputies formed no organized opposition bloc in the parliament. In fact, the communist party faded rapidly from the scene, and most of its property and publishing facilities were seized. The large, modern facility Shevardnadze had built for the party's Central Committee was taken over by the Cabinet of Ministers. The rapid decline of the communists showed that the major attraction of communist party membership had been the party's position of power; once that power was lost, the number of active communists dropped almost to zero. When the new first secretary of the party ran against Gamsakhurdia for president in 1991, he received less than 2 percent of the vote. After the August 1991 coup in Moscow, Gamsakhurdia banned the communist party, and deputies elected to parliament on the communist ticket were deprived of their seats.

Gamsakhurdia's Ouster and Its Aftermath

A small but vocal parliamentary opposition to Gamsakhurdia began to coalesce after August 1991, particularly after government forces reportedly fired on demonstrators in September. At this time, several of Gamsakhurdia's top supporters in the Round Table/Free Georgia bloc joined forces with the opposition. However, the opposition was unable to convince Gamsakhurdia to call new elections in late 1991. The majority of deputies, most of whom owed their presence in parliament to Gamsakhurdia, supported him to the end. Indeed, a significant number of deputies followed Gamsakhurdia into exile in Chechnya, where they continued to issue resolutions and decrees condemning the "illegal putsch."

In the aftermath of Gamsakhurdia's ouster in January 1992, parliament ceased to function, and an interim Political Consultative Council was formed. Its membership would include representatives of ten political parties, a select group of intellectuals, and several opposition members of parliament. This council was intended to serve as a substitute parliament, although it only had the right to make recommendations. Legislative functions were granted to a new and larger body, the State Council, created in early March 1992. By May 1992, the State Council had sixty-eight members, including representa-
tives of more than thirty political parties and twenty social movements that had opposed Gamsakhurdia. Efforts were also made to bring in representatives of Georgia's ethnic minorities, although no Abkhazian or Ossetian representatives participated in the new council.

Almost immediately after Gamsakhurdia's ouster, Sigua resumed his position as prime minister and created a working group to draft a new election law that would legitimize the next elected government. Immediately after the overthrow of Gamsakhurdia, the new government feared that Gamsakhurdia retained enough support in Georgia to regain power in the next election. As a result, in March the State Council adopted an electoral system based on the single transferable vote. The system would virtually guarantee representation by small parties and make it difficult for a party list headed by one prominent figure to translate a majority of popular votes into parliamentary control.

New Parties and Shevardnadze's Return

After his return to Georgia in March 1992, Shevardnadze constantly stressed the temporary nature of the new power structure and called for elections as soon as possible. But the leadership postponed balloting until October 1992 because it lacked effective political control over many regions of the country and because of factional wrangling over the new election law. Registration of political parties, which had been suspended by Gamsakhurdia in 1991, resumed early in 1992. Among new party registrants was the Democratic Union, a group consisting mostly of former members and officials of the communist party. Claiming a broad mass following, this party had organizations in most regions of the country. Although wooed by the Democratic Union and other parties, Shevardnadze avoided party affiliation in order to maintain his independent position. The parliament that would be elected in October 1992 clearly would be an interim body given the task of writing a new constitution. Accordingly, the term of office was set for three years.

The Election of 1992

After a series of last-minute changes, the electoral system for October 1992 was a compromise combination of single-member districts and proportional voting by party lists. To give regional parties a chance to gain representation, separate party
lists were submitted for each of ten historical regions of Georgia. In a change from the 1990 system, no minimum percentage was set for a party to achieve representation in parliament if the party did sufficiently well regionally to seat candidates. Forty-seven parties and four coalitions registered to participate in the 1992 election. For the first time, the Central Election Commission accepted the registration of every party that submitted an application.

The largest of the electoral alliances, and one of the most controversial, was the Peace Bloc (Mshvidoba). This broad coalition of seven parties ranged from the heavily ex-communist Democratic Union to the Union for the Revival of Ajaria, a party of the conservative Ajarian political elite. Ultimately, the strong programmatic differences among the seven parties would render the Peace Bloc ineffective as a parliamentary fac-
tion. The Democratic Union filled as much as 70 percent of the places given the coalition on the party lists. In the 1992 election, the Peace Bloc drew a plurality of votes, thus earning the coalition twenty-nine seats in parliament.

The second most important coalition, the October 11 Bloc, included moderate reform leaders of four parties. Members typically had academic backgrounds with few or no communist connections, and the median age of bloc leaders was about fifteen years less than that of the Democratic Union leadership. The October 11 Bloc won eighteen seats, the second largest number in the 1992 election.

A third coalition, the Unity Bloc (Ertoba), lost two of its four member parties before the election. Many of the leaders of the Liberal-Democratic National Party, one of the two remaining constituent parties of the Unity Bloc, were, like the leaders of the Democratic Union, former communist officials who continued to hold influential posts in the Georgian government and the mass media. Both the Peace Bloc and the Unity Bloc put prominent cultural figures at the top of their electoral lists to gain attention.

Shevardnadze's actions were crucial in building the foundation for the 1992 election. From the time of his return to Georgia, Shevardnadze enjoyed unparalleled respect and recognition. Because of his unique position, the State Council acted to separate Shevardnadze from party politics by creating a potentially powerful new elected post, chairman of parliament, which would also be contested in the October elections. Because no other candidate emerged, Shevardnadze was convinced to forgo partisan politics and grasp this opportunity for national leadership.

The elections took place as scheduled in October 1992 in most regions of the country. International monitors from ten nations reported that, with minor exceptions, the balloting was free and fair. Predictably, Gamsakhurdia declared the results rigged and invalid. Interethnic tensions and Gamsakhurdia's activity forced postponement of elections in nine of the eighty-four administrative districts, located in Abkhazia, South Ossetia, and western Georgia. Voters in those areas were encouraged to travel to adjoining districts, however, to vote in all but the regional races. Together, the nonvoting districts represented 9.1 percent of the registered voters in Georgia. In no voting district did less than 60 percent of eligible voters participate.
An important factor in the high voter turnout was the special ballot for Shevardnadze as chairman of the new parliament; a large number of voters cast ballots only for Shevardnadze and submitted blank or otherwise invalid ballots for the other races. Shevardnadze received an overwhelming endorsement, winning approximately 96 percent of the vote. In all, fifty-one of the ninety-two members of the previous State Council were elected to the new parliament. The four sitting members of the State Council Presidium (Shevardnadze, Ioseliani, Sigua, and Kitovani) also were reelected.

Formation of the Shevardnadze Government

An immediate goal after Shevardnadze's return was to avoid repeating the one-man rule imposed by Gamsakhurdia while keeping a sufficiently tight grip on central power to prevent regional separatism. The newly elected parliament convened for the first time in November 1992. The lack of dominant parties and the large number of independent deputies ensured that Shevardnadze would dominate parliamentary sessions. The precise role of Shevardnadze was not clear at the time of the elections; on November 6, the parliament ratified proposals on this subject in the Law on State Power. Instead of reestablishing the post of president that had been created by—and was still claimed by—Gamsakhurdia, parliament gave Shevardnadze a new title, head of state. In theory, parliament was to elect the holder of this office, although in practice the position was understood to be combined with the popularly elected post of chairman of the parliament. Thus an impasse between the executive and the legislative branches was avoided by giving the same person a top role in both, but the division of power between the branches remained unclear in early 1994.

The Cabinet

The government team selected by Shevardnadze, called the Cabinet of Ministers, was quickly approved by parliament in November 1992. Tengiz Sigua returned as prime minister. Four deputy prime ministers were chosen in November 1992, including Tengiz Kitovani, former head of the National Guard and minister of defense in the new cabinet. In December 1992, the Presidium of the Cabinet of Ministers was created. This body included the prime minister and his deputy prime ministers, as well as the ministers of agriculture, economics, finance, foreign affairs, and state property management.
In December 1992, the Georgian government included eighteen ministries, four state committees, and fifteen departments, which together employed more than 7,600 officials. Many appointees to top government posts, including several ministers, had held positions in the apparatus of the Georgian Communist Party. Although Shevardnadze's early appointments favored his contemporaries and former associates, by late 1993 about half of the positions in the top state administrative apparatus were held by academics. Less than 10 percent were former communists, about 75 percent were under age forty, and more than half came from opposition parties.

In September 1993, the cabinet included the following ministries: agriculture and the food industry; communications; culture; defense; economic reform; education; environment; finance; foreign affairs; health; industry; internal affairs; justice; labor and social security; state property management; and trade and supply. Each of the five deputy prime ministers supervised a group of ministries.

In practice, the Cabinet of Ministers was a major obstacle to reform in 1993. Pro-reform ministers were isolated by the domination of former communists in the Presidium, which stood between Shevardnadze and the administrative machinery of the ministries. In 1993 Shevardnadze himself was reluctant to push hard for the rapid reforms advocated by progressives in parliament. The cabinet was superficially restructured in August 1993, but reformers clamored for a smaller cabinet under direct control of the head of state.

**Parliament**

In 1993 some twenty-six parties and eleven factions held seats in the new parliament, which continued to be called the Supreme Soviet. The legislative branch's basic powers were outlined in the Law on State Power, an interim law rescinding the strict limits placed on legislative activity by Gamsakhurdia's 1991 constitution. Thus in 1993 the parliament had the power to elect and dismiss the head of state by a two-thirds vote; to nullify laws passed by local or national bodies if they conflicted with national law; to decide questions of war and peace; to reject any candidate for national office proposed by the head of state; and, upon demand of one-fifth of the deputies, to declare a vote of no confidence in the sitting cabinet.

Activity within the legislative body was prescribed by the Temporary Regulation of the Georgian Parliament. The parlia-
ment as a whole elected all administrative officials, including a speaker and two deputy speakers. Seventeen specialized commissions examined all bills in their respective fields. The speaker had little power over commission chairs or over deputies in general, and parliament suffered from an inefficient structure, insufficient staff, and poor communications. The two days per week allotted for legislative debate often did not allow full consideration of bills.

The major parliamentary reform factions—the Democrats, the Greens, the Liberals, the National Democrats, and the Republicans—were not able to maintain a coalition to promote reform legislation. Of that group, the National Democrats showed the most internal discipline. Shevardnadze received support from a large group of deputies from single-member districts, aligned with Liberals and Democrats. His radical opposition, a combination of several very small parties, was weakened by disunity, but it frequently was able to obstruct debate. The often disorderly parliamentary debates reduced support among the Georgian public, to whom sessions were widely televised.

In November 1993, Shevardnadze was able to merge three small parties with a breakaway faction of the Republicans to form a new party, the Union of Citizens of Georgia, of which he became chairman. This was a new step for the head of state, who previously had refrained from political identification and had relied on temporary coalitions to support his policies. At the same time, Shevardnadze also sought to include the entire loose parliamentary coalition that had recently supported him, in a concerted effort to normalize government after the Abkhazian crisis abated.

The Chief Executive

The 1992 Law on State Power gave Shevardnadze power beyond the executive functions of presidential office. As chairman of parliament, he had the right to call routine or extraordinary parliamentary sessions, preside over parliamentary deliberations, and propose constitutional changes and legislation. As head of state, Shevardnadze nominated the prime minister, the cabinet, the chairman of the Information and Intelligence Service, and the president of the National Bank of Georgia (although the parliament had the right of approval of these officials).
Without parliamentary approval, the head of state appointed all senior military leaders and provincial officials such as prefects and mayors. Additional power came from his control of the entire system of state administration, and he could form his own administrative apparatus, which had the potential to act as a shadow government beyond the control of any other branch. Key agencies chaired by Shevardnadze in 1993 were the Council for National Security and Defense, the Emergency Economic Council, and the Scientific and Technical Commission, which advised on military and industrial questions.

In response to calls by the opposition for his resignation during the Abkhazian crisis of mid-1993, Shevardnadze requested and received from parliament emergency powers to appoint all ministers except the prime minister and to issue decrees on economic policy without legislative approval. When the Sigua government resigned in August, parliament quickly approved Shevardnadze's nomination of industrialist Otar Patsatsia as prime minister. Although Shevardnadze argued that greater central power was necessary to curb turmoil, his critics saw him setting a precedent for future dictatorship and human rights abuses.

The Judicial System

When Georgia was part of the Soviet Union, the Supreme Court of Georgia was subordinate to the Supreme Court of the Soviet Union, and the rule of law in Georgia, still based largely on the Soviet constitution, included the same limitations on personal rights. Beginning in 1990, the court system of Georgia began a major transition toward establishment of an independent judiciary that would replace the powerless rubber-stamp courts of the Soviet period. The first steps, taken in late 1990, were to forbid Supreme Court judges from holding communist party membership and to remove Supreme Court activities from the supervision of the party. After the overthrow of Gamsakhurdia, the pre-Soviet constitution of 1921 was restored, providing the legal basis for separation of powers and an independent court. Substantial opposition to actual independence was centered in the Cabinet of Ministers, however, some of whose members would lose de facto judicial power.

The Supreme Court

In 1993 the Supreme Court had thirty-nine members, of
whom nine worked on civil cases and thirty on criminal cases. All judges had been elected for ten-year terms in 1990 and 1991. Shevardnadze made no effort to replace judges elected under Gamsakhurdia, although they had been seated under a different constitutional system. The Supreme Court's functions include interpreting laws, trying cases of serious criminal acts and appeals of regional court decisions, and supervising application of the law by other government agencies.

**The Procurator General**

The postcommunist judicial system has continued the multiple role of the procurator general's office as an agency of investigation, a constitutional court supervising the application of the law, and the institution behind prosecution of crimes in court. In 1993 the procurator general's office retained a semimilitary structure and total authority over the investigation of court cases; judges had no power to reject evidence gained improperly. Advocates of democratization identified abolition of the office of procurator general as essential, with separation of the responsibilities of the procurator general and the courts as a first step.

**Prospects for Reform**

All parties in Georgia agreed that judicial reform depended on passage of a new constitution delineating the separation of powers. If such a constitution prescribed a strong executive system, the head of state would appoint Supreme Court judges; if a parliamentary system were called for, parliament would make the court appointments. In early 1994, however, the constitution was the subject of prolonged political wrangling that showed no sign of abating. At that point, experts found a second fundamental obstacle to judicial reform in a national psychology that had no experience with democratic institutions and felt most secure with a unitary, identifiable government power. Reform was also required in the training of lawyers and judges, who under the old system entered the profession through the sponsorship of political figures rather than on their own merit.

**Regional Courts**

Until the Gamsakhurdia period, regional courts were elected by regional party soviets; since 1990 regional courts have been appointed by regional officials. After the beginning
of ethnic struggles in South Ossetia and Abkhazia, regional military courts also were established. The head of state appoints military judges, and the Supreme Court reviews military court decisions. The Tbilisi City Court has separate jurisdiction in supervising the observance of laws in the capital city.

The Constitution

Under Gamsakhurdia, Georgia had continued to function under the Soviet-era constitution of 1978, which was based on the 1977 constitution of the Soviet Union. The first postcommunist parliament amended that document extensively. In February 1992, the Georgian National Congress (the alternate parliament elected in 1990) formally designated the Georgian constitution of February 21, 1921, as the effective constitution of Georgia. That declaration received legitimacy from the signatures of Jaba Ioseliani and Tengiz Kitovani, at that time two of the three members of the governing Military Council.

In February 1993, Shevardnadze called for extensive revisions of the 1921 constitution. Characterizing large sections of that document as wholly unacceptable, Shevardnadze proposed forming a constitutional commission to draft a new version by December 1993. According to Shevardnadze’s timetable, the draft would be refined by parliament in the spring of 1994 and then submitted for approval by popular referendum in the fall of 1994.

Human Rights

Human rights protection and media freedom have been hindered in postcommunist Georgia by the national government’s assumption of central executive power to deal with states of political and military emergency and by the existence of semi-independent military forces. In 1993 the expression of opposition views in the independent media was interrupted by official and unofficial actions against newspapers and broadcasters, despite a stated policy that expression of antigovernment views would be tolerated if not accompanied by violent acts.

Both sides of the Abkhazian conflict claimed widespread interference with civilian human rights by their opponents. Among the charges were abuse of military prisoners, the taking of civilian hostages, and the shelling and blockading of civilian areas. In 1993 the Shevardnadze government began addressing claims of human rights abuses by its military forces and police, particularly against Gamsakhurdia partisans and the Abkhazian
population. In January the Parliamentary Commission on Human Rights and Ethnic Minority Affairs formed the Council of Ethnic Minorities, which met with representatives of the Meskhetian Turk exile population to resolve the grievances of that group. At the same time, the Interethic Congress of the People of Georgia was formed to improve ethnic Georgians' appreciation of minority rights.

Despite the government's efforts, the Abkhazian conflict continued the tension between necessary wartime controls and the need to protect human rights. In June 1993, the international human rights group Helsinki Watch cited Georgia for political persecution, media obstruction, and military abuses of civilian rights, and in October the United States listed human rights progress as a prerequisite for continued economic aid.

The Media

The 1992 Law on the Press nominally reversed the rigorous state censorship of the Soviet and Gamsakhurdia periods and guaranteed freedom of speech. In 1993 Georgian law contained no prohibition of public criticism of the head of state, and Shevardnadze was subjected to accusations and comments from every direction. Three television channels are in operation; one, Ibervision, is run independently. Numerous independent newspapers are published; Sakartvelos Respulika (The Georgian Republic) presents the official government view in the daily press.

Despite some liberalization, in 1994 national security remained a rationale for media restriction. During the crisis of September 1993, two pro-Gamsakhurdia newspapers were closed, and the office of an independent weekly was attacked by gunmen. The Free Media Association, an organization composed of eight independent newspapers, blamed a progovernment party for the attack. After his controversial decision in October to join the CIS, Shevardnadze threatened to close hostile newspapers, and no television channel discussed the widespread disagreement with the head of state's CIS initiative.

Foreign Relations

Georgia's long tradition as a crossroads of East-West commerce was interrupted by the trade practices of the Soviet Union and then by Gamsakhurdia's isolationist policy. Although the Shevardnadze government sought to revive the national economy by reinstating ties with both East and West,
in 1992 and 1993 domestic turmoil prevented major steps in that direction. In 1993 Shevardnadze traveled widely among the former Soviet republics (Azerbaijan, Kazakhstan, Russia, and Turkmenistan) and elsewhere (Germany, China, and the headquarters of the North Atlantic Treaty Organization in Belgium) to solidify Georgia's international position and to solicit aid. By September, Georgia had diplomatic relations with seventy-eight countries and economic cooperation treaties with sixteen.

The Soviet and Gamsakhurdia Periods

Soviet policy effectively cut traditional commercial and diplomatic links to Turkey, which became a member of the North Atlantic Treaty Organization (NATO—see Glossary) in 1952, and to Iran, a United States ally until the late 1970s. Instead, virtually all transportation and commercial links were directed to Russia and the other Soviet republics. The same redirection occurred with diplomatic ties, which the Ministry of Foreign Affairs of the Soviet Union controlled. Shevardnadze's presence as Soviet foreign minister from 1985 to 1990 provided little direct benefit to Georgia aside from the large number of high-ranking guests who visited the republic in that period. That group included Britain's Prime Minister Margaret Thatcher and United States Secretary of State George Shultz.

Under Gamsakhurdia, Georgia's efforts to break out of the diplomatic isolation of the Soviet period were stymied by the reluctance of the outside world to recognize breakaway republics while the Soviet Union still existed. Romania, which granted recognition in August 1991, was one of the few countries to do so during the Gamsakhurdia period. Several Georgian delegations came to the United States in 1991 in an effort to establish diplomatic ties, but Washington largely ignored those efforts. Given stable internal conditions, the dissolution of the Soviet Union in late 1991 would have released Georgia from its isolation, but by that time the revolt against Gamsakhurdia was in full force. After the violent overthrow of Gamsakhurdia, other governments were reluctant to recognize the legitimacy of his successors. This situation changed in March 1992, when the internationally prominent Shevardnadze returned to Georgia and became chairman of the State Council.

In 1992 and 1993, United States aid to Georgia totaled US$224 million, most of it humanitarian, placing Georgia sec-
ond in United States aid per capita among the former Soviet republics. In September 1993, Shevardnadze appealed directly to the United States Congress for additional aid. At that time, President William J. Clinton officially backed Shevardnadze's efforts to maintain the territorial integrity of Georgia. Reports of human rights offenses against opposition figures, however, brought United States warnings late in 1993 that continued support depended on the Georgian government's observance of international human rights principles.

The Foreign Policy Establishment

In his role as head of the State Council, Shevardnadze exerted a strong and direct influence on Georgia's foreign policy prior to the 1992 election. The additional post of head of state, which he acquired after the election, gave him the right to conduct negotiations with foreign governments and to sign international treaties and agreements. In the Sigua cabinet, the Ministry of Foreign Affairs was headed by Alexander Chikhvaidze, who had worked previously in the Ministry of Foreign Affairs of the Soviet Union and was serving as Soviet ambassador to the Netherlands at the time of his appointment in Tbilisi. The Council for National Security and Defense was created in late 1992 to formulate strategic and security policy under the chairmanship of the head of state (see National Security, this ch.).

Revived Contacts in 1992

Shevardnadze's diplomatic contacts and personal relationships with many of the world's leaders ended Georgia's international isolation in 1992. In March, Germany became the first Western country to post an ambassador to Georgia; Shevardnadze's close relations with German foreign minister Hans-Dietrich Genscher were a key factor in that decision. Recognition by the United States came in April 1992, and a United States embassy was opened in June 1992. Georgia became the 179th member of the United Nations in July 1992; it was the last of the former Soviet republics to be admitted. By December 1992, six countries had diplomatic missions in Tbilisi: China, Germany, Israel, Russia, Turkey, and the United States. Seventeen other countries began conducting diplomatic affairs with Georgia through their ambassadors to Russia or Ukraine. In August 1993, the United States granted Georgia most-
favored-nation status, and the European Community offered technical economic assistance.

Unlike some former Soviet republics such as Armenia, Lithuania, and Ukraine, Georgia lacked a large number of emigrants in the West who could establish links to the outside world once internal conditions made such connections possible. Small groups of Georgian exiles lived in Paris and other European capitals, but they were mostly descended from members of the Social Democratic government that had been forced into exile with the incorporation of Georgia into the Soviet empire in 1921.

The only large group of emigrants that maintained contact with Georgia were Georgian Jews who had taken advantage of the Soviet Union's expansion of Jewish emigration rights in the 1970s and 1980s. Because Jews had lived in Georgia for many centuries and because Georgia had no history of anti-Semitism, many Georgian Jews continued to feel an attachment to Georgia and its culture, language, and people. Largely as a result of these ties, relations between Georgia and Israel flourished on many levels.

**Relations with Neighboring Countries**

Of particular importance to Georgia's postcommunist foreign policy and national security was the improvement of relations with neighbors on all sides: Armenia, Azerbaijan, Russia, and Turkey. This goal was complicated by a number of ethnic and political issues as well as by historical differences.

**Armenia and Azerbaijan**

Among the former Soviet republics, the neighboring Transcaucasian nations of Armenia and Azerbaijan have special significance for Georgia. Despite Georgia's obvious cultural and religious affinities with Armenia, relations between Georgia and Muslim Azerbaijan generally have been closer than those with Christian Armenia. Economic and political factors have contributed to this situation. First, Georgian fuel needs make good relations with Azerbaijan vital to the health of the Georgian economy. Second, Georgians have sympathized with Azerbaijan's position in the conflict between Armenia and Azerbaijan over the ethnic Armenian enclave of Nagorno-Karabakh because of similarities to Georgia's internal problems with Abkhazia and South Ossetia. Both countries have cited the principle of "inviolability of state borders" in defending
national interests against claims by ethnic minorities (see fig. 3; Nagorno-Karabakh and Independence, ch. 1; After Communist Rule, ch. 2).

In December 1990, Georgia under Gamsakhurdia signed a cooperation agreement with Azerbaijan affecting the economic, scientific, technical, and cultural spheres. In February 1993, Georgia under Shevardnadze concluded a far-reaching treaty of friendship, cooperation, and mutual relations with Azerbaijan, including a mutual security arrangement and assurances that Georgia would not reexport Azerbaijani oil or natural gas to Armenia. In 1993 Azerbaijan exerted some pressure on Georgia to join the blockade of Armenia and to curb incursions by Armenians from Georgian territory into Azerbaijan. The issue of discrimination against the Azerbaijani minority in Georgia, a serious matter during Gamsakhurdia's tenure, was partially resolved under Shevardnadze.

In the early 1990s, Armenia maintained fundamentally good relations with Georgia. The main incentive for this policy was the fact that Azerbaijan's blockade of Armenian transport routes and pipelines meant that routes through Georgia were Armenia's only direct connection with the outside world. Other considerations in the Armenian view were the need to protect the Armenians in Georgia and the need to stem the overflow of violence from Georgian territory. The official ties
that Georgia forged with Azerbaijan between 1991 and 1993 strained relations with Armenia, which was in an undeclared state of war with Azerbaijan throughout that period. Nevertheless, Gamsakhurdia signed a treaty with Armenia on principles of cooperation in July 1991, and Shevardnadze signed a friendship treaty with Armenia in May 1993. With the aim of restoring mutually beneficial economic relations in the Transcaucuses, Shevardnadze also attempted (without success) to mediate the Armenian-Azerbaijani conflict in early 1993.

Russia

Of all countries, Georgia's relations with Russia were both the most important and the most ambivalent. Russia (and previously the Soviet Union) was deeply involved at many levels in the conflicts in South Ossetia and Abkhazia, and in 1993 Ajaran leaders also declared Russia the protector of their national interests. Thus Russia seemingly holds the key to a resolution of those conflicts in a way that would avoid the fragmentation of Georgia. Trade ties with Russia, disrupted by Gamsakhurdia's struggle with Gorbachev and by ethnic conflicts on Georgia's borders with Russia, also are critical to reviving the Georgian economy.

Russia recognized Georgia's independence in mid-1992 and appointed an ambassador in October. In 1993 Russia's official position was that a stable, independent Georgia was necessary for security along Russia's southern border. The conditions behind that position were Russia's need for access to the Black Sea, which was endangered by shaky relations with Ukraine, the need for a buffer between Russia and Islamic extremist movements Russia feared in Turkey and Iran, the need to protect the 370,000 ethnic Russians in Georgia, and the refugee influx and violence in the Russian Caucasus caused by turmoil across the mountains in Georgia. Although Shevardnadze was officially well regarded, Russian nationalists, many of them in the Russian army, wished to depose him as punishment for his initial refusal to bring Georgia into the CIS and for his role as the Soviet foreign minister who "lost" the former Soviet republics in 1991.

In pursuing its official goals, Russia offered mediation of Georgia's conflicts with the Abkhazian, Ajaran, and Ossetian minorities, encouraging Georgia to increase the autonomy of those groups for the sake of national stability. At the same time, Russian military policy makers openly declared Georgia's stra-
geo

tegic importance to Russian national security. Such statements raised suspicions that, as in 1801 and 1921, Russia would take advantage of Georgia's weakened position and sweep the little republic back into the empire.

Despite the misgivings of his fellow Georgians, in 1993 Shevardnadze pursued talks toward a comprehensive bilateral Georgian-Russian treaty of friendship. Discussions were interrupted by surges of fighting in Abkhazia, however, and relations were cooled by Shevardnadze's claim that Russia was aiding the secessionist campaign that had begun in August.

In September 1993, the fall of Sukhumi to Abkhazian forces signaled the crumbling of the Georgian army, and the return of Gamsakhurdia threatened to split Georgia into several parts. Shevardnadze, recognizing the necessity of outside military help to maintain his government, agreed to join the CIS on terms dictated by Russia in return for protection of government supply lines by Russian troops. Meanwhile, despite denials by the Yeltsin government, an unknown number of Russians still gave "unofficial" military advice and matériel to the Abkhazian forces, which experts believed would not have posed a major threat to Tbilisi without such assistance. Shevardnadze defended CIS membership at home as an absolute necessity for Georgia's survival as well as a stimulant to increased trade with Russia.

Turkey

Despite a history of episodic Turkish invasions, Shevardnadze courted Turkey as an economic and diplomatic partner. Georgians took advantage of the opening of border traffic with Turkey to begin vigorous commercial activities with their nearest "capitalist" neighbor. In 1992 Georgia became a member of the Black Sea Economic Cooperation Organization, which is based in Turkey. In December 1992, Turkey granted Georgia a credit equivalent to US$50 million to purchase wheat and other goods and to stimulate Turkish private investment in the republic. Georgia also signed several diplomatic agreements with Turkey in the early 1990s, including a Georgian pledge to respect existing common borders and official Turkish support of Georgian national integrity against the Abkhazian separatist movement. The issue of reinstatement of exiled Meskhetian Turks eased in 1993 when Georgia established official contacts with that minority (see Human Rights, this ch.).
National Security

Military forces have played a critical role in Georgian politics since 1989. In January 1992, Georgia's president was overthrown by military force, and the Shevardnadze regime relied heavily on the armed forces to stay in power. Warfare in the autonomous regions of South Ossetia and Abkhazia, as well as armed resistance by Gamsakhurdia supporters in western Georgia, have further emphasized the military's major role in national security.

The Military Establishment

Almost from its inception in late 1990, the National Guard became directly involved in Georgian politics. By 1992 repeated human rights offenses against Gamsakhurdia supporters brought calls to change this role. At the same time, the political rivalry between Ioseliani and Kitovani, the leaders of the Mkhedrioni (horsemen) and the National Guard, respectively, became one of the key conflicts in the Georgian government hierarchy, and many political parties continued to retain private armies in the guise of armed bodyguards or security teams. Discipline problems in the ranks of both the National Guard and the Mkhedrioni and their ineffectiveness as fighting forces led the Georgian government to plan for a professional army. In April 1992, the State Council adopted a resolution to form a unified armed force of up to 20,000 soldiers.

At the time the government announced its plans for a professional army, however, neither existing military group had sufficient internal discipline to carry out major restructuring. Efforts to disband the National Guard and Mkhedrioni were delayed by continued violence in western Georgia, by an attempted coup in Tbilisi by Gamsakhurdia supporters, and by the political ambitions of Kitovani and Ioseliani. In May 1992, Kitovani was designated minister of defense in an effort to bring the National Guard under central control. Instead, during the following year Kitovani turned his position into a power center rivaling Shevardnadze's. In May 1993, Shevardnadze induced Kitovani and Ioseliani to resign from their powerful positions on the Council for National Security and Defense, depriving both men of influence over national security policy and enhancing the stature of the head of state.

Shevardnadze complained in early 1993 that a unified army had still not been created. In May the National Guard was abol-
ished as a separate force, and individual distinguished units remained in existence with special guard status. In the second half of 1993, however, outside threats to national security caused Shevardnadze to rely once again on Ioseliani’s paramilitary Mkhedrioni, delaying consolidation of a national military force. In September, Shevardnadze’s control over the military improved when parliament declared a two-month state of emergency, which had the effect of weakening the Mkhedrioni.

The Russian Presence

The Soviet Union had maintained a substantial military presence in Georgia because the republic bordered Turkey, a member of NATO. The Transcaucasus Military District, which had coordinated Soviet military forces in the three republics of Transcaucasia, was headquartered in Tbilisi. In mid-1993 an estimated 15,000 Russian troops and border guards remained on Georgian territory. Georgia did not press Russian withdrawal as vigorously as did other former republics of the Soviet Union because it did not have enough personnel to patrol its entire border. At the same time, the continued presence of Russian troops energized the Georgian nationalist parties. In the fall of 1993, those groups saw Shevardnadze’s call for Russian military assistance, and the significant increase of Russian forces that resulted, as an admission that his national security policy had failed and a sign that the traditional enemy to the north was again threatening.

Draft Policy

The role of Soviet military and internal security forces in the April Tragedy made Georgian connections with those forces a primary target of anticommunist groups. As in other Soviet republics, opposition to the draft became an early focus of opposition activities. Of all the Soviet republics, Georgia had the lowest rate of recruitment in the fall of 1990, approximately 10 percent of eligible citizens. One of the first acts passed by Gamsakhurdia’s parliament ended the Soviet military draft on Georgian territory.

In late 1990, Soviet conscription was replaced with the induction of eligible Georgian males into new "special divisions," under the control of the Georgian Ministry of Internal Affairs, for the maintenance of order within the republic. The new body, which became Kitovani’s National Guard, was one of the first official non-Soviet military units in what was still the
Soviet Union. Attempts to build a new Georgian national army in 1993 and 1994 were hindered by a very high percentage of draft evasion.

**Arms Supply**

Relatively little of the military industry of the Soviet Union was located in Georgia. One Tbilisi plant assembled military training aircraft that were the basis of a small Georgian air force. Most weapons obtained by the various armed units operating in Georgia after 1990 apparently were purchased illegally from Soviet (and later Russian) officers and soldiers stationed in the Caucasus. In May 1992, leaders of the CIS set quotas for the transfer of Soviet military equipment to republic armed forces. According to this plan, Georgia was to receive 220 tanks, 220 armored vehicles, 300 artillery pieces, 100 military aircraft, and fifty attack helicopters. Kitovani complained in December 1992 that Georgia had not yet received any of its allotment.

**Internal Security**

The Georgian internal security agency having the closest ties to Moscow was the Georgian branch of the Committee for State Security (Komitet gosudarstvennoi bezopasnosti—KGB). Beginning in 1990, the anticommunist independence movement exerted direct pressure on the Georgian KGB to accept independence. The first confrontation between Moscow and the Gamsakhurdia government came over appointments to top security posts in the republic. In November 1990, the Georgian parliamentary Commission on Security broke the tradition of Moscow-designated KGB chiefs by naming its own appointee. When Gorbachev threatened dire consequences, Gamsakhurdia simply left the chairmanship vacant but named his candidate first deputy chairman and thus acting chairman. At that point, top Georgian KGB officials voiced support for Gamsakhurdia and protested Gorbachev's interference, signaling a service commitment to Tbilisi rather than to Moscow.

As late as mid-1991, Moscow continued financing activities of the Georgian KGB and provided part of the budget of the Georgian Ministry of Internal Affairs, which ran domestic intelligence and police agencies. Meanwhile, by 1991 the opposition to Gamsakhurdia was accusing the president of using the Georgian KGB to investigate and harass political enemies.

In May 1992, the Georgian KGB, which in the interim had been renamed the Ministry of Security, was formally replaced
by the Information and Intelligence Service. The new agency, established on the organizational foundation of the old KGB, was headed by Irakli Batiashvili, a thirty-year-old philosophy scholar who had been a National Democratic Party delegate to the National Congress.

**Civilian National Security Organization**

In November 1992, the parliament passed a law creating the Council for National Security and Defense. This body was accountable to parliament, but, as head of state and commander in chief of the armed forces, Shevardnadze was council chairman. Shevardnadze named Ioseliani and Kitovani deputy chairmen of the council; Tedo Japaridze, top expert on the United States in the Georgian Ministry of Foreign Affairs, became the chairman's aide. The powers of the council included the right to issue binding decisions on military and security matters.

In May 1993, Shevardnadze disbanded the council to deprive Ioseliani and Kitovani of their government power bases. The council was then reconstituted, with Shevardnadze's chairmanship assuming greater power.

**Crime**

In the first postcommunist years, levels of crime and civil unrest in Georgia were quite high because of the proximity of the Armenian-Azerbaijani conflict, refugee movement and terrorism resulting from the Abkhazian conflict within Georgia, the gap between official wages and living standards, and the government's lack of police authority in many areas of the country. Crime statistics were unreliable, however, because the extent of law enforcement and reporting varied during 1993. Reported crimes dropped from 1,982 in May to 1,260 in July. In late 1993, however, numerous automobile thefts and kidnappings occurred on Georgian highways, and citizen insecurity prompted the proliferation of private detective agencies.

The natural gas pipeline to Armenia was a frequent target of terrorist bombs in 1993, and several government figures apparently were the targets of unsuccessful bomb attacks. The Mkhedrioni, who often were involved in criminal activity, usually escaped police control because the minister of internal affairs was a Mkhedrioni member. In September, Shevardnadze took personal control of the ministry to bolster police authority.
Long-Term Security

In late 1993, the primary consideration of Georgian national security continued to be the prevention of territorial gains by separatist national movements—a cause for which Russian military assistance was proving indispensable. Longer-term national security, however, would depend on Shevardnadze's ability to reestablish the structures of a viable, unified state: internal and international commercial activity, undisputed sovereignty over the national territory and its populace, and a shift back to government rule by statute rather than by emergency executive powers. In early 1994, all those preconditions remained in doubt, and Shevardnadze's reluctant recourse to Russian military assistance had set a precedent with unknown national security consequences.

* * *

For background on Georgian history, the best basic source is Ronald G. Suny's *The Making of the Georgian Nation*. Earlier histories on the Georgian people were written by David Marshall Lang (*A Modern History of Soviet Georgia* and *The Georgians*) and Kalistrat Salia (*History of the Georgian Nation*). Several scholars have followed contemporary Georgian developments on a regular basis; in addition to the present author, they include Elizabeth Fuller, a writer for the *RFE/RL Research Report*; Stephen Jones, whose journal articles cover political and nationalist issues in the Caucasus; and Robert Parsons of the British Broadcasting Corporation. Human rights issues in Georgia are covered extensively in publications of the United States Congress's Commission on Security and Cooperation in Europe. Useful articles from Russian-language sources are translated in the Foreign Broadcast Information Service's *Daily Report: Soviet Union* (more recently titled *Daily Report: Central Eurasia*). Studies of Georgian culture and history appear occasionally in the *Journal for the Study of Caucasia*. And the *Georgian Chronicle* is a monthly bulletin on current events published by the Caucasian Institute for Peace, Democracy, and Development in Tbilisi. (For further information and complete citations, see Bibliography.)
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<td>Square kilometers</td>
<td>0.39</td>
<td>square miles</td>
</tr>
<tr>
<td>Cubic meters</td>
<td>35.3</td>
<td>cubic feet</td>
</tr>
<tr>
<td>Liters</td>
<td>0.26</td>
<td>gallons</td>
</tr>
<tr>
<td>Kilograms</td>
<td>2.2</td>
<td>pounds</td>
</tr>
<tr>
<td>Metric tons</td>
<td>0.98</td>
<td>long tons</td>
</tr>
<tr>
<td></td>
<td>1.1</td>
<td>short tons</td>
</tr>
<tr>
<td></td>
<td>2,204.0</td>
<td>pounds</td>
</tr>
<tr>
<td>Degrees Celsius (Centigrade)</td>
<td>1.8 and add 32</td>
<td>degrees Fahrenheit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disease diagnosis</th>
<th>Armenia</th>
<th>Azerbaijan</th>
<th>Georgia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuberculosis</td>
<td>17.6</td>
<td>36.2</td>
<td>28.9</td>
</tr>
<tr>
<td>Viral hepatitis</td>
<td>279.0</td>
<td>310.5</td>
<td>226.3</td>
</tr>
<tr>
<td>Cancer</td>
<td>223.1</td>
<td>224.9</td>
<td>140.9</td>
</tr>
<tr>
<td>Hospital beds</td>
<td>89.4</td>
<td>99.4</td>
<td>110.7</td>
</tr>
<tr>
<td>Doctors</td>
<td>42.8</td>
<td>38.9</td>
<td>59.2</td>
</tr>
<tr>
<td>Pharmacists</td>
<td>7.0</td>
<td>6.7</td>
<td>14.3</td>
</tr>
<tr>
<td>Infant mortality</td>
<td>17.1</td>
<td>25.0</td>
<td>15.9</td>
</tr>
</tbody>
</table>

1 For tuberculosis and cancer, first diagnoses per 100,000 population in 1990; for viral hepatitis, registered cases per 100,000 population in 1989.
2 Per 10,000 population: in 1990 for Georgia, in 1991 for Armenia and Azerbaijan.
3 Per 10,000 population in 1989.
4 Per 1,000 live births: in 1990 for Georgia, in 1991 for Armenia and Azerbaijan.

### Table 3. Armenia: Output of Major Industrial Products, 1989, 1990, and 1991

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile tires (in thousands)</td>
<td>1,338</td>
<td>1,009</td>
<td>914</td>
</tr>
<tr>
<td>Cable (in kilometers)</td>
<td>13,772</td>
<td>8,459</td>
<td>7,746</td>
</tr>
<tr>
<td>Canned food (in thousands of cans)</td>
<td>413,119</td>
<td>267,425</td>
<td>181,860</td>
</tr>
<tr>
<td>Carpets (in thousands of square meters)</td>
<td>1,585</td>
<td>1,300</td>
<td>947</td>
</tr>
<tr>
<td>Cement (in thousands of tons)</td>
<td>1,639</td>
<td>1,466</td>
<td>1,507</td>
</tr>
<tr>
<td>Electric energy (in millions of kilowatt-hours)</td>
<td>12,137</td>
<td>10,377</td>
<td>9,532</td>
</tr>
<tr>
<td>Electric engines</td>
<td>736,490</td>
<td>823,295</td>
<td>700,157</td>
</tr>
<tr>
<td>Leather shoes (in thousands of pairs)</td>
<td>17,952</td>
<td>18,740</td>
<td>11,340</td>
</tr>
<tr>
<td>Natural textile items</td>
<td>90,723</td>
<td>85,473</td>
<td>53,203</td>
</tr>
<tr>
<td>Synthetic fibers (in tons)</td>
<td>10,479</td>
<td>9,351</td>
<td>4,050</td>
</tr>
<tr>
<td>Synthetic rubber (in tons)</td>
<td>39,150</td>
<td>1,141</td>
<td>10,613</td>
</tr>
<tr>
<td>Wine and cognac (in thousands of decaliters)</td>
<td>7,104</td>
<td>4,805</td>
<td>4,852</td>
</tr>
</tbody>
</table>

Table 4. Armenia: Durable Consumer Goods, 1989, 1990, and 1991 (items per 100 families)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobiles</td>
<td>33</td>
<td>34</td>
<td>39</td>
</tr>
<tr>
<td>Refrigerators</td>
<td>81</td>
<td>81</td>
<td>80</td>
</tr>
<tr>
<td>Sewing machines</td>
<td>54</td>
<td>52</td>
<td>50</td>
</tr>
<tr>
<td>Tape recorders</td>
<td>42</td>
<td>46</td>
<td>49</td>
</tr>
<tr>
<td>Televisions</td>
<td>93</td>
<td>95</td>
<td>93</td>
</tr>
<tr>
<td>Washing machines</td>
<td>89</td>
<td>95</td>
<td>96</td>
</tr>
</tbody>
</table>

### Table 5. Armenia: Employment by Economic Activity, 1989–92
(in thousands of people)

<table>
<thead>
<tr>
<th>Activity</th>
<th>1989</th>
<th>1990</th>
<th>1991</th>
<th>1992&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>117</td>
<td>115</td>
<td>46</td>
<td>20</td>
</tr>
<tr>
<td>Industry</td>
<td>417</td>
<td>398</td>
<td>359</td>
<td>344</td>
</tr>
<tr>
<td>Construction</td>
<td>156</td>
<td>167</td>
<td>162</td>
<td>122</td>
</tr>
<tr>
<td>Communications</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Transportation</td>
<td>65</td>
<td>64</td>
<td>69</td>
<td>51</td>
</tr>
<tr>
<td>Health and social services</td>
<td>91</td>
<td>90</td>
<td>93</td>
<td>81</td>
</tr>
<tr>
<td>Education</td>
<td>143</td>
<td>154</td>
<td>130</td>
<td>152</td>
</tr>
<tr>
<td>Science and research and development</td>
<td>52</td>
<td>52</td>
<td>35</td>
<td>30</td>
</tr>
<tr>
<td>Other</td>
<td>248</td>
<td>231</td>
<td>231</td>
<td>192</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,302</td>
<td>1,284</td>
<td>1,137</td>
<td>1,012</td>
</tr>
</tbody>
</table>

<sup>1</sup> January to June.

Source: Based on information from International Monetary Fund, *Armenia*, Washington, 1993, 44.
Table 6. Armenia: Annual Per Capita Food Consumption, Selected Years, 1970–90
(in kilograms unless otherwise specified)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread</td>
<td>154</td>
<td>140</td>
<td>131</td>
<td>126</td>
</tr>
<tr>
<td>Eggs (in units)</td>
<td>94</td>
<td>146</td>
<td>148</td>
<td>163</td>
</tr>
<tr>
<td>Fish</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Meat</td>
<td>34</td>
<td>47</td>
<td>49</td>
<td>56</td>
</tr>
<tr>
<td>Milk and dairy products</td>
<td>328</td>
<td>432</td>
<td>433</td>
<td>446</td>
</tr>
<tr>
<td>Potatoes</td>
<td>55</td>
<td>55</td>
<td>65</td>
<td>58</td>
</tr>
<tr>
<td>Sugar</td>
<td>26</td>
<td>31</td>
<td>29</td>
<td>39</td>
</tr>
<tr>
<td>Vegetable oil</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Vegetables</td>
<td>101</td>
<td>118</td>
<td>135</td>
<td>132</td>
</tr>
</tbody>
</table>

### Table 7. Armenia: Government Budget, 1991 and 1992

(in percentages of GNP)  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First Quarter</td>
<td>Second Quarter</td>
<td>Third Quarter</td>
<td>Fourth Quarter</td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax revenues</td>
<td>15.8</td>
<td>10.7</td>
<td>19.6</td>
<td>18.5</td>
<td>15.6</td>
</tr>
<tr>
<td>Nontax revenues</td>
<td>10.2</td>
<td>6.0</td>
<td>5.6</td>
<td>5.1</td>
<td>5.3</td>
</tr>
<tr>
<td>Total revenues</td>
<td>26.0</td>
<td>16.7</td>
<td>25.2</td>
<td>23.5</td>
<td>20.9</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages</td>
<td>n.a.</td>
<td>5.6</td>
<td>7.3</td>
<td>6.4</td>
<td>8.9</td>
</tr>
<tr>
<td>External interest</td>
<td>n.a.</td>
<td>14.7</td>
<td>9.7</td>
<td>9.3</td>
<td>10.7</td>
</tr>
<tr>
<td>Pension and child allowances</td>
<td>n.a.</td>
<td>15.1</td>
<td>13.1</td>
<td>8.9</td>
<td>11.7</td>
</tr>
<tr>
<td>Other</td>
<td>n.a.</td>
<td>25.5</td>
<td>7.6</td>
<td>20.0</td>
<td>20.7</td>
</tr>
<tr>
<td>Total current expenditures</td>
<td>n.a.</td>
<td>60.9</td>
<td>37.6</td>
<td>44.5</td>
<td>52.1</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>n.a.</td>
<td>4.8</td>
<td>8.7</td>
<td>4.6</td>
<td>5.6</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>27.9</td>
<td>65.7</td>
<td>46.4</td>
<td>49.1</td>
<td>57.6</td>
</tr>
<tr>
<td>Accrued deficit</td>
<td>-1.9</td>
<td>-49.0</td>
<td>-21.2</td>
<td>-25.6</td>
<td>-36.7</td>
</tr>
<tr>
<td>Net change in arrears</td>
<td>n.a.</td>
<td>34.1</td>
<td>10.2</td>
<td>11.8</td>
<td>16.5</td>
</tr>
<tr>
<td>Cash deficit</td>
<td>-1.9</td>
<td>-14.9</td>
<td>-11.0</td>
<td>-13.7</td>
<td>-20.2</td>
</tr>
</tbody>
</table>

1 Figures may not add to totals because of rounding.  
2 GNP—gross national product.  
3 Projected.  
4 Includes value-added tax; excise, enterprise, and personal income taxes; collection of back taxes; and other taxes.  
5 n.a.—not available.

Source: Based on information from International Monetary Fund, Armenia, Washington, 1993, 51.
### Table 8. Armenia: Major Trading Partners, 1990

<table>
<thead>
<tr>
<th>Country</th>
<th>Value 1</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exports</td>
<td>Imports</td>
</tr>
<tr>
<td>Europe</td>
<td>69</td>
<td>585</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>12</td>
<td>67</td>
</tr>
<tr>
<td>Britain</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Hungary</td>
<td>6</td>
<td>49</td>
</tr>
<tr>
<td>Italy</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Poland</td>
<td>7</td>
<td>84</td>
</tr>
<tr>
<td>Romania</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Germany</td>
<td>11</td>
<td>139</td>
</tr>
<tr>
<td>Finland</td>
<td>3</td>
<td>22</td>
</tr>
<tr>
<td>France</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>9</td>
<td>80</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>Asia</td>
<td>11</td>
<td>148</td>
</tr>
<tr>
<td>India</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>China</td>
<td>2</td>
<td>24</td>
</tr>
<tr>
<td>Japan</td>
<td>1</td>
<td>33</td>
</tr>
<tr>
<td>North America</td>
<td>8</td>
<td>98</td>
</tr>
<tr>
<td>Cuba</td>
<td>6</td>
<td>51</td>
</tr>
<tr>
<td>United States</td>
<td>1</td>
<td>32</td>
</tr>
</tbody>
</table>

1 In millions of rubles.

### Table 9. Azerbaijan: Annual Per Capita Food Consumption, Selected Years, 1970–90
(in kilograms unless otherwise specified)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread</td>
<td>155</td>
<td>160</td>
<td>158</td>
<td>151</td>
</tr>
<tr>
<td>Eggs (in units)</td>
<td>90</td>
<td>134</td>
<td>155</td>
<td>143</td>
</tr>
<tr>
<td>Fish</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Meat</td>
<td>26</td>
<td>32</td>
<td>35</td>
<td>34</td>
</tr>
<tr>
<td>Milk and dairy products</td>
<td>227</td>
<td>281</td>
<td>293</td>
<td>292</td>
</tr>
<tr>
<td>Potatoes</td>
<td>25</td>
<td>25</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td>Sugar</td>
<td>33</td>
<td>40</td>
<td>37</td>
<td>36</td>
</tr>
<tr>
<td>Vegetable oil</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Vegetables</td>
<td>47</td>
<td>72</td>
<td>62</td>
<td>67</td>
</tr>
</tbody>
</table>


(items per 100 families)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobiles</td>
<td>16</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Refrigerators</td>
<td>83</td>
<td>83</td>
<td>82</td>
</tr>
<tr>
<td>Sewing machines</td>
<td>62</td>
<td>60</td>
<td>58</td>
</tr>
<tr>
<td>Tape recorders</td>
<td>36</td>
<td>39</td>
<td>40</td>
</tr>
<tr>
<td>Televisions</td>
<td>101</td>
<td>102</td>
<td>101</td>
</tr>
<tr>
<td>Washing machines</td>
<td>48</td>
<td>51</td>
<td>52</td>
</tr>
</tbody>
</table>

(in thousands of people)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>905</td>
<td>914</td>
<td>934</td>
</tr>
<tr>
<td>Forestry</td>
<td>6</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Industry</td>
<td>483</td>
<td>469</td>
<td>463</td>
</tr>
<tr>
<td>Construction</td>
<td>243</td>
<td>251</td>
<td>248</td>
</tr>
<tr>
<td>Transportation and communications</td>
<td>133</td>
<td>143</td>
<td>143</td>
</tr>
<tr>
<td>Trade and commercial services</td>
<td>232</td>
<td>230</td>
<td>233</td>
</tr>
<tr>
<td>Housing and municipal services</td>
<td>108</td>
<td>99</td>
<td>101</td>
</tr>
<tr>
<td>Science and research and development</td>
<td>60</td>
<td>58</td>
<td>60</td>
</tr>
<tr>
<td>Education and culture</td>
<td>329</td>
<td>338</td>
<td>341</td>
</tr>
<tr>
<td>Health and social welfare</td>
<td>168</td>
<td>170</td>
<td>173</td>
</tr>
<tr>
<td>Government</td>
<td>61</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Other</td>
<td>67</td>
<td>71</td>
<td>73</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,794</td>
<td>2,808</td>
<td>2,839</td>
</tr>
</tbody>
</table>

1 Figures may not add to totals because of rounding.

(in thousands of people)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>6,963</td>
<td>7,064</td>
<td>7,117</td>
<td>7,175</td>
</tr>
<tr>
<td>Urban</td>
<td>3,768</td>
<td>3,829</td>
<td>3,843</td>
<td>3,858</td>
</tr>
<tr>
<td>Rural</td>
<td>3,195</td>
<td>3,235</td>
<td>3,274</td>
<td>3,317</td>
</tr>
<tr>
<td>Total labor force</td>
<td>3,932</td>
<td>3,959</td>
<td>3,977</td>
<td>3,986</td>
</tr>
<tr>
<td>Total employed</td>
<td>2,753</td>
<td>2,795</td>
<td>2,808</td>
<td>2,839</td>
</tr>
<tr>
<td>In state sector</td>
<td>2,209</td>
<td>2,200</td>
<td>2,173</td>
<td>2,171</td>
</tr>
<tr>
<td>In collective farms</td>
<td>304</td>
<td>308</td>
<td>312</td>
<td>325</td>
</tr>
<tr>
<td>Self-employed</td>
<td>236</td>
<td>241</td>
<td>260</td>
<td>265</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>46</td>
<td>63</td>
<td>78</td>
</tr>
<tr>
<td>Students of working age</td>
<td>325</td>
<td>308</td>
<td>306</td>
<td>307</td>
</tr>
<tr>
<td>Employed in households</td>
<td>815</td>
<td>721</td>
<td>729</td>
<td>707</td>
</tr>
</tbody>
</table>

## Table 13. Armenia, Azerbaijan, and Georgia: Share of Total Production of Major Agricultural Commodities in Former Soviet Union by Republic, 1986–90 Average (in percentages)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Armenia</th>
<th>Azerbaijan</th>
<th>Georgia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citrus fruits</td>
<td>0.0</td>
<td>0.0</td>
<td>96.3</td>
</tr>
<tr>
<td>Cotton</td>
<td>0.0</td>
<td>7.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Eggs</td>
<td>0.7</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Fruits and berries</td>
<td>2.0</td>
<td>4.3</td>
<td>6.8</td>
</tr>
<tr>
<td>Grains</td>
<td>0.2</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Grapes</td>
<td>3.1</td>
<td>22.6</td>
<td>11.0</td>
</tr>
<tr>
<td>Meat</td>
<td>0.5</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Milk</td>
<td>0.5</td>
<td>1.0</td>
<td>0.7</td>
</tr>
<tr>
<td>Potatoes</td>
<td>0.3</td>
<td>0.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Sugar beets</td>
<td>0.1</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Sunflowers</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Vegetables</td>
<td>1.8</td>
<td>3.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Wool</td>
<td>0.8</td>
<td>2.3</td>
<td>1.4</td>
</tr>
</tbody>
</table>

(in thousands of tons unless otherwise specified)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Aviation fuel</td>
<td>114</td>
<td>89</td>
<td>58</td>
</tr>
<tr>
<td>Bitumen</td>
<td>167</td>
<td>146</td>
<td>113</td>
</tr>
<tr>
<td>Caustic soda</td>
<td>219</td>
<td>160</td>
<td>171</td>
</tr>
<tr>
<td>Diesel oil</td>
<td>4,236</td>
<td>3,899</td>
<td>3,635</td>
</tr>
<tr>
<td>Electric energy (in millions of kilowatt-hours)</td>
<td>23,300</td>
<td>23,200</td>
<td>23,300</td>
</tr>
<tr>
<td>Fuel oil</td>
<td>7,555</td>
<td>6,686</td>
<td>7,207</td>
</tr>
<tr>
<td>Jet kerosene</td>
<td>1,519</td>
<td>1,290</td>
<td>1,205</td>
</tr>
<tr>
<td>Lubricants</td>
<td>934</td>
<td>818</td>
<td>763</td>
</tr>
<tr>
<td>Motor fuel</td>
<td>1,522</td>
<td>1,479</td>
<td>1,174</td>
</tr>
<tr>
<td>Naphtha</td>
<td>550</td>
<td>341</td>
<td>427</td>
</tr>
<tr>
<td>Petroleum coke</td>
<td>230</td>
<td>179</td>
<td>161</td>
</tr>
<tr>
<td>Steel</td>
<td>696</td>
<td>501</td>
<td>462</td>
</tr>
<tr>
<td>Sulfuric acid</td>
<td>768</td>
<td>603</td>
<td>552</td>
</tr>
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</table>

Table 15. Azerbaijan: Government Budget, 1988–92¹
(in percentages of GNP)²

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect taxes³</td>
<td>10.3</td>
<td>10.7</td>
<td>12.5</td>
<td>13.0</td>
<td>20.4</td>
</tr>
<tr>
<td>Direct taxes⁴</td>
<td>8.4</td>
<td>7.9</td>
<td>8.6</td>
<td>8.1</td>
<td>8.0</td>
</tr>
<tr>
<td>Total tax revenues</td>
<td>18.7</td>
<td>18.6</td>
<td>21.1</td>
<td>21.1</td>
<td>28.4</td>
</tr>
<tr>
<td>Nontax revenues</td>
<td>3.5</td>
<td>3.8</td>
<td>5.3</td>
<td>4.4</td>
<td>3.6</td>
</tr>
<tr>
<td>Total revenues</td>
<td>22.3</td>
<td>22.3</td>
<td>26.4</td>
<td>25.5</td>
<td>32.0</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National economy⁵</td>
<td>9.5</td>
<td>10.6</td>
<td>15.1</td>
<td>9.9</td>
<td>2.4</td>
</tr>
<tr>
<td>Science</td>
<td>0.0</td>
<td>0.4</td>
<td>0.4</td>
<td>0.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Education</td>
<td>6.9</td>
<td>6.7</td>
<td>7.7</td>
<td>7.0</td>
<td>10.3</td>
</tr>
<tr>
<td>Health</td>
<td>2.3</td>
<td>2.5</td>
<td>2.9</td>
<td>2.9</td>
<td>4.0</td>
</tr>
<tr>
<td>Culture and sports</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Social security</td>
<td>3.0</td>
<td>3.2</td>
<td>4.0</td>
<td>6.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Internal security and defense</td>
<td>0.3</td>
<td>0.3</td>
<td>0.5</td>
<td>1.3</td>
<td>7.6</td>
</tr>
<tr>
<td>Consumer subsidies</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>3.7</td>
</tr>
<tr>
<td>Other</td>
<td>1.1</td>
<td>0.7</td>
<td>1.3</td>
<td>1.7</td>
<td>5.6</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>23.1</td>
<td>24.4</td>
<td>31.2</td>
<td>30.5</td>
<td>37.6</td>
</tr>
<tr>
<td>Balance</td>
<td>-0.9</td>
<td>-2.0</td>
<td>-5.5</td>
<td>-5.0</td>
<td>-5.6</td>
</tr>
</tbody>
</table>

¹ Figures may not add to totals because of rounding.
² GNP—gross national product.
³ Turnover, sales, excise, and export-import taxes; value-added tax; and duties.
⁴ Profit, income, and property taxes.
⁵ Investment by budgetary institutions and transfers to the enterprise sector.

Table 16. Azerbaijan: Major Trading Partners, 1990

<table>
<thead>
<tr>
<th>Country</th>
<th>Value¹</th>
<th>Percentage of Total</th>
<th>Exports</th>
<th>Imports</th>
<th>Exports</th>
<th>Imports</th>
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</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td>286</td>
<td>836</td>
<td>62.7</td>
<td>65.3</td>
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<tr>
<td>Bulgaria</td>
<td></td>
<td></td>
<td>41</td>
<td>92</td>
<td>9.0</td>
<td>7.2</td>
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<tr>
<td>Britain</td>
<td></td>
<td></td>
<td>14</td>
<td>12</td>
<td>3.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Hungary</td>
<td></td>
<td></td>
<td>27</td>
<td>60</td>
<td>5.9</td>
<td>4.7</td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td></td>
<td>11</td>
<td>54</td>
<td>2.4</td>
<td>4.2</td>
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<tr>
<td>Poland</td>
<td></td>
<td></td>
<td>26</td>
<td>140</td>
<td>5.7</td>
<td>10.9</td>
</tr>
<tr>
<td>Romania</td>
<td></td>
<td></td>
<td>16</td>
<td>30</td>
<td>3.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td></td>
<td>49</td>
<td>172</td>
<td>10.7</td>
<td>13.4</td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td></td>
<td>10</td>
<td>39</td>
<td>2.2</td>
<td>3.0</td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td>12</td>
<td>22</td>
<td>2.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td></td>
<td></td>
<td>33</td>
<td>109</td>
<td>7.2</td>
<td>8.5</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td></td>
<td></td>
<td>11</td>
<td>53</td>
<td>2.4</td>
<td>4.1</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td></td>
<td>72</td>
<td>262</td>
<td>15.9</td>
<td>20.5</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td></td>
<td>9</td>
<td>57</td>
<td>2.0</td>
<td>4.5</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td>8</td>
<td>28</td>
<td>1.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td></td>
<td>11</td>
<td>53</td>
<td>2.4</td>
<td>4.1</td>
</tr>
<tr>
<td>North America</td>
<td></td>
<td></td>
<td>31</td>
<td>131</td>
<td>6.9</td>
<td>10.2</td>
</tr>
<tr>
<td>Cuba</td>
<td></td>
<td></td>
<td>26</td>
<td>67</td>
<td>5.7</td>
<td>5.2</td>
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<tr>
<td>United States</td>
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<td></td>
<td>4</td>
<td>39</td>
<td>0.9</td>
<td>3.0</td>
</tr>
</tbody>
</table>

¹ In millions of rubles.

Table 17. Georgia: Government Budget, 1991 and 1992 (in millions of rubles)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax revenues</td>
<td>3,972</td>
<td>4,631</td>
<td>22,202</td>
<td>15,218</td>
</tr>
<tr>
<td>Nontax revenues</td>
<td>1,295</td>
<td>1,567</td>
<td>2,898</td>
<td>3,655</td>
</tr>
<tr>
<td>Total revenues</td>
<td>5,267</td>
<td>6,198</td>
<td>25,100</td>
<td>18,873</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National economy¹</td>
<td>2,979</td>
<td>2,878</td>
<td>11,885</td>
<td>20,815</td>
</tr>
<tr>
<td>Social and cultural</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and culture²</td>
<td>n.a.²</td>
<td>1,520</td>
<td>n.a.</td>
<td>8,421</td>
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<td>Health and sports</td>
<td>n.a.</td>
<td>812</td>
<td>n.a.</td>
<td>2,996</td>
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<td>Social security</td>
<td>n.a.</td>
<td>120</td>
<td>n.a.</td>
<td>34</td>
</tr>
<tr>
<td>Science</td>
<td>n.a.</td>
<td>74</td>
<td>n.a.</td>
<td>874</td>
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<tr>
<td>Total social and cultural</td>
<td>2,717</td>
<td>2,526</td>
<td>10,082</td>
<td>12,325</td>
</tr>
<tr>
<td>Administration and law enforcement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State administration</td>
<td>n.a.</td>
<td>124</td>
<td>n.a.</td>
<td>1,288</td>
</tr>
<tr>
<td>Internal security and defense</td>
<td>n.a.</td>
<td>118</td>
<td>n.a.</td>
<td>5,282</td>
</tr>
<tr>
<td>Total administration and law enforcement</td>
<td>245</td>
<td>242</td>
<td>2,631</td>
<td>6,570</td>
</tr>
<tr>
<td>Other</td>
<td>327</td>
<td>276</td>
<td>1,765</td>
<td>2,972</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>6,268</td>
<td>5,922</td>
<td>26,363</td>
<td>42,682</td>
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<td>Extrabudgetary factors³</td>
<td>n.a.</td>
<td>1,000</td>
<td>12,713</td>
<td>-23,320</td>
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<td>Interest on foreign debt</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>21,714</td>
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<tr>
<td>Balance</td>
<td>-1,001</td>
<td>-724</td>
<td>-13,976</td>
<td>-68,843</td>
</tr>
</tbody>
</table>

¹ Investment by budgetary institutions and transfers to the enterprise sector.
² n.a.—not available.
³ Errors and omissions and extrabudgetary expenditures for social security fund and net lending.

(in thousands of tons unless otherwise specified)

<table>
<thead>
<tr>
<th>Product</th>
<th>1990</th>
<th>1991</th>
<th>1992¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer (in thousands of decaliters)</td>
<td>9,477</td>
<td>6,011</td>
<td>3,288</td>
</tr>
<tr>
<td>Cigarettes (in millions)</td>
<td>11,200</td>
<td>9,800</td>
<td>5,100</td>
</tr>
<tr>
<td>Cotton fabric (in millions of square meters)</td>
<td>34</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>Diesel fuel</td>
<td>658</td>
<td>495</td>
<td>111</td>
</tr>
<tr>
<td>Footwear (in millions of pairs)</td>
<td>13</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Heavy oil (mazut)</td>
<td>898</td>
<td>737</td>
<td>189</td>
</tr>
<tr>
<td>Machine tools (in units)</td>
<td>1,565</td>
<td>1,417</td>
<td>1,149</td>
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<tr>
<td>Margarine</td>
<td>34</td>
<td>16</td>
<td>2</td>
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<tr>
<td>Motor fuel</td>
<td>399</td>
<td>324</td>
<td>72</td>
</tr>
<tr>
<td>Steel</td>
<td>1,316</td>
<td>962</td>
<td>535</td>
</tr>
<tr>
<td>Synthetic fibers</td>
<td>32</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>Synthetic resins and plastics</td>
<td>40</td>
<td>26</td>
<td>8</td>
</tr>
<tr>
<td>Vegetable oil</td>
<td>14</td>
<td>7</td>
<td>0.1</td>
</tr>
<tr>
<td>Wine (in thousands of decaliters)</td>
<td>16,283</td>
<td>12,166</td>
<td>7,130</td>
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</table>

¹ Estimated.

(in thousands of people)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>656</td>
<td>695</td>
<td>671</td>
</tr>
<tr>
<td>Forestry</td>
<td>12</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Industry</td>
<td>537</td>
<td>560</td>
<td>488</td>
</tr>
<tr>
<td>Construction</td>
<td>266</td>
<td>281</td>
<td>225</td>
</tr>
<tr>
<td>Transportation and communications</td>
<td>123</td>
<td>115</td>
<td>104</td>
</tr>
<tr>
<td>Trade and commercial services</td>
<td>267</td>
<td>257</td>
<td>227</td>
</tr>
<tr>
<td>Housing and municipal services</td>
<td>123</td>
<td>131</td>
<td>110</td>
</tr>
<tr>
<td>Science and research and development</td>
<td>73</td>
<td>73</td>
<td>63</td>
</tr>
<tr>
<td>Education and culture</td>
<td>301</td>
<td>310</td>
<td>290</td>
</tr>
<tr>
<td>Health, social welfare, and sports</td>
<td>189</td>
<td>184</td>
<td>186</td>
</tr>
<tr>
<td>Banking and financial</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Government</td>
<td>55</td>
<td>52</td>
<td>48</td>
</tr>
<tr>
<td>Other services</td>
<td>86</td>
<td>82</td>
<td>79</td>
</tr>
<tr>
<td>TOTAL(^1)</td>
<td>2,700</td>
<td>2,763</td>
<td>2,514</td>
</tr>
</tbody>
</table>

\(^1\) Figures may not add to totals because of rounding.

### Table 20. Georgia: Population and Employment, 1988–91
(in thousands of people)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>5,396</td>
<td>5,414</td>
<td>5,422</td>
<td>5,421</td>
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<tr>
<td>Males</td>
<td>2,561</td>
<td>2,571</td>
<td>2,579</td>
<td>n.a.</td>
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<tr>
<td>Females</td>
<td>2,835</td>
<td>2,843</td>
<td>2,843</td>
<td>n.a.</td>
</tr>
<tr>
<td>Urban</td>
<td>2,989</td>
<td>3,014</td>
<td>3,029</td>
<td>3,024</td>
</tr>
<tr>
<td>Rural</td>
<td>2,407</td>
<td>2,400</td>
<td>2,393</td>
<td>2,397</td>
</tr>
<tr>
<td>Total employed</td>
<td>2,650</td>
<td>2,635</td>
<td>2,685</td>
<td>2,543</td>
</tr>
<tr>
<td>Males employed</td>
<td>n.a.</td>
<td>1,414</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Females employed</td>
<td>n.a.</td>
<td>1,221</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>In state sector</td>
<td>2,205</td>
<td>2,148</td>
<td>2,087</td>
<td>1,886</td>
</tr>
<tr>
<td>In collective farms</td>
<td>249</td>
<td>218</td>
<td>200</td>
<td>154</td>
</tr>
<tr>
<td>Self-employed</td>
<td>177</td>
<td>211</td>
<td>229</td>
<td>356</td>
</tr>
<tr>
<td>Other</td>
<td>19</td>
<td>58</td>
<td>169</td>
<td>147</td>
</tr>
</tbody>
</table>

1 n.a.—not available.

### Table 21. Georgia: Annual Per Capita Food Consumption, Selected Years, 1970–90
(in kilograms unless otherwise specified)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread</td>
<td>195</td>
<td>190</td>
<td>190</td>
<td>183</td>
</tr>
<tr>
<td>Eggs (in units)</td>
<td>85</td>
<td>135</td>
<td>148</td>
<td>140</td>
</tr>
<tr>
<td>Fish</td>
<td>6</td>
<td>8</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Meat</td>
<td>31</td>
<td>43</td>
<td>47</td>
<td>46</td>
</tr>
<tr>
<td>Milk and dairy products</td>
<td>235</td>
<td>309</td>
<td>309</td>
<td>289</td>
</tr>
<tr>
<td>Potatoes</td>
<td>38</td>
<td>46</td>
<td>49</td>
<td>41</td>
</tr>
<tr>
<td>Sugar</td>
<td>35</td>
<td>45</td>
<td>43</td>
<td>39</td>
</tr>
<tr>
<td>Vegetable oil</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Vegetables</td>
<td>51</td>
<td>79</td>
<td>87</td>
<td>82</td>
</tr>
</tbody>
</table>


### Table 22. Georgia: Durable Consumer Goods, 1989, 1990, and 1991 (items per 100 families)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobiles</td>
<td>31</td>
<td>31</td>
<td>34</td>
</tr>
<tr>
<td>Refrigerators</td>
<td>95</td>
<td>95</td>
<td>95</td>
</tr>
<tr>
<td>Sewing machines</td>
<td>63</td>
<td>63</td>
<td>61</td>
</tr>
<tr>
<td>Tape recorders</td>
<td>44</td>
<td>48</td>
<td>52</td>
</tr>
<tr>
<td>Televisions</td>
<td>102</td>
<td>106</td>
<td>112</td>
</tr>
<tr>
<td>Washing machines</td>
<td>76</td>
<td>81</td>
<td>86</td>
</tr>
</tbody>
</table>

### Table 23. Georgia: External Trade, 1988, 1989, and 1990
(in millions of rubles)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil and gas</td>
<td>100</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>Ferrous metallurgy</td>
<td>375</td>
<td>376</td>
<td>318</td>
</tr>
<tr>
<td>Chemical fuels</td>
<td>316</td>
<td>343</td>
<td>339</td>
</tr>
<tr>
<td>Machines and processed metals</td>
<td>848</td>
<td>869</td>
<td>804</td>
</tr>
<tr>
<td>Nonfood light industrial products</td>
<td>1,275</td>
<td>1,285</td>
<td>1,260</td>
</tr>
<tr>
<td>Processed foods</td>
<td>2,438</td>
<td>2,573</td>
<td>2,387</td>
</tr>
<tr>
<td>Other industrial products</td>
<td>258</td>
<td>275</td>
<td>310</td>
</tr>
<tr>
<td>Agricultural products</td>
<td>280</td>
<td>190</td>
<td>404</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>105</td>
<td>93</td>
</tr>
<tr>
<td>Total exports</td>
<td>5,901</td>
<td>6,084</td>
<td>5,983</td>
</tr>
<tr>
<td>To other Soviet republics</td>
<td>5,508</td>
<td>5,719(^1)</td>
<td>5,724</td>
</tr>
<tr>
<td>To other countries</td>
<td>393</td>
<td>465(^1)</td>
<td>259</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil and gas</td>
<td>413</td>
<td>360</td>
<td>285</td>
</tr>
<tr>
<td>Ferrous metallurgy</td>
<td>489</td>
<td>443</td>
<td>430</td>
</tr>
<tr>
<td>Nonferrous metallurgy</td>
<td>102</td>
<td>106</td>
<td>97</td>
</tr>
<tr>
<td>Chemical fuels</td>
<td>541</td>
<td>544</td>
<td>576</td>
</tr>
<tr>
<td>Machines and processed metals</td>
<td>1,533</td>
<td>1,522</td>
<td>1,580</td>
</tr>
<tr>
<td>Timber and wood products</td>
<td>248</td>
<td>244</td>
<td>279</td>
</tr>
<tr>
<td>Building materials</td>
<td>155</td>
<td>148</td>
<td>117</td>
</tr>
<tr>
<td>Nonfood light industrial products</td>
<td>1,221</td>
<td>1,287</td>
<td>1,372</td>
</tr>
<tr>
<td>Processed foods</td>
<td>1,204</td>
<td>1,142</td>
<td>1,174</td>
</tr>
<tr>
<td>Other industrial products</td>
<td>212</td>
<td>212</td>
<td>291</td>
</tr>
<tr>
<td>Agricultural products</td>
<td>348</td>
<td>358</td>
<td>498</td>
</tr>
<tr>
<td>Other</td>
<td>27</td>
<td>103</td>
<td>140</td>
</tr>
</tbody>
</table>
(in millions of rubles)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total imports</td>
<td>6,493</td>
<td>6,469</td>
<td>6,839</td>
</tr>
<tr>
<td>From other Soviet republics</td>
<td>5,218</td>
<td>4,888</td>
<td>4,948</td>
</tr>
<tr>
<td>From other countries</td>
<td>1,275</td>
<td>1,581</td>
<td>1,891</td>
</tr>
</tbody>
</table>

1 As published.

Table 24. Georgia: Major Trading Partners, 1990

<table>
<thead>
<tr>
<th>Country</th>
<th>Value 1</th>
<th>Percentage of Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Exports</td>
<td>Imports</td>
</tr>
<tr>
<td>Europe</td>
<td>213</td>
<td>1,687</td>
<td>71.4</td>
</tr>
<tr>
<td>Austria</td>
<td>6</td>
<td>53</td>
<td>2.0</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>32</td>
<td>202</td>
<td>10.7</td>
</tr>
<tr>
<td>Hungary</td>
<td>18</td>
<td>144</td>
<td>6.0</td>
</tr>
<tr>
<td>Italy</td>
<td>13</td>
<td>53</td>
<td>4.4</td>
</tr>
<tr>
<td>Poland</td>
<td>25</td>
<td>256</td>
<td>8.4</td>
</tr>
<tr>
<td>Germany</td>
<td>32</td>
<td>420</td>
<td>10.7</td>
</tr>
<tr>
<td>Finland</td>
<td>7</td>
<td>76</td>
<td>2.3</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>23</td>
<td>227</td>
<td>7.7</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>8</td>
<td>64</td>
<td>2.7</td>
</tr>
<tr>
<td>Asia</td>
<td>45</td>
<td>377</td>
<td>15.2</td>
</tr>
<tr>
<td>India</td>
<td>6</td>
<td>48</td>
<td>2.0</td>
</tr>
<tr>
<td>China</td>
<td>6</td>
<td>34</td>
<td>1.9</td>
</tr>
<tr>
<td>Syria</td>
<td>1</td>
<td>76</td>
<td>0.2</td>
</tr>
<tr>
<td>Japan</td>
<td>12</td>
<td>115</td>
<td>4.0</td>
</tr>
<tr>
<td>North America</td>
<td>22</td>
<td>192</td>
<td>7.3</td>
</tr>
<tr>
<td>Cuba</td>
<td>16</td>
<td>114</td>
<td>5.4</td>
</tr>
<tr>
<td>United States</td>
<td>3</td>
<td>37</td>
<td>1.0</td>
</tr>
</tbody>
</table>

1 In millions of rubles.


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Armenia, Azerbaijan, and Georgia: Country Studies


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(Various issues of the following periodicals were also used in the preparation of this chapter: Caucasian Institute for Peace, Democracy, and Development, *Georgian Chronicle [Tbilisi]*; and Foreign Broadcast Information Service, *Daily Report: Soviet Union, Daily Report: Central Eurasia*, and *FBIS Report: Central Eurasia*.)
Commonwealth of Independent States (CIS)—Official designation of the former republics of the Soviet Union that remained loosely federated in economic and security matters of common concern after the Soviet Union disbanded as a unified state in 1991. Members in early 1994 were Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

Communist Party of the Soviet Union (CPSU)—The official name of the communist party in the Soviet Union after 1952. Originally the Bolshevik (majority) faction of a pre-revolutionary Russian party, the party was named the Russian Communist Party (Bolshevik) from 1918 until it was renamed in 1952.

Conference on Security and Cooperation in Europe (CSCE)—Originating in Helsinki in 1975, a grouping of all European nations (the only exception, Albania, joined in 1991) that has sponsored joint sessions and consultations on political issues vital to European security.

Conventional Forces in Europe Treaty (CFE Treaty)—An agreement signed in 1990 by the members of the Warsaw Treaty Organization (Warsaw Pact—q.v.) and the North Atlantic Treaty Organization (NATO—q.v.) to establish parity in conventional weapons between the two organizations from the Atlantic to the Urals. Included a strict system of inspections and information exchange.

coupon—Generic term for bank-issued national currency certificates of Georgia, introduced in early 1993. After introduction, value declined rapidly; in January 1994, the exchange rate was approximately 186,000 coupons per US$1.

dram—National currency of Armenia, officially established for use concurrent with the Russian ruble in November 1993, became single official currency in early 1994. In February 1994, the exchange rate was approximately 15 drams per US$1. A second national unit, the luma (100 to the dram), was introduced in February 1994.

glasnost—Russian term, literally meaning "openness." Applied in the Soviet Union beginning in the mid-1980s to official
permission for public discussion of issues and public access to information. Identified with the tenure of Mikhail S. Gorbachev as leader of the Soviet Union.

**gross domestic product (GDP)**—The total value of goods and services produced exclusively within a nation's domestic economy, in contrast to the gross national product (q.v.). Normally computed over one-year periods.

**gross national product (GNP)**—The total value of goods and services produced within a country's borders and the income received from abroad by residents, minus payments remitted abroad by nonresidents. Normally computed over one-year periods.

**International Monetary Fund (IMF)**—Established in 1945, a specialized agency affiliated with the United Nations and responsible for stabilizing international exchange rates and payments. Its main business is providing loans to its members when they experience balance of payments difficulties.

**Kurds**—A mainly Muslim people speaking an Indo-European language similar to Persian. Kurds constitute significant minorities in Iran, Iraq, and Turkey, with smaller groups in Armenia and Syria. Despite international proposals in response to minority persecution, never united in a single state.


**millet**—In the Ottoman Empire, the policy for governance of non-Muslim minorities. The system created autonomous communities ruled by religious leaders responsible to the central government.

**net material product (NMP)**—In countries having centrally planned economies, the official measure of the value of goods and services produced within the country. Roughly equivalent to the gross national product (q.v.), NMP is based on constant prices and does not account for depreciation.

**North Atlantic Treaty Organization (NATO)**—During the post-war period until the dissolution of the Soviet Union in 1991, the primary collective defense agreement of the Western powers against the military presence of the Warsaw Pact (q.v.) nations in Europe. Founded 1949. Its mili-
tary and administrative structure remained intact after 1991, but early in 1994 the Partnership for Peace proposed phased membership to all East European nations and many former republics of the Soviet Union.

perestroika—Russian term meaning "restructuring." Applied in the late 1980s to an official Soviet program of revitalization of the Communist Party of the Soviet Union (CPSU—q.v.), the economy, and the society by adjusting economic, social, and political mechanisms in the central planning system. Identified with the tenure of Mikhail S. Gorbachev as leader of the Soviet Union.

Shia—The smaller of the great two divisions of Islam, supporting the claims of Ali to leadership of the Muslim community, in opposition to the Sunni (q.v.) view of succession to Muslim leadership—the issue causing the central schism within Islam.

Sunni—The larger of the two fundamental divisions of Islam, opposed to the Shia (q.v.) on the issue of succession of Muslim leadership.

value-added tax (VAT)—A tax applied to the additional value created at a given stage of production and calculated as a percentage of the difference between the product value at that stage and the cost of all materials and services purchased or introduced as inputs.

Volunteer Society for Assistance to the Army, Air Force, and Navy (DOSAAF)—In the Soviet national defense system, the agency responsible for paramilitary training of youth and reserve components.

Warsaw Pact—Informal name for the Warsaw Treaty Organization, a mutual defense organization founded in 1955. Included the Soviet Union, Albania (which withdrew in 1968), Bulgaria, Czechoslovakia, the German Democratic Republic (East Germany), Hungary, Poland, and Romania. The Warsaw Pact enabled the Soviet Union to station troops in the countries of Eastern Europe to oppose the forces of the North Atlantic Treaty Organization (NATO—q.v.). The pact was the basis for the invasions of Hungary (1956) and Czechoslovakia (1968). Disbanded in July 1991.

World Bank—Informal name for a group of four affiliated international institutions: the International Bank for Reconstruction and Development (IBRD); the International Development Association (IDA); the International
Finance Corporation (IFC); and the Multilateral Investment Guarantee Agency (MIGA). The four institutions are owned by the governments of the countries that subscribe their capital for credit and investment in developing countries; each institution has a specialized agenda for aiding economic growth in target countries. To participate in the World Bank group, member states must first belong to the International Monetary Fund (IMF—q.v.).
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