

Abstract

The thesis analyses Russian economic statecraft in relation to Armenia. The thesis is focused on two areas, namely the Russian response to the foreign policy orientation of Armenia and its significant internal political changes. The aim of the thesis is to compare the extent to which Russia uses economic mechanisms on both levels. The thesis draws on Baldwin's concept of economic statecraft, focusing on the Russian “carrot and stick” policy. In the foreign policy area, the economic tools that Russia used in attempt to influence Armenia's decision in its dilemma between European and Eurasian integration are analysed. In the internal policy area, the thesis is focused on major events from 2015 to 2018, which to some extent also affected the Russian side. Positive incentives and coercive methods applied by Russia during this period are also examined. An analysis of the Russian “carrot and stick” policy has pointed out that Moscow is more strongly involved in foreign policy of Armenia if it feels an immediate threat to its interests. Russia applies positive incentives in situations when it needs to reduce internal tensions in Armenia, which may also be directed against Moscow. If there are major internal political changes in this South Caucasus republic, yet without serious foreign policy implications, Russia chooses a more cautious strategy.