## **Abstract**

The South Caucasus is historically entrenched between the influence of Russia and the West. This diploma thesis analyses EU power policy in the South Caucasus countries – Armenia, Azerbaijan and Georgia. The tracked countries are all a part of the European Union initiative Eastern Partnership, although their inner political realities and characteristics are very different. Theoretically this thesis is rooted in the concept of smart power by Joseph S. Nye, which is based on an effective combination of soft and hard power in such a way, that the two enforce each other in a given context. The concept of smart power allows to separate the exercised power of the European Union into the instruments of power and identify the specific type of power used, soft power, hard power or a combination of both, and in which context. The analysis of the European Union's power behaviour is based on documents about EU activities in the South Caucasus and analyses of political development in the analysed countries. Even though the European Union does not employ military force in the South Caucasus, this thesis argues that the European Union practices, or has practiced, smart power in Armenia and Georgia, namely via the "more for more" financial incentive approach. In Azerbaijan, the European Union's power is weakened by its authoritarian regime and its success rate is limited. The thesis findings argue that the changing geopolitical context of the individual analysed countries is the deciding factor of the European Union's power policy success.