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*South Caucasus –
the Case for Joint Commitment of Turkey and the EU*

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Turkey, despite many constraints, is attempting to play a more active role in the South Caucasus. Hence, it has become an important partner for the European Union, whose interest in the region has been growing over time. While a number of problems remain, Turkey and the EU can work together towards reaching the shared goal of creating an area of security in the South Caucasus, an outcome instrumental to the development of economic projects (with a special emphasis on energy issues).

Importance of the South Caucasus for Turkey and the EU

The geopolitical situation of Turkey and its historical legacy make the South Caucasus an important region for this state. Turkey borders all of the countries of the South Caucasus, and the region is historically and culturally tied up with the Turkish state. The western part of the region was in the sphere of influence of the Ottoman Empire. Azerbaijan has linguistic and ethnic affinities with Turkey (often described with the motto “one nation, two states”). Populations with Armenian, Azerbaijani and Georgian backgrounds, as well as those belonging to various Caucasian communities, e.g. Abkhazians, live in Turkish territory.

The South Caucasus is nowadays of strategic importance for Turkey for two main reasons. Firstly, the stability of the region is crucial for the security of the Turkish state. Secondly, the South Caucasus is important for the Turkish economy because it serves as the transport route and supply corridor for energy resources from the Caspian basin.

The South Caucasus is significant for the European Union for similar reasons. It plays a crucial role in EU energy security because it contributes to the diversification not only of energy resources, but also of delivery routes. Because of the need to protect these interests, as well as the growing awareness after 11 September 2001 that there is a strong connection between weak statehood and threats to international security, the region has gained political significance for the EU as well. The region’s security is necessary to achieve the goal of CFSP, namely, the establishment of a zone of security around Europe. The increasing significance of the region is reflected in the development of the European Neighbourhood Policy (ENP) and the Eastern Partnership (EaP).

Both Turkey and the EU share similar goals of stability and security in the South Caucasus. These include, the peaceful settlement of the “(un-)frozen” regional conflicts in South Ossetia, Abkhazia and Nagorno-Karabakh; the establishment of good governance in those states whose state-building processes are still ongoing (although it seems that the promotion of liberal values is more desirable for the EU than Turkey) so as to assure that the region will not become a threat in the areas of international organized crime, terrorism or drug trafficking. The most important economic goal is the implementation of pipeline projects in the region. However, Turkey and the EU must face the challenge from Russia, whose policy of establishing a special position for itself in its “near abroad” will make the achievement of the above-mentioned goals more difficult.

Turkey – strengths and weaknesses

After the end of the Cold War, a new Turkish policy in the South Caucasus emerged focused on the development of multidimensional relations at the state, regional and local levels, as well as between civil society organisations. Turkey is nowadays one of the most important economic partners of the South Caucasus states. Together with Azerbaijan and Georgia, it forms a special community based on a shared pragmatic interest in the implementation of energy and transport projects (BTC and BTE pipelines, as well as the Kars–Akhalkalaki–Tbilisi–Baku railway lines). These common interests, together with Turkey's progressive integration with the EU energy market, make an especially strong case for Turkey to play the role of an energy hub for oil and natural gas exports from the Caspian Sea region. Turkey's inclusion in the Regional Energy Market for South-East Europe establishes interconnections between the gas networks of Turkey, Greece and Italy. The recently completed Turkey-Greece Interconnector is the extension of the BTE project.

Turkey is also attempting to help the South Caucasus states in the consolidation of their statehood by presenting the benefits of the "Turkish model" of economic and political transformation. It assists in the modernization of the Azerbaijani and Georgian armed forces and police. Moreover, it has taken measures to help solve the problem of regional security by playing the role of "facilitator". Turkey is involved in the activities of the OSCE Minsk Group that is working on the resolution of the Nagorno-Karabakh conflict. It also initiated a trilateral dialogue among the ministers of foreign affairs of Turkey, Armenia and Azerbaijan. During the Georgian-Russian conflict, it was the Turkish representatives who visited Russia and Georgia, and hosted Russian and Georgian diplomats in Ankara. Turkey has also taken part in confidence-building initiatives. It actively supported the participation of Armenia, Azerbaijan and Georgia in the BSEC. In reaction to the Georgian-Russian conflict, Turkey proposed once again the Caucasus Stability and Cooperation Platform as a forum for cooperation in the economic, energy and security sectors (its first attempt was in 2000). Its goal is to prevent the escalation of conflicts in the region by bringing to one table, Armenia, Azerbaijan, Georgia, Russia and Turkey.

On the other hand, there also are many weak points to the implementation of the Turkish policy in the South Caucasus. Because of the Nagorno-Karabakh conflict, the historical dispute regarding the Armenian massacres, and territorial disagreements, official diplomatic ties have not been established between Turkey and Armenia. Recent events have created an opportunity to change the situation: apart from unofficial talks in Switzerland, there was the visit of President Abdullah Gül to Yerevan to watch the football match between the two national teams. The diplomatic process led to the announcement in April 2009 of an action plan intended to normalise relations between the two countries. However, the plan's details remain unknown, which confirms the suspicion that the announcement was only a tactic to influence the content of President Barack Obama's speech on April 24th, Armenian Remembrance Day (when he did indeed avoid using the term "genocide" to describe the events of 1915-1916). Moreover, right after the announcement the resolution of the Nagorno-Karabakh conflict was once again mentioned by Turkish authorities as a precondition to the establishment of Turkish-Armenian relations.

Turkey's resources are limited and not comparable to Russia's. The recent history of the 1990s shows that the elites of the South Caucasus states are not seeking a new "big brother" to influence their policy. This fact weakens the attractiveness of the "Turkish model" in the region. Furthermore, Turkish relations with Georgia and Azerbaijan are also not free from difficulties. Finally, doubts remain as to whether Turkey can be impartial vis-à-vis the Nagorno-Karabakh conflict.

The Turkish government is often under pressure from the main opposition parties that oppose a "soft" approach to regional disputes, viewing this method as a concession that harms national interests (e.g. the Turkish-Armenian talks). Additionally, questions remain as to the effectiveness of the "Turkish model" due to Turkey's own problems with economic stability and democratic consolidation. The country's instability (the Kurdish issue) also makes it difficult for Turkey to assume the role of an energy hub. The case is further weakened by the inconsistency of Turkish energy policy and the differing opinions concerning its development held by the Turkish government and the state company BOTAŞ, on the one hand, and the Ministry of Foreign Affairs and the Ministry of Energy and Natural Resources, on the other.

What can be achieved by Turkey and the EU?

Turkey and the EU can achieve their common goals in the South Caucasus if the EU takes action to strengthen Turkish assets and mitigate the country's weaknesses. This could establish an

implicit division of labour between the two entities. Turkey can concentrate on the improvement of regional security, consolidating its role as the region's energy hub and a model of political and economic development. Two facts are noteworthy in this context: firstly, the South Caucasus states' awareness of their weakened international position following the Georgian-Russian conflict and secondly, the willingness of the new Turkish foreign minister, Ahmet Davutoğlu, to implement a new foreign policy based on the concept of "zero problems with the neighbours", and his readiness to use soft measures in order to stabilise the neighbouring regions.

As regards Georgia, the 2008 Georgian-Russian conflict clearly shows that Turkey and the EU, as such, are not able to play any decisive role in cases such as this. The Turkish authorities can use the Caucasus Platform, but only as an early-stage tool to serve as a dialogue platform and confidence-building mechanism. More substantive results than these are doubtful because the Platform includes conflicted parties that do not have an equal stake in the initiative, and because it does not foresee the participation of external actors such as the U.S. (an important presence, for example, for Georgia).

The prospect for engagement in the Armenian-Azerbaijani peace process appears slightly more promising. Without some sort of resolution of the Nagorno-Karabakh conflict, normalisation of Turkish-Armenian relations is impossible. Turkey will not risk "losing" Azerbaijan as an ally, one possible result should Turkey and Armenia establish diplomatic relations without any progress on the Karabakh issue. Turkey will more likely concentrate on the problem of Karabakh while at the same time working step by step to improve ties with Armenia, successes in the latter process likely to positively influence the former. Although OSCE Minsk Group co-chairs—chiefly Russia, but also France and the U.S.—seem to be the main mediators between Armenia and Azerbaijan, there is still room for the involvement of Turkey and the EU. Ankara will continue the trilateral process of dialogue between Turkey, Armenia and Azerbaijan on the sidelines of international events much as they did at the U.N. summit in September 2008. The EU, for its part, can mobilise those of its member states that are also a part of the Minsk Group.

Armenia and Azerbaijan will only reach an agreement through flexibility and pragmatism. Turkey can help promote this flexibility by offering incentives to Azerbaijan (e.g. favourable new prices for fuels, new mutual investment projects, chiefly in the energy and construction sectors, and aid for the Nachitchevan enclave) and likewise to Armenia (e.g. the promise to include it in regional projects). The EU should help Turkey by using the instrument of the Eastern Partnership. Armenia and Azerbaijan have signalled that the newest EU initiative could help to resolve the Karabakh issue and are interested in its content, primarily what it has to say concerning economic issues. The EU should consider making use of Turkish assets by accepting the involvement of Turkey in particular projects within the Partnership (e.g. in the area of energy). Hence, the EU must bridge the ENP/EaP and the pre-accession processes, underlining that it does not intend to attempt to establish any alternative concept to EU membership.

At the same time, Turkey should keep the process of normalisation of relations with Armenia on track because of the economic and political benefits likely to result from the effort (e.g. the additional corridor for the transport of natural resources and the improvement of relations with the EU and the U.S.). It may continue efforts to organise bilateral dialogue devoted to the solution of problems other than the Karabakh issue (including a commission of historians—some EU states, including Poland, can share their experience in this regard). Turkey can also make some conciliatory gestures towards the Armenians in Turkey, e.g. allowing TV broadcasts in the Armenian language. In dealing with the Armenian issues, the EU countries should differentiate between Armenia and the Armenian Diaspora and should take a more critical stance toward the latter, whose actions are harmful to Armenian interests. The EU can also support Turkish and Armenian civil societies in developing projects aimed at convincing both societies of the benefits of normalisation and those of weakening the position of nationalist groups in both countries. The idea would be to bring the two societies closer through the exchange of academicians, book publishing or cultural events.

In a more secure regional environment, Turkey can fulfil the role of an energy hub, above all in terms of natural gas transit. The most important issue now facing Turkey and the EU is the implementation of the Nabucco project, which makes it possible to transport gas from the Caspian region. The main dilemma is to find the supplier(s) of gas for Nabucco. If Turkey and other consumer countries in the EU jointly negotiate with the producer states from the Caspian region, the Turkish partner can be helpful. It has cordial relations with Azerbaijan and Turkmenistan, with which it has recently intensified talks on the supply of gas (resources from both countries are needed), and it mediates between the two in order to resolve their dispute over the field in the middle of the Caspian Sea. The last issue is essential to the realization of the Trans-Caspian pipeline that would increase supplies available to Nabucco. There are also additional obstacles that both actors would need to overcome. Turkey will need to solve in the medium-term its problems resulting from differing internal

visions of the energy policy. The EU, for its part, should avoid creating the impression that Turkey no longer has any prospect of membership. The country will be more determined to implement projects such as Nabucco if such a possibility remains open.

Problems ahead

The cooperation of Turkey and the EU in the South Caucasus is impeded by a number of serious obstacles. The most important issue is without a doubt the “Russian factor”. The Russian Federation is now Turkey’s number one trade partner and its main gas supplier. As a result, Turkey does not want to take initiatives that directly counter Russian interests in the region. This position translates into rather lukewarm support for the democratization in the South Caucasus, a cautious and sometimes reactive approach to the resolution of the “(un-)frozen conflicts”, and the ambiguous energy policy (the implementation of projects both with Russia and the West). The “Russian factor” also weakens the otherwise proactive approach in the region by some EU members that have close economic relations with Russia (e.g. France or Germany).

The EU’s active cooperation with Turkey in the South Caucasus is also constrained by divisions between the member states. There are countries that are clear supporters of EU engagement in the region, i.e. Germany and Sweden, as well as Poland and the Baltic states. On the other hand, France and Spain are reluctant to support a strengthening of the EU’s role in this region because they are more interested in the Mediterranean neighbourhood.

Turkey also sees a link between its accession negotiations and EU involvement in the South Caucasus. According to Prime Minister Recep Tayyip Erdoğan, an agreement on the Nabucco project could be reached more easily should the EU agree to open the energy chapter in the negotiations. The prospect of Turkey’s accession should be left open, although it is difficult to achieve substantial progress due to opposition on this point from France, Austria and, to a certain extent, Germany. However, progress in the negotiations cannot be a precondition for Turkish willingness to cooperate in the South Caucasus. The use of such a bargaining chip would be counter-productive for Ankara as member states would then more easily leverage the talks for political purposes. For instance, Cyprus could veto the energy chapter due to a dispute over offshore oil exploration. This step would weaken Turkish determination to cooperate in the energy sector with the EU in the South Caucasus.

Finally, practical coordination of EU-Turkey cooperation in the South Caucasus could be a problem. The question arises, for instance, of how to implement common actions intended to support the transformation of the South Caucasus states when Turkey and the EU cannot agree on common priorities. Moreover, this kind of coordination requires an intensive exchange of information and analyses, which in turn calls for the establishment of new forms of contact.