

## EU, US, and TURKEY in THE CAUCASUS: IS THERE A CLASH OF INTERESTS?

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### *Abstract*

*Although the main player in the Caucasus is still the Russian Federation, it is not just neighboring powers such as Iran and Turkey, but also the EU and the US that have started showing their interest in the region during the last decade – namely, after the dissolution of the Soviet Union. There is a lot of evidence as to how Russia influenced the South Caucasus in the past. Significantly, this influence still affects the politics, economies and social life of the region. A new player, however, began to influence the regional situation in a number of important ways. Each party involved in the region has its own interests, but the key interest that every player has could be summarized as a desire to get a larger share of the region's energy resources. It would appear that Turkey, being a NATO partner and a close ally of the US, doesn't have serious conflicts with the US in the South Caucasus. America's more active involvement in the region after September 11, 2000, will force all parties to re-examine their policies toward the region. It seems, however, that some of the EU projects in the South Caucasus either leave Turkey aside or have been prepared without taking Turkey's interests into consideration.*

### **Capacities of the United States Government in the Caucasus**

US interests and policy goals in the Caucasus as well as the US government's overall decision-making structure are affecting this region through major programs and initiatives carried out by the US Department of State (DOS), Agency for International Development

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(AID), and Department of Defense carry out in the South Caucasus – both in the region as a whole and in the three countries of Armenia, Azerbaijan and Georgia. In the middle of 2002, the US strategic influence in the Caucasus had increased. Washington sent some military advisers to the region and lifted an arms embargo imposed on Armenia and Azerbaijan.

Since the US government is comparatively large and because it pursues the interests in virtually every region of the world, its activities in the South Caucasus are carried out by a large number of agencies, as well as by many non-governmental organizations that are funded by these agencies. The US agencies that may affect conflict prevention and resolution in the region include not only the three main Cabinet departments of the Department of State, Agency for international Development, and the Department of Defense, but also the Departments of Commerce, Justice, Energy, and Agriculture, the US information Agency (USIA), and the independent federal agencies known as the Export-Import Bank (EXIM), and Overseas Private Investment Corporation (OPIC). The US Congress should also be listed, since it often shapes specific US policies and decides on the budget resources directed to the region. One could also include non federal US government activities in the Caucasus, such as those of individual US states. Although they are not part of the US Government, the US Government is also a major influence on International financial and other inter-governmental organizations, such as the International Monetary Fund, the World Bank, and the UN Security Council, which have a vital impact on the region.<sup>1</sup>

Thus, the main interests of the US in the region now include increasing regional stability and regional economic and political cooperation, preserving stable national political and economic climates for investment and diplomacy, maintaining a counterbalance in the region to the influence of Russia and Iran, promoting governments that are friendly to the West and the US in particular, and gaining some access to the region's oil resources. By and large, the US has had the closest relations with Georgia and increasingly good relations with Azerbaijan, while Armenia has continued to maintain relatively closer relations with Russia.

There has been US participation in two multilateral bodies in which it shares membership with states in and around the region—the United Nations and the OSCE; and

military-to-military relations with some of the Caucasus countries in the region through bilateral programs and NATO.<sup>2</sup>

The US government is one of the major providers of official development assistance to the Caucasus region. The US Agency for International Development (USAID), plays an important role as Special Coordinator for the disbursement of aid.<sup>3</sup>

It was the Bush administration's decision in late February to send US military advisors to Georgia that seriously rattled the bulk of Russia's political class. Since then, the US and its NATO allies rapidly have moved rapidly to strengthening their strategic foothold. On March 21, a group of NATO experts arrived in Tbilisi to inspect Vaziani military base, which Russian troops evacuated only last July and which hosted alliance-sponsored military exercises in June. On March 29 the US State Department announced the lifting of an arms embargo imposed on Armenia and Azerbaijan.<sup>4</sup>

### **Armenia.**

The US Government is the largest provider of official development assistance to Armenia (52% of the total in FY 1997). The total amount of US Government assistance to Armenia from 1992-2001 is approximately \$1.3 billion. Other donors include the International Monetary Fund (the findings of missions to examine monetary policy are incorporated into AID technical assistance); UN Conference on Trade and Development (UNCTAD), the World Bank, the European Union, the United Nations Children's Fund (UNICEF), World Food Program, France, the Netherlands, Japan and Switzerland.<sup>5</sup>

Other donors include the World Bank and the Armenian Diaspora's charitable contributions for orphanages, schools, health clinics, etc. Contractors have included UNICEF, American International Health Alliance, Save the Children Federation and the International Organization for Migration (IOM).<sup>6</sup>

### **Azerbaijan**

In 1992, US aid to Azerbaijan was severely restricted by Section 907 of the US Freedom Support Act, which prohibited aiding governments

that blockade or use offensive force against Armenia. Children and Adventist Development and Relief Agency (ADRA).

Changes in the law made it possible to increase this for de-mining, resettlement and rehabilitation of areas occupied by Armenian forces. In 1997, some US-based, in-country training could be provided to selected Azeri private citizens and groups for business development and related leadership fields, and improving humanitarian assistance management and delivery. The estimated FY 2000 budget was \$32.74 million and the FY 2001 request was \$54.56 million.<sup>7</sup>

President George W. Bush cleared the way on April 19 for the US to provide military assistance to Armenia, Azerbaijan and Tajikistan, rewarding the governments concerned for their cooperation in the war against terrorism. Congress already voted last December to suspend a ban on US military aid to Azerbaijan.<sup>8</sup>

### **Georgia**

In recent years, the overall goals of USAID programs have involved economic restructuring, democratic transition, social stabilization and increased border control of illegal goods trafficking. The 2001 budget request for USAID programs in Georgia was \$85.76m.<sup>9</sup>

### **Capacities of the European Union in the Caucasus**

In July 1999, the Partnership and Co-operation Agreements (PCAs) between the European Union and the six countries of the Caucasus and Central Asia: Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, and Uzbekistan came into force. Each one of these accords has been established for a period of ten years, after which it will be tacitly renewed on an annual basis, unless opposed by one of the parties. The main objective of the PCA is to reaffirm the common values shared by the parties, notably the principle of parliamentary democracy, pluralism and the rule of law. It covers the protection of human rights and the introduction of a market economy.

The areas covered by these agreements are defined in very general terms: energy, environment, education, agriculture, transport, and consumer protection, the fight against drugs and money laundering, and tourism.

The first meeting of the Co-operation Council for Armenia, Georgia and Azerbaijan was held on 12 October 1999, and the second meeting on 10 October 2000. It will be necessary to judge the effectiveness of this instrument with reference to the results achieved in the area of political dialogue and exchange.

The development programs of structural assistance could have a great impact on conflict prevention. For this reason, the European Community has instituted a number of programs with the aim of helping these countries strengthen their independence. The program of Technical Assistance for the Commonwealth of Independent States (TACIS) is the main instrument which the Commission has at its disposal. The TACIS program consists of a 'National Action Program' and a 'Regional Program'. Regional Programs form about 30% of the TACIS budget.

As regards the National Programs, priority sectors in the three South Caucasus countries concern: support for public and private sector enterprises, energy, human resources and administrative reforms. In the period of 1991-1997, about 85% of all TACIS projects were well targeted at meeting the needs of the selected partners of beneficiaries. In 1991-1997, a total of €3.3 billion (\$3 billion) was allocated to TACIS. In the same period, the South Caucasus countries received the following allocation: Armenia (-€49 million/\$44.6 million), Azerbaijan (€51 million/ \$46.6 million) and Georgia (€50 million/ \$45.5 million), which puts them in the sixth, seventh and eighth place among the 30 beneficiary countries of TACIS. They are far behind Russia and Ukraine. In comparison, Armenia, Azerbaijan and Georgia received an equivalent of %1.5 of the budget each.

Under the new TACIS Regulation, the EU will allocate €3.138 billion (\$2.856 billion) the partner States in Eastern Europe and Central Asia over 2000-2006.<sup>10</sup>

Regional Programs are not country-specific and exist alongside the national programs. Such programs include the Inter-State and Cross-Border Co-operation Program, as well as the Nuclear Safety Program.

The Inter-State Program addresses problems that require similar solutions and aims to establish working relations between the selected countries. TRACECA and INOGATE are currently the two main programs. The TRACECA -- Transport Corridor-Europe-Caucasus-Asia program -- helps develop a trade corridor on an East-West axis from Central Asia,

across the Caspian Sea, through the Caucasus, and across the Black Sea to Europe. The INOGATE -- Interstate Oil and Gas-Transport-to Europe program -- supports efforts in rehabilitating and modernizing the regional gas and oil transmission systems and supply systems for refined oil products.<sup>11</sup>

### **Capacities of Turkey in the Caucasus**

After the collapse of the USSR, Turkey displayed a great interest in the newly emerged CIS countries. If one of the reasons for this interest was the necessity to adopt a new foreign policy towards global political developments, the other reason was almost an emotional one. To understand this phenomenon, we must look into the psychological attitude of Turkish citizens towards communism and into their ethnic consciousness. Generally, any communist or socialist political movement in the country has been considered as a potential threat of negative foreign influence aimed at destabilizing the Turkish political system. Therefore the majority of Turkey's politicians and citizens were very happy with the dissolution of the Soviet Union and were in favor of establishing relations with the CIS countries, especially with the Turkic republics.

Non-Turkic peoples of Caucasian origin in Turkey are known under the collective name of Circassians. However, they use this name only when dealing with outsiders; in reality they are divided according to their different linguistic and ethnic origin. We can also say that Caucasian immigrants in Turkey share a sense of common historical unity. Such sentiment also helped create a lively interest towards the Caucasus in Turkey in the 1990s.

In 1990, the late president Özal launched his Black Sea Economic Cooperation Zone (BSECZ) initiative, intended to ease trade barriers and facilitate investment among Black Sea littoral states. Formally set up in 1992, the group has been enlarged to include several non-Black Sea members, some eleven participants in all.<sup>12</sup>

### Armenian-Turkish Relations

While the economic and political ties with Azerbaijan and Georgia are getting stronger, Turkey and Armenia have not established formal diplomatic relations yet. The two countries are involved in an array of disagreements that had worsened with the changes in Armenian government. The Turkish-Armenian border remains closed. This circumstance, however, has not been a political choice on the part of the Turkish government. The Armenian leadership was invited to pursue peaceful policies, which would certainly help increase the prosperity of its own people, as well as that of the region as a whole. This is the opinion of Ankara officials. The Nagorno-Karabagh crisis played a key role in the polarization in Armenian-Turkish relations.

Also, the genocide claims raised by the Armenian government and different Armenian groups in Diaspora, especially in France and the US, irritate not just the Turkish government but the entire Turkish nation very much. Due to the pressure of Armenian lobbies, the legislative bodies of several countries and even the European Parliament have passed the laws that have recognized these claims.<sup>13</sup>

### Georgian-Turkish Relations:

Now Azerbaijan and Georgia consider each other strategic partners. The economic cooperation and the construction of the oil pipeline from Baku to Supsa, a Georgian Black Sea port, encouraged these friendly attitudes.<sup>14</sup>

The Turkish Armed Forces logistics commander, Lieutenant-General Tursun Baki, and Georgia's Deputy Defense Minister, Major-General Grigol Katamadze signed in Tbilisi, on March 4, 1999, an agreement on military assistance and cooperation between the two countries.<sup>15</sup> One of those agreements provides for Turkish financial and technical aid to the Georgian armed forces over a five-year period. It will also include the training of Georgian military personnel in Turkey. The Turkish side recently allocated US\$5.5 million to develop the Georgian army's medical and rescue services. Last year, Turkey provided significant assistance to Georgian coastal guard.<sup>16</sup> On January 28, 2001, Georgia's Speaker of Parliament Zurab Zhvania said that a former Soviet air base had been restored with the Turkish aid of \$1,270,000. Next day, Georgian Defense Minister David Tevzadze and his Turkish counterpart signed a cooperation agreement in Ankara on the military industry. On April 27, 2001, it was

announced that the Republic of Turkey had granted \$2,5 billion to Georgian military forces.

Georgia has a 114-kilometer land border with Turkey (the Azerbaijan-Turkey border is only 10 km long), and this border is important not only for military but also for economic cooperation. Turkey has already replaced Russia as Georgia's main trading partner.<sup>17</sup>

### **Azerbaijan-Turkish Relations**

Azerbaijan and Turkey have developed very close relations following Azerbaijan's declaration of independence in 1991. There are almost no linguistic barriers between the peoples of both countries. Turkey immediately got very much involved in cultural, economical and political matters in Azerbaijan. We can say that, of all the Turkic republics, the closest relations have been established with Azerbaijan. Turkey was and still is the only country that supports Azerbaijan in the Karabagh conflict.

Russian military involvement in the Caucasus and Moscow's decision to back Yerevan in the Azerbaijani-Armenian conflict forced Baku to look for the new allies. Military cooperation between Turkey and Azerbaijan has already started: some Azerbaijani high-ranking officers were trained or are still receiving education at the Turkish Military Academy. Also, some Turkish officers are working as advisers in Azerbaijan. On September 20, 2000, in Baku, Azerbaijan's Defense Minister Safer Aliyev and his Turkish counterpart Selahattin Cakmakoglu signed an agreement on cooperation in military industry. Growing Russian-Armenian cooperation in the military field is perceived as a threat to the region's security by several countries including Turkey.

The proposed Baku-Ceyhan main export pipeline from Azerbaijan to the Turkish Mediterranean port of Ceyhan has been touted as the safest commercial and most politically viable route by Turkey, the United States, and the Caspian Sea oil-producing countries, as they confirmed by the Ankara Declaration of October 1998. On April 29, 2002, there was a summit meeting of Azerbaijan, Georgia and Turkey, which dealt with the future of Baku-Ceyhan pipeline project.

## Conclusion

Since Turkey has not been accepted into the European Union, it has to search for new possibilities in order to solve its serious economical problems. Some high-ranking officers have hinted that Turkey should consider the possibilities of developing closer cooperation with neighboring countries such as the Russian Federation and even Iran. The dream of a "Common Turkish Market" is not realistic; the Turkic republics are also not exactly dreaming about it. During the initial stage of its relations with newly independent states, Turkey was dreaming about assuming the role of a "big brother", but in due time it understood that it was not capable of performing such a challenging role. Therefore now Turkey will be happy if it achieves some economical priorities, some financial gains.

But all these negative phenomena could not force Turkey to give up its interest in the Turkic peoples and in their destiny. As in the Cyprus case, there might be a conflict between Turkey's and US interests in Eurasia. But in general, despite the fact that there are some forces in Turkey that are against such cooperation, the US and Turkey can reach accommodation with the Russian Federation in the Caucasus.

The EU role in general – or, for that matter, the role of some member countries like Germany or Great Britain – in the Caucasus is still not clear. Also, the prospective membership of Turkey in the EU – a controversial issue among Turkish politicians and intellectuals – is likely to become a reality only after a decade or so. Therefore, whether Turkey is going to cooperate on the Caucasus with the EU is still a big question, because there are many contradicting issues between Ankara and Brussels -- like Armenian genocide claims, to name just one. In short, today Turkey appears to be leaning in its Caucasus policies more on the US rather than on the EU.

## Endnotes

<sup>1</sup> Michael Lund, "The Conflict Prevention Capacities of the United States Government in the Caucasus" *EWI/FEWER Survey* (2001) 41-62.

<sup>2</sup> *Op.cit.* p. 47.

<sup>3</sup> *Op.cit.* p. 49.

<sup>4</sup> Igor Torbakov, "Russia Struggles to Counterbalance Rising US Influence in the Caucasus", *Eurasia Insight* (9 April 2002).

<sup>5</sup> Michael Lund, "The Conflict Prevention Capacities of the United States Government in the Caucasus" *EWI/FEWER Survey* (2001) 50-51.

<sup>6</sup> *Op. cit.* p. 54.

<sup>7</sup> *Op. cit.* p. 55.

<sup>8</sup> "Bush Approves Military Aid to Armenia, Azerbaijan, Tajikistan". *Reuters*, (22 April 2002).

<sup>9</sup> Michael Lund, "The Conflict Prevention Capacities of the United States Government in the Caucasus" *EWI/FEWER Survey* (2001) 57.

<sup>10</sup> *Op. cit.* p. 71-73.

<sup>11</sup> *Op. cit.* p.74.

<sup>12</sup> Makovsky, A., "The New Activism in Turkish Foreign Policy", *SAIS Review* (Winter-Spring 1999).

<sup>13</sup> "Final A5-0028/2002 Report, *European Parliament Session Document* (28 January 2002) 1-19.

<sup>14</sup> *Ibid.*

<sup>15</sup> "Georgian-Turkish Military Agreement Reflects Deepening Relationship", *Monitor* 5:45 (5 March 1999)

<sup>16</sup> *Ibid.*

<sup>17</sup> L. Fuller, "Georgia-Turkey: Agreements Secure Bilateral Trade And Defense", *RFE-RL Newswire* (10 March 1999).