EU Policy towards South Caucasus and Turkey

Yelda Demirağ*

Abstract

This study is an attempt to analyse EU policies towards the Southern Caucasus and their impact on Turkey. The EU’s interest in the region in the wake of independence remained basically in the economic sphere, limited especially to economic aid, since economic aid was thought to be sufficient for the solution of the region’s problems. With the Partnership and Cooperation Agreement concluded in 1999 in Luxembourg, the EU interest in the region has changed, as the EU has decided to enhance its political profile in the region in addition to its economic interests. This study deals basically with the changes in EU policies from 1999 to date.

The EU policy towards the region can be analysed in two periods. First, the study will discuss the EU support during the 1990-1999 period in relation to the economic and technical aid offered to the region. This part focuses on the EU’s choice to take a backseat in issues relating to the solution of regional problems and to the establishment of stability in the region. Second, the study attempts to analyse the EU’s active policies since 1999 in terms of changes in EU policies as well as the causes of this change and the importance of the region for the EU. In this context, the impacts of the EU policies on South Caucasia and on Turkey are also within the context of this discussion. The study will conclude by asserting that political and economic stability cannot be reached without solving the problems in the region, and instability will eventually threaten European security and stability in the long run. In this context, the importance of the EU in the establishment of peace and stability in the region and the role which can be played by Turkey in this framework are also discussed.

EU-South Caucasus (1990-1999)

The European Union appeared on the South Caucasus scene from the early

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90s. In the wake of the Rome Summit of December 1990, the EU launched the TACIS (Technical Assistance to the Commonwealth of Independent States) programme to sustain the economic reform and development process in the CIS countries and to support their integration to the world economy. After the summits held in Luxemburg on 28-29 June 1991, 9-10 December 1991 in Maastricht, and 25-27 June 1992 in Lisbon, more emphasis was put on the development of relations with the former Soviet republics. In this context, TRACECA (Transport Corridor Europe-Caucasus-Asia) and INOGATE (Interstate Oil and Gas Transport to Europe) were initiated under the TACIS programme. TRACECA, launched in 1993, aims at facilitating the countries' access to world markets by developing a transport and transit corridor. It is in fact the revitalisation of the ancient Silk Road. In 1998, within the TRACECA framework, 12 states signed a multilateral treaty in Baku, regulating international transportation of people and goods. For the countries within the programme, the TRACECA Project provides an alternative to the traditional and widely used Moscow route and hence bears strategic importance to present an alternative transportation route to Europe. Moreover, agreement was reached for the transportation of heavy-duty material through the TRACECA route and it was emphasised that this corridor is the shortest, fastest, and cheapest route from Asia to Europe. The technical support to be provided within the Programme was also sustained by the IMF, the EBRD and the World Bank (IBRD). INOGATE, launched in 1995, aimed to create a favourable environment for attracting private investment in the field of oil and gas and facilitating their transportation through the provision of technical assistance. A special emphasis was put on the rehabilitation of existing infrastructure. At its first summit in 1999, an Umbrella Agreement was signed on the development of hydrocarbon transportation networks between the Caspian Basin and Europe across the Black Sea region. The agreement allows countries not covered by EU’s TACIS programme to join infrastructure projects, and has so far been signed by 21 countries, including all the BSEC members except Russia. A secretariat for INOGATE was set up in Kyiv in November 2000.

Since 1992, the EU has provided just over a billion euros in assistance to the three states of the South Caucasus, distributed through a range of programmes as described above.

From 1992-2000, the EU allocated €317.78 million in grants to Georgia, as summarised in Table I. The EU has supported Georgia through a range of instruments such as the TACIS programme, ECHO Humanitarian Assistance, Food Aid Operation, Food Security Programme, Exceptional Humanitarian Assistance,

1 For further information, see the following websites: http://www.traceca.org and http://www.inogate.org
4 Mustafa Aydın, "Europe’s next shore: the Black Sea region after EU enlargement", Occasional Paper no 53,
CFSP, ECHO. Through the TACIS programme, the EU has committed €70 million in funding. The initial aim of this programme was to support government policies for transition towards democracy and market economy, including the creation of a favourable investment climate. Despite the TACIS programme, the implementation of law has remained weak. The lack of adequate capacity, trained staff and appropriate budget allocations by the government constitute the main challenges to public administration reforms. With the Humanitarian Assistance ECHO’s operational funding of €80.23 million was given. In 1999, an additional 4 million was also given to compensate for the effects of the 1998 Russian crises.

The EU launched a €62.55 million Food Aid Operation to Georgia. Between 1996 and 2000, €46 million was committed with Food Security Programmes (FSP). The FSP aims to support general structural reform as well as specific reforms in the agricultural sector, in social protection and in public finance. Since 1998, Georgia has received an additional €19 million with a new assistance package. The exceptional financial assistance represents an important instrument in providing balance-of-payments and budgetary support, contributing in particular to Georgia’s debt reduction strategy and provides an additional incentive for the country to fulfil IMF conditionality. In 1997, the EU introduced its rehabilitation instrument for repairs of infrastructures in the conflict areas of Abkhazia (€10 million) and South Ossetia (€7.5 million). In 2000, the CFSP Joint Action was introduced in support of the Border Guards.

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Table I: Aid to Georgia

<table>
<thead>
<tr>
<th>1992-2000</th>
<th>Total €m</th>
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<tbody>
<tr>
<td>Tacis National Allocations</td>
<td>70</td>
</tr>
<tr>
<td>Rehabilitation in Conflict Zones</td>
<td>12.50</td>
</tr>
<tr>
<td>ECHO</td>
<td>80.23</td>
</tr>
<tr>
<td>FEOGA food aid</td>
<td>62.55</td>
</tr>
<tr>
<td>Food Security</td>
<td>46</td>
</tr>
<tr>
<td>Exceptional Financial Assistance</td>
<td>19</td>
</tr>
<tr>
<td>Exceptional Humanitarian Aid</td>
<td>6</td>
</tr>
<tr>
<td>Aid to mitigate effects of Russian Crises</td>
<td>4</td>
</tr>
<tr>
<td>CFSP Assistance to Border Guards</td>
<td>17.5</td>
</tr>
</tbody>
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From 1991-2000, the EU allocated €280.33 million in grants to Armenia, as summarised in Table II. The indicative budget for 2002-2003 is €10 million. 2002-2003, TACIS focused on support for institutional, legal and administrative reform, as well as on support in addressing the social consequences of transition. The EU has supported Armenia through a range of instruments such as the TACIS programme, Nuclear Safety, ECHO Humanitarian Assistance, FEOGA Food Aid Operation, Food Security Programme, and Exceptional Humanitarian Assistance. Through the TACIS programme, the EU has committed €68.9 million in funding. However, as a consequence of its isolation resulting from the Nagorno-Karabakh context, Armenia has not fully benefited so far from EU-supported regional Programmes. With the Humanitarian Assistance ECHO’s operational funding of €67.75 million was given. An additional €1.5 million was also given to compensate for the effects of the 1998 Russian crises. A total of €51.00 million was allocated to Armenia under the EU FSP. In 2000 the EU approved a proposal for a new FSP amounting to €20 million. Disbursements under the FSP are conditional upon evidence that the Government makes progress in a number of areas, including: food security and poverty reduction; land reform, market reform and information systems, social sector, agricultural reform and post-privatisation, public finance.\(^4\)

<table>
<thead>
<tr>
<th>1992 to 2000</th>
<th>Total €m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tacis National Allocations</td>
<td>68.9</td>
</tr>
<tr>
<td>Nuclear Safety Tacis</td>
<td>22</td>
</tr>
<tr>
<td>ECHO (Humanitarian assistance)</td>
<td>67.75</td>
</tr>
<tr>
<td>FEOGA food aid</td>
<td>50.18</td>
</tr>
<tr>
<td>Food security</td>
<td>51.00</td>
</tr>
<tr>
<td>Exceptional financial assistance</td>
<td>12</td>
</tr>
<tr>
<td>Exceptional Humanitarian Aid</td>
<td>8.0</td>
</tr>
<tr>
<td>Aid to mitigate effects of Russian crisis</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>280.33</td>
</tr>
</tbody>
</table>


From 1991-2000, the EU allocated €280.33 million in grants to Armenia, as summarised in Table II. The indicative budget for 2002-2003 is €10 million. 2002-2003, TACIS focused on support for institutional, legal and administrative reform, as well as on support in addressing the social consequences of transition. The EU has supported Armenia through a range of instruments such as the TACIS programme, Nuclear Safety, ECHO Humanitarian Assistance, FEOGA Food Aid Operation, Food Security Programme, and Exceptional Humanitarian Assistance. Through the TACIS programme, the EU has committed €68.9 million in funding. However, as a consequence of its isolation resulting from the Nagorno-Karabakh context, Armenia has not fully benefited so far from EU-supported regional Programmes. With the Humanitarian Assistance ECHO’s operational funding of €67.75 million was given. An additional €1.5 million was also given to compensate for the effects of the 1998 Russian crises. A total of €51.00 million was allocated to Armenia under the EU FSP. In 2000 the EU approved a proposal for a new FSP amounting to €20 million. Disbursements under the FSP are conditional upon evidence that the Government makes progress in a number of areas, including: food security and poverty reduction; land reform, market reform and information systems, social sector, agricultural reform and post-privatisation, public finance.\(^4\)

Since independence, the EU has given Azerbaijan €335.69 million of grant-based assistance which is summarised in Table III. In the early years of independence TACIS concentrated on assisting the development and modernisation of the energy sector. The evaluation of the 1998/99 TACIS National Action

Programme made the point that many of the TACIS initiatives in earlier Programmes came too soon after independence and as a result many of the early projects remained on the shelf. Since the start of the 1996-1999 programme, better progress has been made, with projects being more fully integrated into the country’s activities. The EXAP programme allocated €30 million. 82.67 million Euro of humanitarian aid (ECHO) was given to Azerbaijan. The first Food Security Programme in Azerbaijan started in 1996 and has been implemented through the national budget since 1997. By this programme €57 million, also €65.65 million FEOGA food aid was given to Azerbaijan.

As can be seen from the tables above, within the space of a decade, Azerbaijan has been the country which received the greatest amount of support from the EU among the three South Caucasian countries. It can be argued that the energy resources owned by the country play a crucial part in this preference. Georgia’s "Rose Revolution" opened a new perspective for EU-Georgia relations. The EU aid for the new, pro-Western Georgian administration was set to be €150 million for the 2004-2006 period. This represents a doubling of EU assistance compared with the previous 3 year period 2001-2003. Through these assistance Programmes the Commission has been able to facilitate for instance, the building of railroads, road net-works, oil and gas pipelines and the enhancement of institutional, administrative and judicial reforms that have made it possible for Georgia, Armenia and Azerbaijan to join the Council of Europe.

Table III: Aid to Azerbaijan:

<table>
<thead>
<tr>
<th>1992-2000</th>
<th>Total €m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tacis National Allocations</td>
<td>72.50</td>
</tr>
<tr>
<td>Exceptional Assistance Tacis</td>
<td>30.00</td>
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<tr>
<td>ECHO</td>
<td>82.67</td>
</tr>
<tr>
<td>FEOGA food aid</td>
<td>65.65</td>
</tr>
<tr>
<td>Food Security</td>
<td>57.00</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>18.374</td>
</tr>
<tr>
<td>Exceptional Humanitarian Aid (ECHO)</td>
<td>9.5</td>
</tr>
<tr>
<td>Total</td>
<td>335.69</td>
</tr>
</tbody>
</table>

During the years 1992-1994, Europe coordinated its national foreign policies on a case by case basis, without collective coherence and within a framework of diverse structures. For instance; France co-presides the Minsk Group, Germans are involved in solving the conflict in Abkhazia. Britain appointed Brian Fall as the special representative for Georgia in 2002 and then for the South-Caucus. Also, these three countries are participants in the Friends of the UN Secretary General on Georgia. Despite these efforts towards the region, the South Caucasus policy of the EU has been economic in general, and on the issue of conflict resolution and reconciliation, the EU preferred to provide its support to the OSCE and United Nations in their efforts to solve the region’s frozen conflicts. In the creation of political stability and in the prevention of ethnic conflicts in the region, the UN, OSCE and the Minsk Group have been the major international actors in the region since 1990. OSCE and the Minsk Group have assumed the main role of the peace-building in the South Caucasus, the Minsk Group having particular responsibility over the Nagorno-Karabakh conflict, OSCE over the Georgia-South Ossetia dispute and the UN over the Georgia-Abkhazia conflict. The European Union played only a secondary role in the region, enlargement to the East and the Balkan crises modified the external priorities of the Union. Prior to 1999, the EU retained a low political and strategic profile in the South Caucasus. In other words, the EU had decided not to intervene directly in the negotiation mechanism of the conflict in order to leave this to the UN and OSCE. But, the EU abandoned this policy. Since 1999, events have demonstrated that the EU has changed its stance.

**EU Politics from 1999 on**

Since 1999, the European Parliament actively sought to bring the South Caucasus onto the agenda of the EU. The signature of the Partnership and Cooperation Agreements (PCA) with the three Caucasian states on 22 June 1999 in Luxembourg officially represented a qualitative breakthrough in EU-Caucasus relations. The Partnership and Cooperation Agreement provided a basis for economic, social, financial, industrial and cultural cooperation and promoted

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11 Gareth M. Winrow, “Turkey, the EU and the South Caucasus”, Insight Turkey, Vol.6, No.2, April-June 2004, p. 16.
13 PCA, is a legal framework, based on the respect of democratic principles and human rights, setting out the political, economic and trade relationship between the EU and its partner country. Partnership and Cooperation Agreement between the European Communities and their member states, Official Journal, L 246, 1710911999, p.31-38.
14 Cees Witterbrood, “Towards a partnership with the countries of the Eurasian corridor”, Insight Turkey, 2:3, July-September 2000, p. 11-21.
activities of joint interest. For the first time with this agreement, issues such as political dialogue and cultural cooperation were emphasised in addition to issues related to trade and economy. In a statement of the EU and Armenia, Azerbaijan and Georgia, it was stated that the conflict in the South Caucasus was impeding the political and economic development of the region and that the EU stood ready to use its influence to underpin concrete progress of the peace processes.\textsuperscript{15}

In the report titled Agenda 2000 published the same year and which covers the issue of the EU’s future policies and enlargement, under the heading ‘Neighbours of the Expanding EU’, the words "EU has to develop more complementary relations with the Caucasian countries. Agreements on Partnership and Cooperation provide a perfect basis for development"\textsuperscript{16} were included in relation to the developments in the East. Within the framework of these views, a political dialogue was set to be established, and, in February 2001, the Swedish Presidency decided to send the highest level EU mission to the Caucasus, including the CFSP Supremo Solana and Commissioner Patten; to start discussions on moving towards a more effective EU policy on Southern Caucasus.\textsuperscript{17} The need for change in EU policies towards the region, which began in 1999 with the PCA and the importance of the regional states for the EU, were described in the words of EU Commissioner Van Den Broek during his Baku visit in 1998: "The EU’s relations with Azerbaijan are more important than energy benefits and it plays a key role in our plans that reach up to Central Asia. Besides, it helps maintain stability in the Caucasian region of the European continent\textsuperscript{18}. However, the events of September 11 shifted the priorities of the Council, as Central Asia and fighting against terrorism became the main concerns.\textsuperscript{19}

On March 2003, the European Commission published its Communication "Wider Europe-Neighbourhood: A New Framework for
Relations with our Eastern and Southern Neighbours”.  

Armenia, Azerbaijan and Georgia have been excluded for the time being on geographical grounds. It is interesting that the EU which excluded South Caucasian states from Wider Europe Neighbourhood in March 2003, has claimed, shortly after this date, in June 2003, that these states should be considered within the EU’s neighbourhood in the draft strategy prepared by Javier Solana and titled ”A Secure Europe in a Better World”.  

In the wake of these developments, going a step further, the Council appointed Heikki Talvitie, the European Union Special Representative (EUSR) for the South Caucasus on 7 July 2003. The decision was declared to be in line with the Council’s wish to play a ”more active political role” in the region. According to this decision, the primary task of the EUSR will be: a. to assist Armenia, Azerbaijan and Georgia in carrying out their political and economic reforms. The main focus will be in such areas as the rule of law, democratisation, human rights and good governance b. the EUSR should also prevent and assist in the resolution of conflicts in accordance with the already existing mechanisms and through good co-operation with key national actors neighbouring the region c. the EUSR will prepare for the return of peace to the region by trying to promote the return of refugees and internally displaced persons d. the representative will also act in order to encourage and support intra-regional co-operation between the states of the region, for instance on such issues as economy, energy and transport. His aim is also to make the already existing tools and mechanisms of the EU become more effective and visible in the South Caucasus.

In the same direction, on 14 June 2004, the European Council decided to include Georgia, Armenia, and Azerbaijan in the European Neighbourhood Policy (ENP). At the same time, the Council endorsed the commission’s strategy for putting the ENP into action. The objective of the European Neighbourhood Policy is to share the benefits of the EU’s 2004 enlargement with neighbouring countries - i.e. stability, security and well-being in a way that is distinct from EU membership. It is designed to prevent the emergence of new dividing lines between the enlarged Union and its neighbours and to offer them an increasingly close relationship with the EU involving a significant degree of economic integration and a deepening of political cooperation. The ENP will also help address one of the

24How the EU Can Contribute to Security and Stability in South Caucasus? interview with the Harri Kamarainen, First Secretary, Assistant to the EU Special Representative to South Caucasus, Baltic Defense Review, Special Issue, 2003, p.15-17.
strategic objectives the EU set in the European Security Strategy in December 2003, that of building security in its neighbourhood. The inclusion of three South Caucasian countries in ENP gives an important message that the EU is fully committed to support these countries on their route towards building stable societies based on democratic values. Within the European Neighbourhood Policy, each country will be given the possibility to develop its links with the EU and will be treated on its individual merits. The Policy is based on a commitment to the shared values of democracy, rule of law, good governance and respect for human rights and to the principles of market economy. In line with the EU’s policy toward the region which changed and became more active, Commissioner Janez Potocnik met with the Presidents of the three countries during his visit on 5-8 July. During his visit, Potocnik encouraged the partners to put special emphasis on conflict resolution and prevention and underline the importance of strengthening regional cooperation.

Before considering the change of policy adopted by the EU in relation to the region and its decision to become more effective in the region, the importance of the region for the EU should be considered. The Union has strategic and economic interests in the region. It is a junction for EU energy interests and an important transport corridor. Its location makes it a potential major crossroads for trade. As a cornerstone of the ancient Silk Road it has invaluable links with the Black Sea countries to the west, Russia to the north, China to the east and Turkey, Iran, Pakistan, and India to the south. It is geographically closer to an enlarged Union since it will border some of the new Member States. But at the same time, the diversity of the region’s culture and tradition has contributed to complex territorial and ethnic disputes. Stability in this sensitive region is essential for developing its potential, in particular its oil and gas resources. No economic development can take place without political stability; but the reverse is also true: no political stability without economic development.

Among the motives behind changing EU policy toward the region, some factors can be noted. With the enlargement of 1 May 2004, the EU has new member states, which will have different interests to those of the older members. For instance, Lithuania and Latvia have been active in developing military ties with the three South Caucasian states. Georgia has sea borders with Bulgaria and Romania which are candidates for EU. The enlarged EU will have new borders. These new borders also bring a new immediacy to EU thinking about the states on 28

26 http://europa.eu.int/comm/external_relations/ceec/index.htm
28 Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia.
its periphery and the policies that should be adopted in response to potential and actual threats emerging from these regions. Until this point, the EU had focused its foreign policy on future member countries and had not developed a foreign policy towards countries which had no prospect of becoming an EU-member, or had very limited possibility of membership, or which might be able to become members in the very long run. This is changing. The Commission’s Wider Europe Communication reflects an attempt to develop policies to states where the EU has significant interest but where membership is not in perspective now. As mentioned above, the articles of PCA dealing with political dialogue call for closer ties ‘to resolve the region’s conflicts and tensions’ Stability in the region is necessary for the enlarged EU. Separatist conflicts in Karabakh, Abkhazia and South Ossetia have not yet been resolved. The continuing instability due to these frozen conflicts feeds profitable criminal activities such as drug trafficking, illegal arms trade, terrorism and human trafficking. Political stability in the region cannot be guaranteed while these conflicts remain unsolved. Illegal immigration, drug trafficking and growing criminal activities in general cause concern in Europe.

The political interest of the EU towards the region should be linked with this. That the EU is to pursue more active policies towards the region were marked by Antonius Devries, the EU’s special ambassador to Azerbaijan, stating that an action plan is being drawn up to "strengthen the activities of the EU on cooperation and integration” with the three South Caucasus states of Armenia, Azerbaijan and Georgia. Also Devries said that the EU was ready to take a bigger role in international efforts to resolve the armed conflict between Armenia and Azerbaijan over the disputed territory of Nagorno-Karabakh.

Impact on Turkey of EU-South Caucasus Relations

Turkey has adopted integration with Western Europe as a state policy and became a member of such organisations as the European Council, NATO, OECD to this end after World War II; and started negotiations and economic union with the EU aimed at the country’s full membership. After the dismemberment of the USSR, the geopolitical role of Turkey improved with regards to the integration of

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the Caucasian and Central Asian countries with the others. Turkey’s strategic geopolitical location gives it a unique and momentous advantage over the other regional powers. Turkey enjoys ethno-cultural and linguistic ties with the South Caucasus states. The geopolitical position of Turkey, which is waiting for membership of the European Union, would provide substantial advantages for the European Union as well. When we look at international relations, we see that everything can change the only thing which remains constant is geography. As it is located in the centre of Eurasia, Turkey constitutes a connectivity hub between Asia, the Middle East, and Europe. Turkey is also one of the most dynamic markets. Its growing demand for energy and its strategic location for transit make it a very attractive partner for cooperation and investment. In the new Western strategy towards the region, there is need for a country which is Muslim but secular, western, democratic, embracing the free market economy, connected to the countries of the region and with the west, this makes Turkey an indispensable partner.

The European Union has become more sensitive than ever before in the fulfilment of its energy needs and particularly oil and gas needs. It is in a position to meet almost half of its current energy requirements with imports and as predicted by the International Energy Agency, this dependence will increase in the long term. For this reason, it is an issue for the European Union to change from a state of being over dependent on a small number of countries, even the only single producer region which does not have political stability. It is estimated that the gas demand of the European Union countries would be likely to reach 300 billions cubic meters in the year 2010. In this increasing demand for energy by the EU and its policy to diversify its energy sources, the energy sources of the region come to the foreground. Within the need for transfer of these resources to Europe, the BTC Project about to be completed this year is vital, and Turkey’s, as an energy bridge between Europe and Asia is once more emphasised. The geopolitical location of Turkey gained great importance in parallel with the INOGATE project which foresees energy transfer from the Caspian Sea basin to Europe and with the TRACECA project which drafts the Europe-Caucasia-Asia transport corridor. In fact, the previous EU support within INOGATE was effective in the successful conclusion of the Baku-Ceyhan Pipeline Project agreement during the OSCE Summit held on 18 November 1999 in Istanbul. In this context, the Umbrella

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35 On the other side, according to the evaluation of SHELL the Western European gas markets would reach at a volume of 450 billions m3/year which is again %50 above current consumption level, in the year of 2010. Only part of the gas near two thirds consumed within Western Europe depends on local production, the rest is imported from NIS states (21%) and Algeria (11%). Roland Williams, (Shell Natural Gas Coordinator), “Competing For Sources of Natural Gas”, GWI/PE European Gas Special Report, Ekim 1993, p. 3.
Agreement which foresaw Turkey’s full membership to INOGATE, which aims at unifying the East-West petroleum and natural gas networks, was concluded during the visit of Guenther Verheugen, (the Commissioner responsible of EU expansion), to Turkey on 8-10 March. The INOGATE Project that Turkey will participate in will serve to guarantee the secure supply of petroleum and natural gas to the Turkish market, and will help increase the exportation of natural gas by the increased number of networks to be established on the Caucasus, Central Asia, Iran, and Russia. In the Common Declaration of the 6th Summit Meeting held on 8-9 April 2000 in Baku, the importance of TRACECA was especially mentioned in relation to the future of the region. It can be argued within the framework of these ideas, that the above mentioned issues played their part, in addition to such causes as Turkey’s importance in European defence and the like, in the decision taken on Turkey at the EU Summit held in Helsinki, Finland, on 9-10 December 1999. The question of Turkey’s future membership in the EU is of high relevance for the South Caucasus. If Turkey joins the EU, the South Caucasus will become the borderland of Europe. As long as the EU doesn’t make clear decisions about Turkey’s bid to join the EU, it will be hard for the Caucasus to be seriously taken into account in Brussels. In other words, the more guarantees the EU has for the Turks for their membership prospects, the more the hopes and efforts of the Caucasian states to pursue a rapprochement with Europe will increase. The role of intermediary that Turkey can play in both its relations with the regional countries and in the transfer of energy to Europe must be considered in concurrence with the EU.

The closed border between Turkey and Armenia is a limiting factor for the development of TRACECA. It appears that both sides will benefit from a Turkish-Armenian rapprochement. From the viewpoint of Armenia, as the country is landlocked, it will be able to establish its connection with the Black Sea, which is with Europe, through Turkey. In other words, the most effective way for Armenia to solve its economic problems and be open to the West, is through a rapprochement with Turkey. This is the most secure, cheapest and shortest way out for Armenia. The country’s full independence from Russia and its close relations with the West will be possible due to the good relations it will establish with Turkey. As for Turkey, it will be able to establish connections with Central Asia and circumvent the activities of the Armenian Diaspora by establishing good links with Yerevan.

After the 2001 EU-Armenia Parliamentary Cooperation Commission meetings, the members of the EU have called for the lifting of the embargo on Armenia carried out by Azerbaijan and Turkey, adding that to ignore this demand

8Güncel Haber, Avrupa Komisyonu Türkiye Temsilciliğinin Yayınları, No. 8, April 2000, p.1
would hamper Turkey’s accession talks with the EU. With the influence of this meeting in 2002, official dialogue between Turkey and Armenia commenced, and the ministers of foreign affairs of the two countries came together on several occasions. As an outcome of these talks, Turkey facilitated Armenia’s entry into the World Trade Organisation in December 2002 and Turkish Airlines commenced regularly scheduled flights between Istanbul and Yerevan in November 2003. One of the most important steps to normalise relations between the two countries has been the establishment of the "Turkish-Armenian Peace Commission".

Among the decisions taken on 17 December 2004 with the EU, one [Article 20] foresees that Turkey has good relations with its neighbours and solves its problems by peaceful means. Turkey also wishes to have good relations with its neighbours. The re-establishment of diplomatic ties with Armenia and the lifting of the economic embargo will benefit both sides. Turkey has done what it needed to in this situation and the rest depends largely on Armenia. Ankara always made sure it left doors open for rapprochement with Armenia. Ankara refused to establish full diplomatic relations partly because of Armenia’s war with Azerbaijan, but also because the Armenian government did not recognise its borders with Turkey, thus keeping potential territorial claims on Kars and other regions of north eastern Turkey. In addition to that, another problem is their continual presentation of the claims of genocide committed against the Armenians by the Ottomans in 1915.

Conclusion

Each expansion, in addition to new lands and members, also brings new borders, new neighbours, and new problems to the EU. In the wake of the latest expansion, the Union has incorporated a brand new geography. The next expansion will cover Romania and Bulgaria in 2007 and the next incorporation may include Turkey. This will result in the EU borders becoming even closer to the Southern Caucasus. In this context, security and stability of the South Caucasus region are

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38 Dışişleri Güncesi-RFL bak
41 There are lots of documents and Turkish works showing the Armenian claims of genocide are baseless. Beyond these, amongst the works denying the claims in foreign literature, we can cite the Document XLVII:US Library of Congress, Bristol’s Papers, Correspondence, Container No:34, pp.123-131 by Admiral Mark L.Bristol which says the Armenians have massacred the Ottomans but the truth was presented falsely to the international public opinion. Again, the writings of US Admiral Arthur T. Chester on how Otonman Armenians cooperated with the Russians to kill Turks can be seen at Document XLIX, New York Times Current History Journal, February, 1923, p. 130-132. The book, La Tragedie Armenienne de 1915 by the French author Georges de Maleville which tells how the Armenian genocide is not originat-ed from the Turks but from the leadership of the Tashnak Party is also important. The author relates the fact that the Western powers back the genocide claims not with human rights advocacy but with their interest in the underground resources in the region. Additionally, for the general bibliography of the works written on this subject, see Erdal İter; Türk-Ermeni İlişkileri Bibliyografyası, Ankara: Ankara Üniversitesi Yayınları, 1997.
important for the EU. The Southern Caucasus has severe problems waiting to be solved. First of all, the region is crowded with external actors. The region witnesses the conflicting interests of the neighbouring countries on the one hand and of the external powers on the other hand, thus making it even harder to establish stability in the region. Its geographic location makes the region a natural conduit for trafficking, smuggling and all kinds of organised crime. In this respect, any kind of destabilisation in the region may have an impact on the security of the European Union. Also, the continuation of the ‘frozen conflicts’ in South Caucasia jeopardises Caucasian security, prevents a unified response from regional states against outside threats, and prevents the development of prosperity, democracy, peace and stability. The EU and its member states seek economic objectives in the South Caucasus. The South Caucasus represents a micro region of the broader Caspian region and can consequently be considered an important area for the EU facing new energy needs, with a view to attempt to diversify its energy supplies. Due to its geographic location, at the extreme edge of Europe, the South Caucasus could assume a key role of an energy corridor and direct trade channel between the East and West. Therefore, resolution of frozen conflicts can be seen as a prerequisite for securing energy export routes.

Georgia and Azerbaijan are willing to integrate with the West. Georgia’s new leader, and its Prime Minister Zurab Zhvaniainiai, have expressed their wish to enter the EU on various occasions. Georgia has a long way to go for EU membership. Azerbaijan and Georgia cannot fulfil the requirements of rapprochement with the West without solving the problems of Karabakh and of South Ossetia and the Abkhazia problems, respectively. Also, solving these problems will improve the integration of the regional states, the opening of borders, and possibilities for cooperation. Democracy and human rights should be promoted. Eradicating corruption, strengthening the rule of law and human rights, alleviating poverty, are the directions toward which the countries need to channel their attempts. A compulsory condition for ensuring stability in the South Caucasus is the promotion of co-operation between the states of South Caucasus. Within the framework of the question, what can the EU do to promote cooperation in the region?. Turkey may provide an important contribution to the EU. Turkey, which

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42 For further analysis of regional problems and their relevance to Europe see Mustafa Aydn, "Sources of Insecurity and Conflict in the Caucasus and the Black Sea Region", Turkey Insight, November 2001, p. 125-47
45 Interview with Mikheil Saakashvili: "Turkish –Georgian Relations: An Interview with Georgian President Mikheil Saakashvili", Insight Turkey, Vol.6, No.2, April-June 2004, p. 47; Also, "We want to become full-fledged members of the European Union" said Zhvania in comments broadcast by Imedi TV on June 16. See also: Eurasia Insight, January 4, 2005.
has strong political and military ties with Georgia and Azerbaijan, works for the creation of an atmosphere of stability in the Southern Caucasus and for the improvement of regional cooperation. The Black Sea Economic Cooperation Agency (BSEC), the Bakü-Tblisi-Ceyhan (BTC) and Baku-Tblisi-Erzurum Natural Gas Pipeline projects, are all works aimed at this end. The projects on energy and the transportation routes which are planned to go in the East-West axis and to cross Turkey will improve relations between Europe and the regional countries and will contribute to the linking of the regional countries to the West. Also, Turkey is an important country to serve as negotiator between the Abkhazians and Tblisi as it has good relations with Tblisi and as it hosts many citizens of Abkhazian origin. This issue was also raised during the 2004 visit of Turkish Prime Minister Recep Tayyip Erdoğan to Tblisi. Erdoğan stressed that Turkey would do what it could on such issues as the problems of Abkhazia and South Ossetia; and said that as there were 300,000 Abkhazians living in Turkey as opposed to 70,000 living in Abkhazia, this situation might be used as a link in the solution to the problem and problems should be solved through meetings, not by military action, and Turkey would assume the role of mediator if necessary. With the full membership of Turkey to the EU, the borders of the European Union will reach the Caucasus. This development will create a positive value for the atmosphere of stability and security sought in the region. Nonetheless, stability in the Caucasus is not just a regional issue. Unless there is stability in the Caucasus, it will be difficult to have stability in Europe. It is an undeniable fact that the efforts of the regional countries are of the utmost importance in the establishment of regional stability through foreign political and economic aid. Georgia, Armenia and Azerbaijan should expect no miracles. The long-term future of the South Caucasus depends very much on increased intra and extra regional co-operation. All three should give up their efforts to solve their security problems separately. They cannot build their security and prosperity at the expense of decreasing the security and prosperity of others.

*Cumhuriyet, 13 August 2004.