SECURITY AND STABILITY CONCERNS IN THE SOUTH CAUCASUS

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Security and Stability Concerns in the South Caucasus

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Foreword

The South-Caucasus, disproportionate to its size, has a vast importance within the context of the contemporary international relations due to its geographical location. It lies at the intersection of key Eurasian powers, namely, Iran, Russian Federation and Turkey. Located between the Black Sea and the Caspian Sea, the South-Caucasus is also at the bottleneck of the east-west and north-south corridors that connect Europe and Asia, and Eurasia and the Middle East, respectively. As such, the South Caucasus is a strategic region for the Eurasian and global powers and an important variable in the global geopolitics.

The current crisis in Ukraine once again drew the attention of the global geopolitical players to Eurasia; many experts agree that Eurasia has become the most recent battlefield of the global geopolitics. Within this context, the South-Caucasus gained further significance as the course and the consequences of the crisis in Ukraine may have game-changing effects on the region. Therefore, examining the current situation in the South-Caucasus in reference to the crisis in Ukraine and reflecting on alternative scenarios of conflict and cooperation is an urgency in order to master actual and potential conflicts in the region.

Upon this background, on 12 June 2015 AVİM (Center for Eurasian Studies) organized a conference in Ankara entitled Security and Stability Concerns in South Caucasus under the sponsorship of NATO’s Public Diplomacy Division. The Conference was composed of two panels for the discussions of the security perceptions and foreign policies of the countries in the South Caucasus within the context of global geopolitics and in reference to the impacts of the crisis in Ukraine on the region.

AVİM believes that the proceedings of this conference, which represent both concordant and adverse views of prominent scholars and experts on the South-Caucasus will help researchers and policy-makers to have a clearer and analytical picture of the region within the wider context of Eurasia.

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OPENING SPEECH

Alev KILIÇ
Ambassador (R)
Director of AVİM

Dear Guests,

Distinguished speakers,

I welcome you all to our meeting organized by AVİM and sponsored by NATO’s Public Diplomacy Division. Today, our distinguished speakers will be sharing their thoughts on the “Security and Stability Concerns in the South Caucasus”. They will be discussing security perceptions of the countries in the South Caucasus and their foreign policies. Impacts of the crisis in Ukraine over South Caucasus will be one of the main concerns of today’s meeting.

South Caucasus is small in size, but prominent in terms of its strategic importance. Located on the northern branch of the ‘silk road’ that connects the
East and the West, South Caucasus is a major hinge together with the Balkans in the Eurasian region. Located between the Caspian Sea and the Black Sea, South Caucasus is an important area within the great game of geopolitics. Its position at the crossroads with the Russian Federation, Turkey and Iran adds to region’s strategic significance. The rich hydrocarbon resources of Azerbaijan and the Caspian Sea certainly is a non-negligible factor that makes global powers keep an eye on the region. All of these, plus the global shift of economic center of the world to Eurasia extends the relevance of the South Caucasus to the global geopolitics.

Today, our speakers will reflect on different aspects of security and stability in the South Caucasus in reference to current political developments. What I want to do now is to draw a grand scheme of the geopolitics of the South Caucasus in order to provide a framework that I believe would help to study the South Caucasus analytically.

1- In studying the South Caucasus, the shift of the commercial, political and military power from the West to the East and the Asia-Pacific with a vast vacuum in Central Asia must be given attention as the wider global context.

2- One of the important dimensions of the study of the South Caucasus is the global geopolitical concerns and objectives of the major players. Political projections of Russia, the US and the EU must not be overlooked. Certainly, each power has different degrees of hard power and soft power, and diverse aspirations and experiences. The interest of the outside powers in the South Caucasus may show periodic variances, as well. Therefore, the interplay of the hard and soft powers and aspirations for hegemony in certain periods is one of the dimensions of the study of the South Caucasus. Within this framework, history and past experiences shall also be taken into consideration as another factor in the background.

3- Although South Caucasus is an important region, it is not the only region where geo-political interests concur. Global competition goes on simultaneously in different spots. This means that talking about the great game of global geopolitics, one must not lose sight on the fact that South Caucasus is also an aspect of the wider power struggle in the global scale. Because of this, while studying the South Caucasus, we are going to contextualize this region within the wider global context and be attentive to the global strategies of different actors and the ways in which they situate South Caucasus within these wider strategies. For example, we must be able to comprehend the relationship of the competition between two powers on the South Caucasus with their competition on, let’s say, the Middle East, Eastern Europe or Eurasia, starting with the Pacific region.
4- Obviously, the great game of geopolitics is also run through alliances and economic, political and military blocs. Therefore, organizations such as the NATO, the EU and Eurasian Economic Union among others need to be added to the study. Likewise, supra-national bodies like the United Nations must not be overlooked.

5- Besides the great powers, regional powers, namely, Turkey and Iran are important players in the South Caucasus. In addition to their hard and soft powers, their deep rooted historical and cultural ties with the South Caucasus provide Turkey and Iran with a certain advantage. Historical and cultural ties are also a factor that shapes the perceptions of these two countries regarding the South Caucasus. Accordingly, political and economic projections of Turkey and Iran shall be added to the analyses of the South Caucasus.

6- Whereas some scholars regard South Caucasus as a region, others argue that South Caucasus is rather a neighborhood than a region, in which each country has its own particular and often conflicting perspectives, interests and prospects. Therefore, while studying the South Caucasus, instead of taking it as a regional whole, focusing on single countries and their relations with each other and with the global and regional powers provides analytical strength.

7- Taking South Caucasus as a neighborhood rather than a region, implies the need to study the South Caucasian countries as single actors pursuing their own particular interests. Therefore, instead of talking about, for example, the relations between the NATO and the South Caucasus, it may be more realistic to talk about, the NATO and Armenia, the NATO and Azerbaijan, and the NATO and Georgia. This, of course, holds true for other actors.

8- South Caucasian countries are also the players in the global geopolitics. That is to say, although they may have their diverse capabilities, potentials and weaknesses, Armenia, Azerbaijan and Georgia are not subservient states, but actors that are trying to maximize their interests. Overlooking Armenia, Azerbaijan and Georgia as benefit-seeking actors would lead to false analyses.

**The Current Political Landscape: South Caucasus and Ukraine**

As we all closely followed, the decision of the then-President of Ukraine Viktor Yanukovych to suspend the preparations for the implementation of an association agreement with the European Union in November 2013, resulted in in mass protests. These protests evolved into a movement that is popularly known as “EuroMaidan”. In the end of February 2014, Viktor Yanukovych fled Kiev. However, the victory of the EuroMaidan was followed by the outbreak of an
unrest in the largely Russophone Donetsk and Luhansk in Eastern Ukraine and the annexation of Crimea by Russia. Today, in Eastern Ukraine, clashes between the Ukrainian forces and the Russia-backed rebels continue. According to many analysts, Ukraine is the latest spot of muscle-flexing between the West and Russia.

The crisis in Ukraine has important implications, and actual and potential ramifications on the South Caucasus. The Ukrainian Crisis may lead some actors in the South Caucasus to opportunistic alternatives and activate deep rooted potential and frozen conflicts in the region. Currently, the runaway regions of Abkhazia and South Ossetia backed by the Russian Federation are one of the unsettled conflicts in the region. Armenian occupation of Azerbaijan’s Nagorno-Karabakh and the surrounding regions still continues. Tensions between the Georgian authorities and the ethnic Armenians in the Javakheti region of Georgia generate a potential for another confrontation. Moreover, tension between the Armenian and Georgian churches remains a factor that drives Armenia-Georgia relations into a thorny path. It shall be remembered that Armenia provides the Russian Federation with a military base in its territory; the Turkish-Armenian border is guarded not by Armenian but Russian military. In such a context, Ukrainian Crisis has important implications and potential effects on the South Caucasus. For that, South Caucasian countries watch the Ukrainian Crisis closely, often with worry but also with hopes of making best of it if circumstances allow. For that, the performance of the West, EU, NATO, UN, and Russia in the course of the Ukrainian Crisis will be a factor shaping the projections of Armenia, Azerbaijan and Georgia.

**The South Caucasus, the West and the ‘Russian Factor’**

In 1999, NATO began to look forward at the South Caucasus. In 2003-2004, NATO and the EU gave positive signals about their willingness to build deeper ties with the South Caucasus. In 2004, NATO appointed a special envoy for the South Caucasus and Central Asia. However, the April 2008 NATO Bucharest Summit marked the end of NATO’s interest in the South Caucasus and the August 2008 Georgian-Russian 5-Days war did not help to dispel that view. The EU outlined the European Neighbourhood Policy in 2003 and put it into action in 2004. Following that, the EU initiated the Eastern Partnership to build closer ties with Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine in 2009. Yet, these policies have not stimulated the anticipated results. Today, what is to be seen are mostly the long-term perspectives of the West. Yet, the ‘Russian Factor’ is still the biggest obstacle. Currently, there is no indication that the West is ready to confront Russia over the South Caucasus.
Following the collapse of the Soviet Union, Russia has been struggling hard to bounce back. Community of the Independent States, Collective Security Treaty Organization, Custom Union and the Eurasian Economic Union have all been steps taken in that direction. Many analysts argue that the NATO Summit in Bucharest in 2008 that marked NATO’s fading interest in the South Caucasus, in fact, ensured Russia of her uncompromising policy and sense of “possession” of its ‘near-abroad’. This led Russia to adopt much more conscious efforts and to spearhead stricter policies.

*What is Next?*

Given that context, Ukrainian Crisis is a great challenge for everyone and a major test for the West. The performances of the actors will most likely have significant effects in the South Caucasus.

The West has made Russian Federation understand that Russia’s influence in Europe extents no farther than Russia’s own western front and the Caucasus. So, Russia has been directed to look more to the East for its political projections. However, what we now observe is that Russia is bouncing back to the West, this time in cooperation with China. Maybe, this shift in Russia’s behavior will be an interesting topic for our follow-up meeting.

With these words and perspectives, may I welcome you all once again and wish for the realization of brain-storming discussions.
PANEL I
Security Perceptions in the South Caucasus: Foreign Policies of the Countries

Moderator
Prof. Dr. Kamer KASIM
Vice President of USAK (International Strategic Research Organisation)
Dean of the Faculty of Economics at İzzet Baysal University
LOOKING AHEAD TO ARMENIA-TURKEY NORMALIZATION

Richard GIRAGOSIAN

Director of the Regional Studies Center

Good morning,

Fortunately, I will not speak for twenty minutes, but much less. But first let me express my appreciation to both AVİM and NATO’s Public Diplomacy Division for facilitating, supporting and financing today’s event. It is interesting that today we are looking at both security and stability in the South Caucasus and this panel, more specifically, looks at security perceptions in the South Caucasus with a look at foreign policy. I would argue that it is much less about security and much more about insecurity. It is also in terms of concerns and security perceptions, unfortunately more about threat misperceptions rather than perceptions. Finally, if we look at foreign policy in South Caucasus, it is a foreign policy that is also largely dominated and driven by domestic politics. But I want to present an analytical framework looking at the region in terms of security and applying five
scientific applications. Specifically, it is in many ways looking at geopolitics. First, through the prison of geography, which is an obvious factor, but I will be more specific to say that it is cartography more than geography. Because, in many ways for the South Caucasus, security and stability today is driven by winds of change in many ways to the West. It is the promise of the EU engagement in the region and NATO’s Partnership for Peace, but it is also to the West not just a promise for the EU engagement but the peril of war in Ukraine. This is why and where words are very important because it is not a conflict in Ukraine, nor is it a crisis as many Western Diplomats sometimes prefer to characterize it as. Words are important; it is a war going on in Ukraine. It is a case of Russian aggression and just as words are important, we have to recognize the reality of war in Ukraine. There is another word in the region that does not get enough attention: Occupation. Whether it is the Russian occupation in Abkhazia and South Ossetia, whether it is the Russian occupation of Crimea and parts of Ukraine, whether it is the Armenian occupation of several districts of Azerbaijan beyond the borders of Nagorno-Karabakh.

Nagorno-Karabakh is in many ways not only an impediment to security and stability. The occupied districts of Azerbaijan, however are not the core focus of the peace process; occupied territories need to be returned to Azerbaijan as part of the negotiation. To the north, we have a very assertive, resurgent Russia that intends to push back and push out Western engagement in the region and inflicting serious and significant damage to the sovereignty and independence of each of the three countries in the South Caucasus. To the south, we have a degree of promise: Iran. We have a degree of promise and potential of a Western reengagement with Iran.

But in many ways, if that is the application of cartography and looking in the directions facing the South Caucasus, it is also about the archaeology in terms of digging up the past. In many ways, we are prisoners of history far too often in this region and it is about archaeology in terms of Jurassic Park of politics; too many dinosaur policies and dinosaur politicians. We need to graduate beyond the archaeology. We are not driven only by a shared history, but a shared future. This deserves much more attention. Fortunately, dinosaurs became extinct. The political dinosaurs in our region need to approach extinction much faster.

The third area of applying a scientific approach beyond cartography and archeology is actually a combination of astronomy and astrology. The stars are beginning to realign. But, there are also black holes of security and stability, which we need to know how to contain. These unresolved conflicts have become the black holes sucking in all of our future resources and much of our political will.
Looking Ahead to Armenia-Turkey Normalization

The fourth area in terms of scientific applications is, of course, physics, in terms of the laws of motion and gravity, in many ways in terms of political will. We need to find ways to overcome the limits of gravity limiting decisions and impeding bold statesmanship, which is endangered species in much of our region. But in many ways, it is also recognizing the physics of action-and-reaction; for every action, there is a reaction. That is why threat misperceptions are a specific challenge, something NATO and its Division of Public Diplomacy are working hard to address and correct. At the same time, we need more predictable behavior in terms of the physics of security in the region and we need to encourage statesmanship and courageous moves by our politicians. Because what is most important in each of our countries, Turkey included, is that decisions taken today affect generations to come and we need to put this in a broader context.

My fifth and final scientific application is looking at regional security and stability through the prism of mathematics or, specifically, calculus in terms of the calculus of competing national interests, competing regional powers. For too long, South Caucasus has been defined as an arena of competition rather than cooperation. We also need in terms of this calculus to recognize that Ukraine is now central as a key test of Western commitment. It is a test and a commitment of Western resolve and strategic patience. At the same time, if we look at the calculus of regional security and stability, as interesting as the geopolitical analysis could be, it is much less about geopolitics and much more about the local politics and economics. It is about income disparities and divisions. It is about democracy. This is why June 7th in Turkey was especially important. We can differ on coalition politics in Turkey. That is fine. What is neglected? What does not get enough attention? It was the tremendous achievement of the Turkish people in having the most free and fair election the region that has been seen in many years. 84% of Turkish voters participated in a very significant election. There was no apathy. There was in fact a greater involvement even by Turkish civil society. This conduct of the election, the impressive degree of free, fair and open elections is a precedent and inspiration to all of us in the South Caucasus. Sadly, it is a free and fair election that many other countries do not hold and are somewhat incapable of acknowledging.

What is also important is the conclusion. As the first speaker, I would argue there is no conclusion. If we are looking at regional security and stability, this is a dynamic, not a static, process. It is just beginning. It is nowhere near conclusion. However, this implies inherent opportunities, not just challenges. In terms of a dynamic process, we do have the emergence of several positive trends and game changers, from an American perspective. Armenia-Turkey normalization is one and so is Cyprus, lately, so is the opening with Iran. These are positive trends that can remake and reshape the map of the region in much more positive and open way. Turkey has a significant role and place in facilitating these trends. In
Richard Giragosian

Armenia, for example, there is a new trend where Armenia remains dangerously over-dependent on Russia. There is an entrenched pro-Russian feeling, but it is much less pro-Putin; pro-Russian stance no longer translates automatically into a pro-Putin position. Moreover, having recently attended the Riga summit, Armenia has a rare second chance to salvage relationship with the EU despite our membership in the prison of Putin’s Eurasian Union. But in many ways, it is from my own perspective, normalization of the Armenia-Turkey relations holds the most promise for both of our countries and as a contributor not just a consumer of regional security and stability.
GEOPOLITICAL SITUATION IN SOUTH CAUCASUS AND FOREIGN POLICY PRIORITIES OF GEORGIA

Assoc. Prof. Nika CHITADZE

President of the International Security Research Center
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Introduction

After the collapse of the USSR, the South Caucasus has become one of the most conspicuous regions within the framework of the competition among the ‘Great Powers’ at the crossroads of Eurasia. Geopolitical, geo-economic and geostrategic location of the region between the East and the West, its energy resources has attracted the interests of the main “Geopolitical Players” toward the Region. Geographically, the South Caucasus is located on the ancient communication and trade routes connecting Asia and Europe. Furthermore, it is the meeting point of Turkic, Slavic, Persian, Christian and Islamic civilizations and local Caucasian cultures. These factors were combined with the perceived national interests of the ‘main geopolitical players’, as well as the three regional countries to establish
a complicated, but well-interpreted Caucasian security complex in the modern times. Furthermore, natural gas and oil reserves of the Caspian Sea area facilitated both state and private interests in the region. The regional politics in the South Caucasus cannot be studied in isolation; these are greatly affected by the circumstances in the neighboring regions, including the Middle East (especially after the increasing the influence of the ‘Islamic State’), Central Asia and also Pakistan and Afghanistan, adding to the ambiguity and unpredictability of the region.

Geopolitical competition has caused both threats and opportunities for the three South Caucasian countries with respect to their national interests and security concerns. Hence, all the three countries have sought to cement their independence and statehood with the promotion and help of friendly regional powers. Meanwhile, all the South Caucasian states observed considerable and even dangerous security threats coming from the great powers interconnected with the security threats they observed from one another. It should be mentioned that main powers, namely, NATO, the US, the Russian Federation, the European Union and Turkey form a part of the Caucasian security complex.

Current Geopolitical situation in the South Caucasus

Geopolitics concerns the political and strategic significance of geography. More specifically, geopolitics is comprised of the distribution of political and military power. It analyses the links and causal relationships between political power and geographic space. In addition, it explains how factors such as the size of territory and population, geographic position, the availability of resources and a state’s dependency on foreign trade determine the status of a state or region and its behavior in the international arena.¹

After the Cold War, the geopolitical situation in the South Caucasus has been radically changed. First, the new independent states were not prepared enough to strengthen their statehood. Despite of difficulties, all three nations tried to strengthen their independence. The obstacles facing the newly established states are huge, long lasting and complex as these nations have been shocked by socio-economic, political and human problems, which were followed by war, hostility or conflict. There are still three unresolved conflicts: one between Armenia and Azerbaijan over Nagorno-Karabakh and other two between Georgia and Russia over former South Ossetian autonomous district and Abkhazia.

After the establishment of an attractive business environment in the case of Georgia, by the financial assistance of the diaspora in the case of Armenia and rising gas and oil exports in the case of Azerbaijan caused a boom in foreign investment. With the fast enlargement of gas and oil extraction in the Caspian Sea, energy issues and the building of pipelines from Azerbaijan through Georgia to Turkey and from Azerbaijan to the Georgian Black Sea coast have triggered the interest of the West.

Energy companies from the West play strong roles. At the same time, the intention of the western countries and companies to implement the projects, particularly construction of the pipelines bypassing the territory of Russia, causes the aggressive reaction from the official Kremlin.

It is necessary to mention that economic and political engagement of the US, NATO and the EU in the increases. Southern Caucasus, in fact, has become a factor in the larger geopolitical game between the Russian Federation and the West. For the West, one of the main priorities represents the promotion of democracy and socio-economic development of the countries from South Caucasus Region, the region, which is bordering with Russian Federation.

**Georgia after Independence**

Since Georgia regained its independence on 9 April 1991, Georgia has managed to introduce itself independently in the international arena and to establish diplomatic, trade, economic and other relations with countries around the world.

As a country involved in civil war, the initial phase of the Georgian independence had been very painful. A coup took place in January 1992. Besides, in the beginning of 1992, the country was internationally isolated. At the same time, the Russian Federation did not recognize the independence of Georgia and exerted pressure. This pressure, first of all, was exercised by encouraging separatism in the South Ossetian Autonomous District and then in Abkhazian Autononomous Republic. Russian provocations in Georgia eventually resulted in central government’s loss of control on large part of these territories.

In the beginning of 1990s, Georgian economy suffered a great loss because of war. The domestic product declined by 43% in 1992. In addition, high-ranking

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2 Nika Chitadze, “European Integration as one of the Main Foreign Policy and National Security Priorities of Georgia.” *Journal of Social Sciences*, vol. 3 no. 2, 2014: p.29 (available at [http://www.google.ge/url?url=http://journal.ibsu.edu.ge/index.php/jss/article/download/640/535&ret=j&frm=1&q=&esrc=s&sa=U&ved=0CBgQFjAjBCgU8QFwJX83KZ_tzGAhWL8RK5KHdaxS6g&sig2=s1cqhGTog2Kzu_x9K0uDg&usg=AFQjCN9GvX6QVIvZTUy8fO1yGNzEBBnuDr3iA, latest access 20.07.2015](http://www.google.ge/url?url=http://journal.ibsu.edu.ge/index.php/jss/article/download/640/535&ret=j&frm=1&q=&esrc=s&sa=U&ved=0CBgQFjAjBCgU8QFwJX83KZ_tzGAhWL8RK5KHdaxS6g&sig2=s1cqhGTog2Kzu_x9K0uDg&usg=AFQjCN9GvX6QVIvZTUy8fO1yGNzEBBnuDr3iA, latest access 20.07.2015)).
government officials did not have the experience to govern an independent state. Naturally all of these factors had negative consequences on Georgia’s socio-economic development and on Georgia’s self-representation in international arena.

To overcome the crisis, Georgia needed assistance from the Western countries and various financial institutions. Indeed Georgia got the most significant assistance from the leading Western States such as the US, EU member states, as well international financial institutions such as the IMF and the World Bank. Also it is noteworthy that in the first years of regained independence, the West was not very active in the South Caucasus. Therefore, Georgia had to choose a pro-Russian foreign policy in the early stage of the independence. Moreover, Russia forced the government of Georgia to announce the agreement on the deployment of Russian ‘peacekeepers’ in Samachablo on 25 June 1992 and later – after the ending of the military operation on the territory of Autonomous Republic of Abkhazia. In addition, Georgia was forced to enter in the Commonwealth of Independent States and then in the Russian military political bloc, namely, the Collective Security Treaty Organization. Therefore, we can say that Georgia was forced to implement the pro-Russian foreign policy in its first stage of independence. At the same time, it should be pointed out that each government after the independence did everything they could, however, there was no government in Georgia after the restoration of the national independence, which would be acceptable for the official Kremlin. The real intention of Russia is to break Georgia spiritually. Georgia hoped if country would do any compromises before the Moscow, Russia would support Georgia’s territorial integrity. That was the reason why Georgia accepted Russian ‘peacekeepers’ to be deployed in conflict areas and deployment of Russian military bases in Georgia for twenty five years. In addition, on 3 February 1994 Framework Agreement between Russia and Georgia was signed. Despite all these, Russia did not take any step to promote the restoration Georgia’s territorial integrity.

In the second half of the 1990s, Georgia tried to find political partners in the West with the purpose of gradual changing its foreign policy priorities. At the same time, the interests of the Western countries toward the post-Soviet space, especially toward the South Caucasus and the Caspian Sea region was increased, which together with other factors, was interrelated with the signing by Azerbaijan government on 20 September 1994 “Contract of the Century”. It was agreement between Azerbaijan and Western leading oil companies, main purpose of which was exploration, production and transportation to the west oil and gas resources of the Caspian Sea Region. In this regard, the importance of Georgia as a transit country has been increased.

It should be noted that since late-1990s, Georgia has been approaching to the
Geopolitical Situation in South Caucasus and Foreign Policy Priorities of Georgia

West. The Partnership and Cooperation Agreement signed in October 1996 with EU is one of the concrete steps in this direction. Likewise, the Baku-Supsa pipeline that was constructed in 1999 under the supervision of the British Petroleum is another noteworthy development.

Taking into consideration the above mentioned facts, Russia has strengthened its pressure on Georgia, clear examples of the illegal actions from the Russian side were the direct involvement of Russian “peacekeepers” during the military confrontation in the Gali District of Abkhazia between armed forces of Georgia and separatist formations of Abkhazia in May 1998. As a result of those clashes, about fifty thousand ethnic Georgians were exiled from Abkhazia. In addition, Russia introduced a visa regime for the citizens of Georgia and also increased its support to the separatists regions of Georgia - Abkhazia and so called South Ossetia. The clear example of this support represented the issuing of Russian passports for the inhabitants of the separatist territories of Georgia. In response and quite naturally, Georgia adopted a more pro-Western stance. Already in 2001, the US launched a training program for the Georgian army. Later, trained by American instructors Georgian militaries implemented anti-terrorist operation in the Pankisi Region of Georgia near the territory of Chechnya. In 2002 at the Prague Summit, Georgia’s former president Eduard Shevardnadze officially announced Georgia’s desire to become a full member of NATO.

Georgia’s rapprochement policy with the West intensified after the Rose Revolution. Georgia got closer with the EU, the US and NATO. In May 2004, Georgia became a member of EU’s Neighborhood Policy and in October 2004, NATO approved the special program – “Individual Partnership Action Plan” (IPAP) for Georgia.

The irritated Russia, in return, intensified its pressure on Georgia. The increase of the price of the natural gas from 60 USD to 110 USD and in 2006 from 110 USD to 235 USD per thousand cubic meters is one of the examples of this pressure. Moreover, Russia imposed embargo on Georgian products such as alcoholic beverages and agricultural products. After the arrest of Russian spies on Georgian territory, Russia suspended transport cooperation and international flights.

Despite the problems with Russia, Georgia managed to provide its socio-economic development. In 2007, the volume of foreign investments in Georgia increased till two billion USD. The strengthening of Georgia was not acceptable for Russia, which implemented an aggression against Georgia in August 2008 and occupied 20% of the territory of Georgia. After the Georgia-Russia war, the diplomatic relations between two countries were broken off. As I result, Georgia

Nika Chitadze

left the regional organization CIS (Commonwealth of Independent States, which was founded on the post-soviet space after the disintegration of USSR) and finally took its orientation to the west.

In May 2009, Georgia become a member of Eastern Partnership program, in May 2009. As it is known, this program was founded by EU. Furthermore, in September 2008 Georgia-NATO Commission was founded and since the beginning of 2009 country took the obligations before the Alliance by the implementation of the Annual National Program (ANP). Nowadays, Georgia has close relations with the West. It should be noted that in 2014, on the share of EU was coming approximately 26% of the foreign trade of Georgia. In 27 June 2014, Georgia was the only state in South Caucasus, which signed the “Associate Agreement” with the EU.

Taking into consideration the relations of Georgia with the western countries, it is very important to be consider the threats and challenges, which Georgia is facing after Russian aggression. Those threats and challenges are strongly connected with the fact, that occupation forces of Russia are in 40 kilometers from Tbilisi and purpose of Russia is to support the illegal formations to implement diversion and terrorist acts on the territories, which are under control of Georgian central government, furthermore, to support pro-Russian political forces and so-called NGO-s, which are functioning in Georgia.

During the discussion about above-mentioned threats, it is necessary to analyze new realities which have been created after Russia-Georgia war, therefore, should be defined Georgia’s national security and foreign policy priorities.

New Security Environment after Georgia-Russia War

The August War dramatically changed the political situation in Georgia. It is clear that conflict in Abkhazia and former South Ossetia should be considered in the context of confrontation between Russia and Georgia. The problem of Georgia’s territorial integrity has become the question of national statehood and sovereignty as the Georgian central government controls less territory today than it did before the escalation of the conflict in 2008, when its control was established over the important parts of South Ossetia and Abkhazia. Georgia’s image as an “efficient state” was shattered and the country may plunge into new internal political turmoil. Georgia’s future depends on international security guarantees and support.

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Implication of the war for the breakaway regions

After the events in August, it became clear that direct negotiations between the conflicting parties is implausible, particularly with respect to South Ossetia as its de-facto authorities are closely connected with and dependent on Russia and unification with North Ossetia seems a more attractive option for local residents than independence. The de facto annexation of South Ossetia gives us the reason to say, that soon this historic part of Georgia may simply be incorporated into the Russian Federation. At the same time, it is a paradox that South Ossetia became independent while North Ossetia, where historically an Ossetian statehood existed, remains part of Russia. It will be interesting to see how Moscow will handle this paradox.

With regard to Abkhazia, part of its ruling elite is strongly supports the idea of independence and despite the close ties, opposes Russia’s full hegemony in the region, giving the Georgian government some room for maneuvering. But unless the international community is strongly involved in Abkhazia, Moscow will easily get rid of the pro-independence Abkhaz elite. It is important to remember in this regard that ethnic Abkhaz do not form a majority in Abkhazia – there are about 37% of ethnic Abkhaz in this separatist region5.

Influence of the war on Georgia’s foreign policy

After the August 2008 events, west, which tried before to integrate Russia to the Western democratic community, was in a very difficult situation. On the one hand, Western countries expressed their readiness to take active part in the conflict resolution process. At the same time, opportunities for the western involvement were limited because occupied territories remained under the full Russian control and taking into account the current realities, Moscow will hardly agree to an international peacekeeping operation in Abkhazia and South Ossetia.

So, the prospects for the internationalization of the conflict settlement process and entrance of the EU monitors inside of the conflict zones are not realistic at this moment.

It is very difficult to discuss the perspectives of Euro-Atlantic integration of Georgia after the August 2008. On the one hand, it is obvious that the Russian aggression turned the problem concerning Georgia into an international security issue. Russia’s repeated statements that it would block NATO membership of Georgia (and Ukraine) joining to NATO by all means, might motivate NATO

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member-states to stand up to Moscow’s threats and support the integration process. Besides, against the backdrop of political decisions, some questions need to be answered: How should the expansion go ahead before the conflicts are settled? What measures are necessary to ensure a strong western presence in the conflict zones?

The rapid deployment of EU observers in the buffer zones around Abkhazia and South Ossetia is quite a realistic short-term goal that the West can achieve in Georgia. It is feasible as long as Russia is unlikely to pull out its troops from Abkhazia and South Ossetia in the near future. In addition, it is a vital precondition for getting the political and economic process in Georgia back to normal, rebuilding its war-damaged infrastructure, and facilitating the country’s European integration6.

Main Directions of Georgia’s National Security Policy of after Georgia-Russia War

National Security Policy of Georgia is based on fundamental national values of Georgia and serves the realization of Georgia’s national interests and addresses threats and challenges before the national security.

*Strengthening of public administration and consolidation of democratic institutions.* For avoiding further political confrontation between the government and oppositional forces of Georgia, it is necessary to build democratic and free society and to create a transparent and accountable system of governance based on the rule of law.

For this purpose it is necessary to clearly distribute functions between executive, legislative and judiciary branches of the government, to reform all three branches, foster democratic principles of governance and establish a culture of changing government through constitutional procedure.

Political system should become open for all citizens, what envisages their participation in the decision-making and implementation process, constant public control over the decision-making institutions and strengthening of the sense of accountability towards the society in the government.

Eradication of corruption, which after the Rose Revolution exists as nepotism, is a necessary precondition for strengthen public administration and democratic institutions of the country.

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Enhancement of defense capabilities. Taking into account the fact that the possibility of the implementation of another aggression against Georgia from Russian Federation still exists, the first priority in defense planning is to achieve maximum deterrence to avoid an attack on the country. In the event that aggression fails to be deterred, the primary military objective is the protection of sovereignty and territorial integrity of Georgia. Territorial integrity of Georgia must be maintained consistent with international law and along internationally recognized borders. Timely discovery of the sources of a threat, accurate analysis of the intelligence reports and effective interagency coordination are very important to effectively ensuring defense measures are taken. Based on the threats emanating from Russian combat forces, including those present in occupied regions, and taking account of the “lessons learned” during the August 2008 Russian aggression, re-balancing of Georgian Armed forces training is necessary to ensure greater emphasis on developing both conventional and unconventional defense capabilities while maintaining the capability to participate in international peace support and stability operations.

When facing military aggression, the armed forces, as well as other state agencies will use all means possible to provide active resistance and will act in close coordination, while all resources of the state will be mobilized to reinforce its defensive capability. Under the concept of “total and unconditional defense”, rapid mobilization of reserve forces, combined with the coordinated actions of the armed forces and other state agencies will enable the country to inflict considerable damage and to hinder the enemy in achieving its strategic objectives.

Restoration of constitutional order on the whole territory of Georgia. As it is known, after the Russian aggression, Georgia lost control over the part of territories in Abkhazia and South Ossetia, where before the war jurisdiction of Tbilisi was spread. At this stage, country is unable to control 18% of its territories. Despite the starting negotiation process in the framework of Geneva format, restoration of the jurisdiction of Georgia on the above mentioned territories through peaceful negotiations is impossible on this stage since the central government of Georgia demands recognition of Georgia’s territorial integrity from de facto leadership of the occupied regions in return of acquisition of broad autonomy rights within a unified Georgia. However, the “leadership” of both regions exclusively insists on the independence during the negotiations and does not consent to the recognition of Abkhazia and South Ossetia as part of the territory of Georgia in any way. This has especially been the case after the recognition of the two above-mentioned regions by Russia in August 2008.

As the events of August 2008 have shown, the issues of conflict resolution and restoration of territorial integrity may not be solved through military means either
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Georgia will have difficulty in carrying out large military operations on the territories, where Russian occupation forces are deployed.

The only way for the resolution of the existing conflicts and de-occupation of Georgia is the economic development of the country. Economic development of Georgia will increase interest towards Georgia in the “disobedient” regions which ultimately may cause their consent to participate in various economic projects in return of restoration of Georgia’s territorial integrity.

**Interests of Georgia to join NATO**

Georgia views NATO as an organization of collective defence that is the central mechanism for providing security and stability in the Euro-Atlantic area. Georgia’s cooperation with NATO contributes to strengthening of democratic values in the country, accomplishment of democratic reforms, especially in the field of defense, as well as establishment of a secure and stable environment. Membership of NATO would not only endow Georgia with an unprecedented degree of military and political security, but would allow it to contribute to strengthening the security of Europe, particularly the Black Sea region. Georgia has already proved its readiness to share the responsibility of the collective security by sending its troops to Kosovo, Iraq and Afghanistan.

The following question can be asked: What does NATO membership specifically signify for Georgia?

The first view is that NATO membership is a very effective tool for political and security reform. The second is that NATO is a club in which membership can and does favor state building. In this second view, NATO membership is seen as a destination, to which a country can arrive only if it has completed a process of state building. The aspiration to join NATO raises the question “where is Georgia headed”? The answer is toward assimilation with the Euro-Atlantic family of politically like-minded states.

It is important to note that Georgia has a somewhat different road to travel toward NATO membership than the Baltic states or other Eastern European countries had. Although the Baltic states were administered by the USSR, they were perceived internationally as having legitimate claims to statehood throughout the Soviet period. Georgia, in contradistinction, had to invent a modern statehood in the context of the disintegration of the Soviet Union and the rampant conflict and confusion that was left in its wake.

For Georgia, NATO signifies a necessary tool to aid in building not just any state,
but a democratic state. The standards for joining NATO are different now than they were in the 1950s. Georgia understands that NATO integration requires real democratic development. Therefore, the democratic character of the state is paramount.

Georgia naturally suffers from an insecurity complex, especially after Georgia-Russia war in August 2008. It seeks a secure environment for its own existence and for the life and development of its citizens. NATO, primarily a security institution, addresses these needs and is considered as an umbrella or safe haven for small and weak countries who alone cannot overcome security threats.

The other aspect of why Georgia strives to NATO is to develop economic stability, NATO brings stability and security in the region and so it brings economic development. NATO also gives the framework for the International Security operations, in which Georgia is already involved.

Georgia has shown convincing performance in both reforming its military forces and contributing to international security. It has developed into a full-fledged democratic society. Georgia is ready to take its place as an essential member of the Euro-Atlantic community.

As for Georgia, it’s clear from stated ambitions of the government that Georgia is taking a path targeted at integration with the European Union and NATO. To foster closer cooperation and to guide the relationship between NATO and the Caucasus and Central Asia, it has been appointed the Special Representative of the Secretary General of NATO for the Caucasus and Central Asia.

As NATO is making efforts to promote closer relationships with its partners, these partners also need to make their own efforts. For example, partners can participate in NATO peacekeeping operations and make progress in their own society on the values that NATO promotes, such as defense reform, defense restructuring, and fighting corruption. Georgia should be commended for a variety of initiatives on its part to work with NATO and to contribute to the relationship. Georgia has a long and winding road ahead of it if it wants to achieve integration into NATO.

Georgia’s NATO membership will inevitably open and widen the path for the membership of the other countries of the South Caucasus; Armenia and Azerbaijan. These countries give increasingly frequent signals of readiness to participate in transatlantic cooperation at a much more advanced level than the Partnership for Peace (PfP) program currently offers.
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**Integration into the European Union**

Historically Georgia represents a geographic, political and cultural part of the European space. Integration into European and Euro-Atlantic political, economic and security systems is a firm will of Georgian people. Georgia considers accession to the European Union to be an important guarantee for economic and political development and a precondition for security.

At present, the main legal framework of relationship between Georgia and the EU is the Partnership and Cooperation Agreement (PCA), signed in 1996 and Associate Agreement – signed in June 27, 2014. Since June 2004, Georgia has been a member of the European Neighborhood Policy, which represents a precondition for the future approximation of Georgia with the EU. In November of 2006, Georgia and the EU signed Action Plan, which takes into consideration cooperation in various spheres, including political, legal, security, economic, social, cultural etc. In May 2009, Georgia together with other five post-soviet states, joined “Eastern Partnership Program”. It is a priority for Georgia to develop and an Action Plan within the European Neighborhood Policy and to timely and efficiently implement all priorities in the framework of the “Eastern Partnership Program”. In July 2010, the EU and Georgia started the negotiation process on the signing the Associate Agreement which as it was mentioned finished by the signing of this agreement in 2014.

The Russian-Georgian conflict will increase the engagement of the European Union in Georgia. Consequently, it will be able to play a greater role in the South Caucasus. The European Union’s large-scale economic and political support for Georgia and closer EU-Georgia ties will help the country recover from the conflict quickly, while the EU’s international prestige will grow considerably.

Diversification of the energy sources has become an urgent theme for the European Union, an aspect reflected in the final resolution of the EU summit on September 1, 2008. The Russian-Georgian war high-lighted the danger of Russia’s intentions to monopolize energy transits from Asia to Europe. It is very likely, therefore, that the west will begin lobbying for alternative gas and oil pipelines more actively.

**Relations with the US**

Bilateral cooperation and strengthening of partnership with the United States is of a great significance for Georgia, especially after war with Russia. From the very day of declaring Georgia’s independence, United States has been actively supporting its statehood, democracy, defense capabilities and economic development.
The US represents the strategic ally of Georgia, and cooperation with Washington will remain one of the main directions of the Foreign policy of Georgia.

After the signing the Charter on Strategic Partnership, US-Georgia relations will become more intensive.

If Washington’s policy is successful in Georgia, i.e. if Russian troops are pulled out from occupation zone, Georgia’s governmental system and national economy remain functional, and democratic processes continue unabated, US influence in the region will increase substantially, nearby countries will be more willing to cooperate with the US, and prospects of alternative energy transit projects will be implemented in practice.

CONCLUSION

The aim of this research was to provide a response to the following research questions:

- What are the main geo-strategic, geopolitical and geo-economic issues in the South Caucasus?
- What are the developments in security and energy politics, what lies ahead for the South Caucasus?
- How the foreign policy priorities of Georgia were changing since the period of the restoration the independence?
- What are the main foreign policy priorities of Georgia after Russia-Georgia war?

At all levels – local, regional and global – state and organizational actors are actively pursuing their geo-strategic objectives in the South Caucasus. Because of the complexity and intertwining of military, political, economic and other policies by and against actors in this region, the conclusion of this research cannot provide an all-comprising assessment on and future projection of the South Caucasus and Georgia. Instead of this, a choice has been made in addressing specific crucial developments, in which way the formulated research questions will be answered.

The countries of the South Caucasus region share some similarities. All are struggling to implement the necessary political, economic, and defence reforms necessary for closer integration into Euro-Atlantic institutions. But the differences between them mean that the nature of main “geopolitical players” involvement
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will vary considerably from country to country. Georgia clearly desires to join NATO and EU as soon as possible, but neither Armenia nor Azerbaijan has expressed such a desire. Azerbaijan’s oil wealth may help or hinder its reform process. Armenia’s difficult relationship with Azerbaijan and Turkey may slow economic progress across the region.

The South Caucasus, with its large natural resources and a huge market, could develop into a region of peace and prosperity. It could also become a huge area of economic, social and political instability, which would negatively affect the future of this region and the world. Therefore, the Western democracies and regional powers should work more closely to create a balanced interplay of international competition in the South Caucasus.

The result of positive directions of Cooperation for South Caucasus will be as follows:

- The ensuring of stability and building of democracy in the region;
- The finding of a convenient base for conflict resolution;
- The strengthening of national independence;
- The improvement of Economic development;
- The enlargement of its cooperation area.

With regard to Georgia, Georgia’s Regional policy and national security priorities are founded on the values established in modern democratic world. This interrelation allows us to ensure international support in accomplishing country’s priorities.

In today’s interdependent world, national security and prosperity cannot be achieved in isolation from the rest of the world. For security of Georgia to be lasting it is necessary to support the global security. The independence and freedom of the country depends on respect for the sovereignty of other states of the world. The well-being and economic prosperity of other states and regions will influence the welfare of Georgian citizens and the consolidation of democracy in Georgia can only be achieved through strengthening democratic developments on a global scale. To reach this vision, Georgian foreign policy of 21st century will strive to bring about international actions that advance the national interests of Georgia and Georgian citizens, as well as to make a contribution to building a world community in which there is enduring peace and security, an expanding democracy and lasting prosperity.
FOREIGN POLICY OF AZERBAIJAN: CHALLENGES AND PERSPECTIVES

Dr. Efgan NIFTI
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Before I begin, I would first like to thank to AVİM, Ambassador Alev Kılıç and NATO Public Policy Division. Regional dialogues at the expert level are great opportunities for learning and engagement. This event offers a useful platform for bringing together various aspects of our concerns regarding the future of the region.

More than two decades have passed since the three South Caucasus states regained independence. It has been a very challenging road and not all have seen success in equal measures. Some countries in the region are still struggling in terms of economic development with less than ten thousand USD per capita. Azerbaijan has achieved a significant economic progress, but still needs huge economic diversification. The massive decline in oil prices this year significantly
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impacted regional economies. I would like to add in this regard that dealing with the frozen ethno-political conflicts in the region has also impeded economic development and limited economic welfare. I think it has also opened the way for others to interfere into region’s internal politics.

Another factor to consider is the foreign policies of the countries of the Caucasus region. Ambassador Kılıç mentioned that each country pursues different kinds of external relationships with Russia, their neighbors and Euro-Atlantic structures. We have seen that Georgia has chosen European integration. Armenia made some progress in developing relations with the West, but then changed its path to join the Russia-led Eurasian Economic Union. Azerbaijan’s foreign policy is an interesting case. It is an interesting example of how a newly independent power can achieve its national goals despite the precarious and unpredictable regional and global contexts. Since independence, Azerbaijan has tried to minimize geopolitical risks while maintaining a balanced foreign policy. I call this pragmatism, predictability and prevention. Azerbaijan has tried to avoid risks while trying to pursue its own, let’s say, geo-economic interests in order to advance its economic development. I think Baku’s carefully implemented foreign policy strategy has been to a great extent an important factor in fostering Azerbaijan’s statehood and nation building process. Here, I would like to go back to the times when Azerbaijan first regained independence following the collapse of the Soviet Union and the challenges it faced were by no means insignificant. After 1991, within just two years the country was on the verge of civil war. We also saw three governments in just two years. The first government collapsed following the Khojaly massacre in Nagorno-Karabakh. Then the Mutalibov government had to resign. Another government from the Azerbaijani Popular Front Party followed, but stayed in power for only a year and was ousted by a coup d’État on 4 June 1993. Then, it was President Heydar Aliyev governing Azerbaijan, launching a stabilization process and bringing greater predictability to Azerbaijan’s foreign policy by pursuing a balanced foreign policy vis-à-vis key regional actors.

Azerbaijan faced a major economic collapse with the disintegration of the Soviet economy. Its GDP decreased by almost 70% in the first years of the independence and national institutions were in total collapse. It took a lot of time to rebuild the country’s military, economic and political institutions. Occupation of its territories (20% of the country was occupied from 1991 to 1994 including Nagorno-Karabakh and seven adjunct districts) posed an additional challenge for Azerbaijan.

Another thing I have to mention is the existence of one million refugees and internally displaced persons following the war. Because the economy was in collapse, resources were not enough to provide adequate shelter and services for
them. Azerbaijan had to approach neighboring countries for economic aid at that time. The picture that I am describing here is very interesting. The nationalist Popular Front Party pursued closer relations with Turkey and Western institutions, but largely failed in its relations with Iran and Russia, for which Azerbaijan paid a steep price in the future. When Heydar Aliyev came to power, Azerbaijan had a number of key strategic goals. One was the resolution of Nagorno-Karabakh conflict and the restoration of the territorial integrity. As other speakers have already mentioned, the conflict remains frozen and there has been little progress towards its resolution. The OSCE Minsk Group has been conducting shuttle diplomacy to resolve the conflict and on several occasions parties came close to reaching a settlement, but ultimately efforts failed to produce meaningful results. I also want to mention that Russia’s effort also had no consequence.

Another strategic goal for Azerbaijan was the opening of its energy resources to global markets. This was crucial for building a new state and also to rejuvenate Azerbaijan’s economy. Another key aspect of Azerbaijan’s foreign policy was to gain recognition in the international system and to become an equal partner with other international actors. Today, Azerbaijan has opened almost seventy embassies around the world. Another strategic goal for Azerbaijan is integration with Western institutions and closer relations with Western countries. Azerbaijan has been less vocal in terms of saying this and placing greater emphasis on its actions. It has partnered with NATO in the fields of security and counterterrorism, providing necessary transit routes for the supply to NATO forces in Afghanistan. It has been part of Azerbaijan’s commitment to its relations with Western institutions.

I think in terms of relations with the EU, Azerbaijan has been quite careful with respect to deciding the areas to pursue cooperation and to hang back. Azerbaijan has had to consider the territorial and geopolitical consequences of its foreign policy. I think one of the successful areas for Azerbaijan has been the development of economic ties. Today, almost 60% of Azerbaijan’s trade is with the EU. Azerbaijan has close economic relationships with both Georgia and Turkey. It has become the number one investor in both countries. In two decades, Azerbaijan’s economic capacity has grown dramatically.

In terms of the military, I noted the military failure in early 1990s. Following that, we have seen a rapid build-up of military capacity in Azerbaijan. The military budget has now grown to almost three billion dollars per year. Azerbaijan has acquired significant amounts of arms and built its military capacity. In the latter sense, partnership with Turkey and with other countries is very important. We have recently seen joint drills Azerbaijan with Turkey in Nakhichevan and other places, as well as with Georgia. There is a strong trilateral partnership in the field of security. The three defense ministers of
Turkey, Azerbaijan and Georgia meet periodically to discuss cooperation and challenges.

Azerbaijan’s GDP have reached over seventy billion dollars by 2014. A major boost came after the realization of the Baku-Tbilisi-Ceyhan pipeline, when the economy started to pick up. In 2006, Azerbaijan’s economy grew by an astonishing 34%. Of course, it contributed to the military expenditure of the country, which reached almost over three billion dollars by 2014. The growth has stagnated this year because of the decline in oil prices, which I will mention later, as the development of Azerbaijan’s non-oil economy is an important challenge at this stage.

Another area of Azerbaijan’s foreign policy focus was the development of the oil resources in 1990s, while now it is gas. The “Contract of the Century” was signed on 20 September 1994. It was an economic undertaking but also an important foreign policy action. You see all the flags and all the representations of other countries. The deal opened up the Caspian’s energy reserves to the global markets. Of course, Turkey and the US put a lot of effort into realizing this project and I think the close cooperation between Aliyev, Chevardnadze and Demirel at that time was crucial. I think the biggest challenge for the country and the commercial entities then was where and how to sell and transport the oil produced from the Azeri-Chirag- Guneshli fields to global markets.

Azerbaijan had two options at that time. One was the Baku-Novorossiysk pipeline going through the Russian territory. The second one was the Baku-Supsa pipeline, which required a lot of investment. Then a third option - I think the most ambitious one - was the Baku-Tbilisi-Ceyhan pipeline. For strategic reasons, Azerbaijan chose to go with the Baku-Tbilisi-Ceyhan pipeline, because it provided a diversified route for Azerbaijan to send its oil to the global markets. This option was also preferred by Western countries and significant political will, as well as economic investment was required; at that point the cost of building the pipeline was around three billion dollars and Azerbaijan had no money to finance it. Although Azerbaijan lacked the technology and the finances for a project of that scale, its construction was realized through the hugely successful trilateral partnership between Azerbaijan, Georgia and Turkey, and, of course, with the support of the Western institutions. We have already seen the first flow of oil from Baku to Ceyhan and now the pipeline also carries Kazakh oil to the Turkish Ceyhan Port.

The second phase of Azerbaijani energy partnership with the West and with other countries such as Turkey is the Southern Gas Corridor. It is important to mention the Ukrainian crisis in this regard, because we have seen the problems Europe is having with its natural gas supply and energy security. This issue has also become
Foreign Policy of Azerbaijan: Challenges and Perspectives

a matter of national security for Europe. Now, Azerbaijan is being involved in a project that will provide a new important supply for the European consumers; the Southern Gas Corridor will be the fourth corridor to Europe. This will come with a forty five billion dollar investment. We have seven countries involved and thirteen companies. The project will be realized in four phases. This project has been on the agenda since early 2000s and Azerbaijan has managed to bring the parties together in 2011 when Azerbaijan and Turkey announced the project, followed by the first host-government agreement.

The Southern Gas Corridor is not just an energy project. In the words of President Aliyev, it is bringing a “new political economy to the region” as it is very difficult to account for and respond to the interests of seven countries, namely, Azerbaijan, Georgia, Turkey, Albania, Italy, Greece and Bulgaria.

Azerbaijan holds about 3.2 trillion cubic meters in natural gas reserves. What does this mean when we compare it to, let’s say, the Turkish market? Turkey consumes around 50 bcm (billion cubic meters) of natural gas right now and it has come to 50 bcm from 16 bcm in ten years. This project is not just important for Europe, but also for Turkey’s gas supply diversification. Turkey is currently 57% dependent on the Russian gas, and this project will provide another key mechanism for supply diversification for Turkish markets. I will not go into details regarding the South Caucasus Pipeline or TANAP, because these have already been mentioned by previous speakers. I will just note that these are important platforms for regional cooperation and collaboration.

In the 1990s, Azerbaijan was known for its oil and oil production was no longer increasing; it was remaining at a stable level. However, we are now seeing increases in natural gas production. I think by the year 2025, Azerbaijan will be able to export around 40 bcm of natural gas to international markets. The production is reached to 29 bcm in 2013. Around 50% of this is now exported to Turkey and Georgia. Shah Deniz in the Caspian then the South Caucasus’ pipeline, TANAP (Trans-Anatolian pipeline) and Trans-Adriatic pipeline- all of these are opening new corridors for European natural gas supply, and this is an important area of collaboration between European countries and Azerbaijan, and with Turkey and Georgia, as well. This project is important in the sense that we have seen countries coming together and realizing something very important for their own good and also regional collaboration.

Diversification of the energy supplies is important for the European security. Europe identified projects of common interest aimed at providing natural gas to Europe. One of these projects is the Southern Gas Corridor. Azerbaijan prefers partnering with European institutions on economic projects rather than being involved in political initiatives that could risk its own interests in the region.
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Another platform for collaboration will come with the development of transportation projects such as the Baku-Tbilisi-Kars railway. I think in a world of conflicts and divergent interests, these are the areas in which we can find common good for the countries. I think these projects will provide an important venue for the collaboration.

I mentioned international recognition earlier. Azerbaijan was elected as a non-permanent member of the UN Security Council. This was an important diplomatic achievement. Almost 156 countries voted for Azerbaijan’s non-permanent membership. It was important in terms of Azerbaijan’s diplomatic ties with global partners. Azerbaijan had become a member of key European institutions including the OSCE, Council of Europe and other European institutions. The partnership with NATO has been an essential pillar of security relations in its foreign policy. It is a member of the Partnership for Peace. It has provided troops to Afghanistan and other NATO missions, in some places as part of Turkish military personnel. It has also attracted over 150 billion USD foreign direct investment in just twenty years. This has been an important factor in Azerbaijan’s development. Azerbaijan is the number one investor in Georgia and Turkey. In Turkey, for example, Azerbaijan is investing around twenty billion dollars in the next five years, and as I said, has opened embassies in over seventy countries. It is an important number for a country of Azerbaijan’s size with a population of just ten million. Of course, there are challenges that Azerbaijan is facing. I think the ongoing Russian-Western tension over Ukraine poses a significant challenge for Azerbaijan. Azerbaijan voted for Ukraine’s territorial integrity in the UN session last year. Azerbaijan has chosen to join European projects and has also stayed away from Russian-led Eurasian Economic Union.

I think the reconciliation between Iran and the West will be very interesting to follow; it provides both opportunities and challenges for Azerbaijan. When we look at the history of Azerbaijani-Iranian relations, it has not always been easy. But, I think if Azerbaijan and Iran choose to collaborate, it can open transfer corridors in the region for Azerbaijan to access the Gulf and other areas. Up to this point, tensions between Iran and the West have created a different picture. Now we see another picture in this regard.

The resolution of the Nagorno-Karabakh conflict is another challenge for Azerbaijan. It has a major impact in terms of Azerbaijan’s investments. Azerbaijan is currently spending on defense areas, but that money could be directed to other economic projects. However, Azerbaijan still has to develop the necessary military capacity. Maybe we do not see an immediate conflict, but a lot of energy and commitment to the peace process is still required. There is no solution for Nagorno-Karabakh at present.
I think the declining oil price is a key challenge for Azerbaijan. Around 95% of Azerbaijan’s exports are oil and gas. But, I think, at this point, Azerbaijan has made significant progress in terms of diversification of the economy; the non-oil economy has been growing by 11-12% in the last three years. Nonetheless, diversification of economy will be the number one priority for Azerbaijan in the coming years.

In regard to the choice between Western institution and the Russia-led Eurasian Union, Azerbaijan avoids to take a decisive step in either direction. Azerbaijan is trying to maintain stable relations with both parties without alienating itself from European institutions and maintaining strong ties with them, while still not antagonizing Russian intentions. I think another challenge for Azerbaijan will be strategic investment projects. A lot of projects are going on in terms of infrastructure and energy. I think Azerbaijan will have to make a list of priorities and try to use its financial capabilities to maximize profitability, identifying an optimal way for achieving goals that are genuinely strategic in terms of national interests.
Thank you very much,

I will try to look at the issues from a Turkish perspective, while trying to understand and discuss security and stability in the South Caucasus; whether this is a possibility and how Turkey contributes to stability and security related issues in the South Caucasus. We are all familiar and used to discuss security and stability in the South Caucasus. For the last two decades, it is a very fashionable discussion. But most of the time, we are not that optimistic to reach a kind of positive and achievable solution, because of different reasons.

We are very familiar with the discussions on both soft and hard security issues, but most of the time with hard security issues. It is a serious problem for the regional community and international actors to establish a more prospective future for all the regional states. This is an issue. We have been discussing territorial
integration, frozen conflicts, delimitation of borders and sea borders, military spending, armament issues, rising extremism, energy related issues, human and drug trafficking, and so on. Most of the time, these issues make us a little bit upset regarding the future of the Caucasus. But of course, there are some other issues that make us optimistic for the future of South Caucasus. Dr. Nifti mentioned the barriers in front of the countries in the Caucasus, prolonged Russian-Western tension over Ukraine or the region and geopolitics of the region, in general. Now we see Russia as the main actor defining the regional environment in the Wider Black Sea Region as the Americans like to name it, and this encompasses the South Caucasus, as well. Most of the time, we were discussing Russian role in the region, but, of course, we have Turkish role with Western actors.

What is the main issue? The main issue is the mutual mistrust prevailing in the region. This leads the regional countries to seek self-sufficiency if possible, if not trying to pursue cooperation with the outside powers. This facilitates competition within the region itself. But this is a fact of the region. I would like to say something especially regarding the Russian role in the region before discussing Turkey’s role and the future of the region. 2008 and 2014 are two watershed events that we have to take into account. In fact, all those regional actors and international community are also aware of all these realities.

2008 was an important year for the Caucasus; in this year regional issues got more complicated. With the occupation of Crimea, the scene has changed a lot and Crimean issue makes everything in the region catastrophic for all of us. Of course, there is a kind of war going on. We see a strong regional actor or a kind of superpower in our region: Russia. Russians believe that they are encircled by hostile nations and they adopted a revisionist, expansionist and imperialistic approach as they began changing the borders. We have a ‘New Russia’. We have a kind of Russian world. I do not know whether it is a Eurasian world, but there is a kind of Russian world. Russia desires to control the entire region. This is a threat for all regional actors as well as for the Western powers. Russia does not want to share its neighborhood with anyone in any form, be it cooperation or competition. Russia wants a ‘near abroad’ with a limited sovereignty. All those near abroad countries must have limited sovereignty or weak sovereignty vis-à-vis Russia. From Time to time, Russia destabilizes and exploit weaknesses of all those regional countries or actors. As a response, all those regional countries feel insecure and start to seek for an international cooperation. This, in turn, causes Russia to feel insecure. All those regional countries feel insecure. As a result all those regional actors increase their military spending and create more war-prone region. In short currently we have a Russia which transformed itself from a partner to a challenge to the West and some regional actors; this is the most polite or diplomatic way of describing Russia’s position I guess.
Mitat Çelikpala

Under these circumstances, what is the role for Turkey? Turkey, there is no doubt, is an assertive regional actor from the western Black Sea coast to the Caspian Sea. This is the area on which Turkey has some interests. Moreover, Turkey has cooperation schemes with all the countries in this area. Turkey has had a good partnership with Russia for at least 15 years. Turkey and Russia together establish many cooperation schemes, not only trade and economy based, but also security based such as Black Sea Cooperation Organization, Black Sea Harmony, Black Sea Force and some other regional initiatives. These initiatives had been put Turkey in dire straits with its traditional allies for a couple of years. Nevertheless, with the Crimean occupation all these initiatives are almost dead. Russia left, almost no room for Turkey to work together with. NATO, the US and the EU, all traditional allies for Turkey, all took part in the initiatives aiming stability and security in the region. Turkey has to respond to those allies in all those new initiatives.

What can Turkey do in the Caucasus? Now we have to accept that Turkey has a regional perspective and priorities. But, how can we define Turkey? First of all, Turkey is a NATO member country, therefore it positively contributes to regional security and stability since the collapse of the Soviet Union together with Western allies. Turkey used its institutional connections and other resources to see all the regional actors as a part of international community and to serve the security of the region. Turkey’s perspective is based on the resolution of regional issues and on the construction of a common future in the Caucasus together with the international community. The network of economic and commercial ties stood out as the main axis in transforming the cooperation into a strategic one. Increasing volume of foreign trade and improving economic interaction have brought out substantial results. This process encouraged by the construction of alternative pipelines, particularly the Baku-Tbilisi-Ceyhan (BTC) and the Baku-Tbilisi-Erzurum (BTE) pipelines, has reached its recent level through enhanced economic and commercial relations also backed by the advancement of land and railway networks. Thus, significant western interest and support in the region were also obtained. Concisely, it took almost 20 years to constitute the necessary framework that would transform bilateral strategic relations into a regional strategic alliance, including therein the security aspect of political, economic and commercial interactions.

What are Turkey’s regional perception and priorities? First of all, respect for sovereignty and territorial integrity. This is very traditional, but in the region the main security and stability issue is sovereignty and territorial integrity. Some regional actors do not respect each other’s sovereignty and territorial integrity. There are also some outsiders that do not care about the sovereignty and territorial integrity. As a regional actor, with strong connections with Western world, NATO and international organizations, Turkey openly declared its respect for sovereignty
and territorial integrity of all those regional states. Then this is a starting point, a
good starting point, I believe. Also the inviolability of internationally recognized
borders is another important priority for Turkish decision makers. This is also
related with the first point and Turkey acts and works on internationally recognized
borders refraining from threat and use of force against territorial integrity and
political independence of the states. This is a declaration of Turkey’s position.
Turkey will never use threat or force against those regional countries. This is a
promise to the Armenians as well in order to feel themselves secure in the region.
There is no policy priority or idea or any kind of cooperation scheme for Turkey
which contains use of force or threat against any kind of regional actors. The
official position, priorities and perspectives of Turkey reveal that Turkey is more
cooperative in the region. This is accepted by regional actors, despite the concerns
of Armenia.

How to build a better future for the region? This is the main question. If we
manage to promise a better future for the regional actors, then it is possible to
have more stable and secure Caucasus. This is an issue characterized by peace,
security, cooperation and sharing the wealth of the region. How does Turkey
contribute to all of this as a NATO member country and EU negotiating member?
NATO has changed its perspective regarding Russia. NATO decided to work
together with different state and non-state actors to encircle Russia. The
partnerships developed new interoperability initiatives and the Caucasus is one of
the priority areas. Turkey has a role in this interoperability. Through Turkey, we
may remove all the roadblocks between partner countries in the region, especially
Azerbaijan, Georgia, and Ukraine and of course with Armenia, if Armenians
decide to be part of this partnership. Then, it is possible to reach out to the other
side of the Caspian Sea and this is related to the perspective of partnership and
interoperability for NATO and the other actors, and the security perspectives of
all those regional countries. Turkey’s aim is expanding cooperation among
regional countries in economic, political and cultural issues. This is a
comprehensive perspective and Turkey has a capacity and experience to develop
such a structure.

What shapes Turkey’s Caucasus policy? Azerbaijan is the main pillar of this policy
perspective. Azerbaijan is at the top of regional cooperation schemes. Then comes
Georgia. Georgia is also a vital factor of cooperation with Azerbaijan and beyond
of course. The third factor is Russian Federation; I started with Russia because of
the current developments. Then come Armenia and Armenia related issues. Then
our allies, the US, the EU and other international actors. The issues at stake are
related territorial integrity, frozen conflicts, energy and prevention of Russian
aggression and making a partner out of Russia for all those actors, including
Turkey.
Since 2008, everything has changed. There are a couple of tools in Turkey’s hands. First of all, bilateral relations. Turkey has almost excellent relations with Georgia and Azerbaijan. We have high level cooperation mechanisms and very efficient tools in the hands of decision makers. High level officials routinely get together and discuss each and every issue, and try to solve all those issues from the beginning. The experiences that have been collected help. This is the reason why I mentioned the year 2008. All the parties derived lessons from these developments and tried to create better functioning, systematic relations. Another tool in the hands of Turkey is the trilateral cooperation mechanisms. This is a new development since 2012 and it is very effective. It makes Turkey a real regional actor to shape the region and create a more stable and prosperous Caucasus. We have two trilateral cooperation mechanisms in the region. One is Turkey, Azerbaijan and Georgia. The other one is related and important and encompasses Turkey, Azerbaijan and Iran.

For the first time, Turkey tried to change the balance through cooperation. There are two strategic axes in the Caucasus, especially after the collapse of Soviet Union. First one is composed of Turkey, Azerbaijan, Georgia, and the West, particularly the EU and the US. The other one is composed of Armenia, Iran and Russia. These two axes compete for hegemony in the region and try to shape the future of the region, but now it is changing.

How about the Turkey, Azerbaijan and Georgia triangle? By invitation of Turkish Minister of Foreign Affairs Ahmet Davutoglu, these three countries’ ministers of foreign affairs gathered on 8 June 2012 in Trabzon, a Turkish city near the Black Sea. This was the first trilateral meeting of these countries’ ministers of foreign affairs, which at the same time initiated the trilateral cooperation. With the participation of Turkish Minister of Foreign Affairs Ahmet Davutoglu, Azerbaijani Minister of Foreign Affairs Elmar Memmedyarov and Georgian Minister of Foreign Affairs Grigol Vashadze, the meeting provided fertile ground for discussions on the consolidation of regional stability and security as well as on the improvement of cooperation based on mutual and regional interests. Emphasizing the 20th anniversary of the establishment of diplomatic relations among those countries it was stated in the Trabzon Declaration that the parties’ are determined “to build a better future for the region characterized by peace, stability, cooperation and increasing wealth and welfare.” This three-paged declaration expressed the parties’ satisfaction with the current level of bilateral relations and political dialogue among the three countries as well as their firm determination to explore the possibilities to further expand their cooperation in political, economic, cultural and humanitarian fields.

Trilateral cooperation among Turkey, Georgia and Azerbaijan is a mechanism and a cooperation initiative with a strategic dimension. Backed by concrete projects,
Security and Stability in the South Caucasus: Turkey’s Perspective

This long-term and goal-oriented initiative aims at creating democratic, pluralistic and prosperous region by connecting the Caucasus to the West. When the discourses of these three countries’ leaders are taken into account, this strategic initiative could be regarded as a comprehensive project towards integration through regional political, economic and commercial cooperation. The geopolitical and strategic dimensions of the relations consist in establishing a stable and secure connection between Azerbaijan and Turkey, who consider each other as ‘one nation with two states’, and in consolidating Georgia’s link to the West via Turkey.

According to my definition of trilateral cooperation mechanism, this is an integration project against other Eurasian integration projects in the region. Russia tries to attract all those regional countries to the Eurasian Union. Turkey is a negotiating partner and there are many discussions regarding Turkey’s place in the Eurasian Union or Shanghai Cooperation Organization. Turkey is an integral part of European economic, financial and political system, despite some problems. Therefore, this is a scheme that tries to balance Eurasian involvement in the region and the turning point is the June 2012 Declaration of Trabzon.

The establishment of trilateral cooperation scheme is a good sign of success of Turkey and the regional actors. The aim is expanding the cooperation among Turkey, Azerbaijan and Georgia. This is an efficient mechanism, which is multidimensional and touches each and every issue. It is not just a lip service; it is goal-oriented.

The expected goals to be achieved are free movement of people and goods in the Caucasus by facilitating custom formalities and improving the necessary infrastructure such as railways, highways and pipelines. These are not easy to achieve, but it is a vision. The parties have just started to construct infrastructure with their own resources. Turkey contributes to this process very actively and takes it seriously to create a commercial web and a kind of customs union effective to expand relations with the EU. The aim is to be a part of the European network. The future lies in the West, especially the EU, whether the EU responds positively or not. This is not the issue at the moment, but they made their choice.

The trilateral cooperation is focused basically on trade and economy, but it is also a political alliance with some signs of security and military cooperation, as well. In 2014, parties got together and decided to make military exercises. Before that, they were working together on the pipeline security and military modernization. These are important steps, which after some time transformed the security and political structures of the countries in the region. In the cooperation scheme, national strategy papers and the leaders of all these countries mentioned that each actor sees the other one as a real strategic partner in different fields. It is not wrong to say that parties envision security cooperation commitments, as well. Azerbaijan,
Mitat Çelikpala

Georgia and Turkey try to create more balanced relations and are partners depending to each other as they sign different agreements. Then security is the indivisible part of this cooperation and we have to think twice from this perspective.

Armenia is an issue for Turkey and Azerbaijan from different perspectives, but we have some clues that indicate parties may get together. But there are some dangers, as well. The first concern is Armenia’s dependency on Russia. The gap is widening and getting chronic. It might not be easy to recover later on. If Armenia keeps its position and if Russia fails to find some resolution with its relations with the West, most probably this will be catastrophic at the end. Our borders are closed. I do not see a positive move from the decision makers of both countries. Armenia’s domestic problems and the unresolved issue of Nagorno-Karabakh is a roadblock, but we need to get together. If not, we will have a new kind of South Caucasus of strong ties between Turkey, Georgia, Azerbaijan, possibly some central Asian countries and with the support of Iran, but leaving out Armenia. Absence of diplomatic relations is an issue and it is getting worse. The 100th anniversary of 1915 just passed and the question of how the parties tried to resolve the issue is still unanswered.

So, the trilateral meetings abovementioned could be argued to have elevated, in a four-year period, the level of the cooperation from the discursive perspective to a strategic partnership supported by concrete programs and projects. Based on the meetings and statements, the main topics of this cooperation could be summarized as follows: As a result of the trilateral meetings and negotiations, the relations among these three countries have been institutionalized; and the mechanisms whereby their related ministries, organizations, or representatives periodically assemble, discuss common goals and interests and evaluate their feasibility, have been established. Through these mechanisms, how to overcome the issues confronted in achieving the goals and which legal and institutional measures to take, could be discussed at the most top-level. These mechanisms have also allowed for trilateral presidential or ministerial meetings as well as trilateral business council meetings with the participation of both public and private sector representatives. The declarations and statements issued after these meetings, could be regarded as documents that demonstrate how the parties perceive this cooperation and whereby their public and the international community are informed about the improvement of this partnership.

The most significant reason and agenda of the partnership is to restore the peace, stability and welfare in the Caucasus through this trilateral mechanism. The parties constantly affirm their adherence to the Charter of the United Nations, the Helsinki Final Act and the fundamental principles and norms of international law. Respect for sovereignty and territorial integrity, peaceful settlement of disputes,
involatility of internationally recognized borders and refraining from the threat or use of force are especially emphasized. They explicitly declare that they do not recognize the *fait accompli* in the Caucasus and that the resolution of these conflicts requires international cooperation in terms of sovereignty and inviolability of borders.

In that respect, as a response to the criticism that this process excludes Armenia, the parties have stressed that, on condition that it respects the borders of its neighbors and supports the peaceful resolution of the disputes, then cooperation is open to Armenia, as well. On every occasion, it is reiterated that Armenia has become the missing link of this cooperation because of its irreconcilable and occupant position; and that it should assume an attitude showing respect for fundamental principles recognized by the international community. This will also help build a better future for the Caucasus characterized by peace, stability, cooperation and welfare.

The driving forces transforming the trilateral relations into a strategic partnership are the economic and commercial relations. Especially the cooperation in the field of energy has gained a new dimension with international projects such as the BTC, the BTE and the TANAP; and thus these three countries grow into an integral part of the international system in the economic and commercial context.

This partnership accelerated by the cooperation in energy and supported by the transport and communication sectors, turns into a more complicated and efficient strategic partnership. The parties also aim for further improvement of the cooperation in the transport sector with the construction of the alternative line, called as the Southern Gas Corridor, which connects Asia to Europe via Azerbaijan, Georgia and Turkey. In this respect, the Great Silk Road project, the unique project to connect Europe and Asia, is expected to be integrated with the already existing land, sea and railways. The new Baku International Sea Trade Port project, the new Deep Water Sea Port of Anaklia project and the integration of the Marmaray with the Baku-Tbilisi-Kars Railway project are constantly highlighted.

As a result, gradually deepened and enhanced, the trilateral cooperation in the Caucasus among Azerbaijan, Georgia and Turkey offers a mechanism to serve the common interests and expectations of these three countries in a wide span from the field of economy and trade to the security. This development could be viewed as a regional cooperation with a positive influence in an international environment created after the annexation of Crimea by Russia. The fact that this cooperation is open to the other states in the region, on condition that they adhere to the fundamental principles and norms of international law and that they take a stand against occupations, pledges bright future for the region.
Mitat Çelikpala

In sum, these are the basic points that I would like to mention. These established cooperation schemes may contribute to security and stability in the Caucasus. This kind of concrete projects and mechanisms are open to all the regional countries. They are becoming more promising to regional actors as time goes on. I hope that in the future, we will discuss the security issue from a different perspective which is more prospective and acceptable for all of us.
PANEL II
Impacts of the Crisis in Ukraine Over South Caucasus and Partner Countries

Moderator
Prof. Dr. Mitat ÇELİKPALA
Kadir Has University
NATO’S CHALLENGES FOLLOWING THE CRISIS IN UKRAINE AND THE ANNEXATION OF CRIMEA

Despina AFENTOULI
Program Officer at NATO’s Public Diplomacy Division

Excellencies,

Ladies and Gentlemen,

Thank you for this kind invitation and for organizing such an interesting event to discuss regional security implications of the crisis in Ukraine. It is a pleasure and an honor to address this distinguished audience and offer some thoughts on NATO and the challenges ahead in the region.

We face serious challenges. Some are familiar, some are new. To the east, the crisis in Ukraine continues posing risks to Euro-Atlantic Security. Russia maintains its ability to destabilize Ukraine and remains in breach of international law. To the south, instability is spreading in our neighborhood; you know that
better than anybody else. The international coalition including NATO allies and
regional partners are taking decisive steps against the terrorist group called
ISIL. Under the current circumstances, NATO has three main priorities: 1) Keeping
NATO strong, 2) Helping to keep our neighborhood stable by working
with the partners, and 3) Keeping the bond between Europe and North America
rock solid.

We are certainly facing a paradigm change in Russia’s relations with the West
following the illegal annexation of Crimea. Russia, driven either by geopolitical
or by internal political concerns, undermines the order established in the 1990’s
with the consent of the then Russian leadership. Russia also casts doubt to
decisions made by sovereign states and democratically elected governments. Why
should Russia have a veto regarding the European and Euro-Atlantic integration
of the democracies of Central, Eastern and South Eastern Europe? Questioning
what happened in the last two decades, Moscow puts her own geopolitical
interests above the free, democratic choice of the people of Central, Eastern and
South Eastern Europe. In fact, it denies these nations the right to democracy and
free choice of their own future.

What happened in the European continent following the end of the Cold War was
a democratization and stabilization process that allowed the re-unification of the
continent in a peaceful way. It was a pattern that allowed Western European
countries to cure the traumas of the World War II and develop democratic
institutions that secured peace and stability. It was this value-based model that
allowed Germany’s reintegration to the Western system after the war and it was
this model that the West chose to secure peace and stability following Germany’s
reunification. So, there is nothing new and nothing bad about this choice. The
option of westernization/Europeanization offered the countries of Central and
Eastern Europe the opportunity to develop and prosper through democracy and
integration. Let’s think about the political and economic situation in Poland or
the Czech Republic or the Baltic countries twenty five years ago. Let’s compare
it with today’s situation. The Euro-Atlantic and European integration offered to
all new members the opportunity to choose their own future without patrons.
Who could have denied the countries that historically belong to Europe the right
to reintegrate their natural geographic and geopolitical environment?

Russia could have opted for a similar model: Developing democratic institutions
and offering its citizens the possibility of prosperity. Russia also belongs to
Europe. It is a great country that contributed to the European civilization. For
whatever reasons, historical, geopolitical or economic, it did not. The post-Cold
War Russia opted for developing a strong state, not a strong democracy. It is
regrettable and a mistake to implement an aggressive policy in the so-called near
abroad after 2008. Russia will not win in the long run. Russia is not an empire.
Its society is weak and demographic predictions are bad. Its economy is based only on energy resources and this concentrated power will inevitably weaken. Hence, it is a strategic mistake that Russia has not opted for westernization to become an integral part of the community of nations.

At our NATO Summit in Wales in September, we charted a clear course. We are, first of all, strengthening our own collective defense against potential threats. We are making NATO forces more agile, more responsive and better able to meet threats coming either from the East or from the South. We are holding frequent and larger military exercises. We are increasing our presence in the Eastern part of our Alliance both to reassure our Allies there and to deter anyone who might wish to challenge us either directly or using “hybrid” warfare, as we have seen in Ukraine.

All the measures that we are now implementing are defensive. They are transparent and fully in line with our international commitments, because, unlike Russia, NATO allies do stick to the rules.

At the same time, we are not just strengthening our own resilience. We are also making a determined effort to strengthen the resilience of our neighbors, to help them to strengthen their place in the European security order and to withstand pressure that they may come from Russia due to their foreign policy choices.

Georgia, Ukraine and Moldova have all held democratic elections. They have all voted for Europe and for democratic values and principles. We want to help all countries that choose to stay on the path of democratic reform and to realize their Euro-Atlantic ambitions.

NATO does not seek to isolate Russia. Russia is isolating itself. We have suspended our practical cooperation, but we have kept our communication channels open. We continue to looking forward to a constructive NATO-Russia relationship based on trust, where we can hold frank political discussions and work together to meet common challenges.
NATO–UKRAINE RELATIONS BEFORE AND AFTER THE EUROMAIDAN

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This paper aims to explore NATO-Ukraine relations before and after EuroMaidan of 2013-2014. The main aim here is to examine the major variables that determined the nature of relations between the parties and the impact of the EuroMaidan movement in Ukraine, annexation of Crimea and Donbas War on the trajectory of NATO-Ukrainian partnership that unfolded during the process. In order to achieve its aims, this paper will provide a review of the development of the relations from 1990s to 2013. To observe how NATO-Ukraine relationship

1 I would like to thank Anna Abakunova, Research Fellow at Yahad-in Unum (Paris) and PhD candidate in History at Sheffield University, and Assel Rustemova Tutumlu, Professor of International Relations at Gediz University for proofreading the text and making suggestions for development.

The mass movement that emerged in November 21, 2015 after Ukrainian President Viktor Yanukovych’s refusal to sign the Association Agreement with the European Union.
Hüseyin Oylupınar

was formulated in the period from the Fall 2013 to July 2015 this paper will scan sources and provide a detailed picture of Ukrainian government’s expectations and NATO response to the Ukrainian concerns.

**General Political Landscape in Ukraine before 2014**

I would like to start by arguing that what is frequently called “Ukrainian crisis”, i.e. the situation after the EuroMaidan, Russian annexation of Crimea, and the war in the Ukrainian east (Donbas), is not a new circumstance that the world is facing but has been there since Ukraine’s independence. Starting from the end of the Soviet Union and as Ukraine appeared as an independent country, Russia remained as a major threat to Ukrainian sovereignty throughout 1990s with its claims towards Ukraine. Following the foregoing I can claim that post-Soviet relations of Russia and Ukraine are continuously characterized with a competition over issues around the CIS, NATO and the EU. This has continued until the day EuroMaidan started in late 2013.

In the aftermath of the fall of the Soviet Union, Ukrainian governments’ priority was to ensure independence and sovereignty over its territory, which was motivated by the perception of a substantial threat from Russia that prompted Kiev to lean towards the West. In the meantime, Russia’s relations with Ukraine were fixated on establishing dominance over Ukraine. Specifically for Moscow control over the Black Sea Naval bases, taking a large share from the Soviet military equipment, and rearrangement and regulation of energy networks appeared problematic, since it felt that its interests were challenged by very claims of Kiev on the same issues. In addition, enlargement of NATO and EU has also shaped the character of Ukrainian–Russian relations throughout the 1990’s. It is important to underline here that, as a display of the nature of the problematic relations between Ukraine and Russia, Russia hesitated to recognize

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2 On 9 July 1993, the State Duma of the Russian Federation declared that the transfer of Crimea to Ukraine was illegal and that Sevastopol was a Russian city and some Ukrainian parliamentarians called for a declaration of war. Until 1997, several compromises on where to locate military personnel and how to divide the ships of the Black Sea Fleet were reached. First, the presidents of Russia and Ukraine reached an agreement in August 1992 by which the fleet and ports would be under the joint command of Russia and Ukraine for 3 years. In June 1993, Ukrainian President Leonid Kravchuk and Russian President Boris Yeltsin signed an agreement that essentially split the fleet in half, beginning in September 1993 and to be completed in 1996. However, this agreement was short-lived because Ukraine’s military leaders objected to any loss of territory from the naval bases. The Black Sea Fleet agreement was renegotiated in September 1993 and again in April 1994. At last, on 28 May 1997 Moscow and Kiev settled the dispute over the Black Sea Fleet, and the Russian Prime Minister Victor Chernomyrdin and the Ukrainian Prime Minister Pavlo Lazarenko signed three intergovernmental agreements. The parties agreed to divide the fleet’s assets and to lease port facilities in Sevastopol to the Russian Navy. With this agreement, Russia received four-fifths of the Black Sea Fleet’s warships while Ukraine received about half of the facilities. Sevastopol, which had been partly under Russian control, was handed over to Ukraine. It was also agree then that Russia will keep its facilities in Sevastopol until 2017 and the Ukrainian navy will also continue to be stationed in Sevastopol.
Ukraine’s territorial integrity until 1999. However, Russian nationalist political circles kept thinking that Ukraine would return to Russia soon. More than once the issue came up in debates in the State Duma where the inevitability of the reunion of Russia and Ukraine was stated.

This paper will not elaborate on the specifics of the Ukrainian foreign policy since 1991, however, it will suffice to state that Ukraine in order to balance the perceived threats from the Russian Federation, employed western oriented foreign policies which manifested itself by Kiev’s drive to become a member of European institutions and development of relations with the NATO. These Ukrainian foreign policy preferences have been watched by Russia with a wary eye that often made Ukraine feel insecure in western oriented initiatives.

Nevertheless, starting with the early 2000s, Ukrainian–Russian relations took a major turn and made progress, mostly because of Ukraine’s isolation from the international community following domestic scandals. However, Kiev’s close relations with Moscow proved risky and could not be considered as a fundamental policy because of an inherent dilemma: Ukraine could neither oppose Russia because it was dependent on trade with Russia nor it could “embrace Russia, because that might undermine its independence.”

**NATO–Ukraine–Russia Relations**

In the 1990s the eastern enlargement of NATO was viewed by Moscow with a cautious eye and Russia nsisted that it would oppose any enlargement directed

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3 It took years for both countries to come to the terms and sign their “Big Treaty” and the same applies to the ratification process. The significance of the treaty lies in the fact that Russia has, until the day it signed, it ignored the independence of Ukraine and its territorial integrity. Accordingly, Ukrainian politicians had to devise and follow a cautious foreign policy towards Russia. The treaty signed is part of the same package of agreements on the Black Sea Fleet. The Treaty on Friendship, Cooperation and Partnership, the so-called “Big Treaty” was signed by Ukraine and Russia on 31 May 1997, was ratified by Ukraine on 14 January 1998, and by Russia on 25 December 1998. The Treaty’s provisions clarify the mutual recognition of Ukraine’s territorial integrity. It is possible to argue that the Big Treaty and the agreement on the Black Sea Fleet have prevented the probability of violence between Ukraine and Russia. The treaty has guaranteed for 10 years the sovereignty and territorial integrity of both countries. The parties committed themselves not to take part in alliances aimed against the other and to peacefully settle disputes between them.


against it. Nevertheless, NATO-Ukrainian relations were on a relatively better track in the late 1990s. Ukraine signed the *Charter on Distinctive Partnership* document with NATO in July 1997 right after the conclusion of the *Treaty of Friendship, Cooperation and Partnership* with Russia in May 1997. Based on the foregoing basic documents Ukraine announced its desire to become a NATO member in 2001.

Ukraine also adopted the *State Program for Cooperation between Ukraine and NATO, a foundational set of policies towards NATO*, which came into force in late 1998, as the basis of its policies towards NATO. Accordingly, NATO was evaluated as the most effective structure for collective security in Europe. The state program defined Ukraine’s integration into Euroatlantic security structures as Kiev’s strategic goal. However, with Vladimir Putin in power, Russia’s approach to Ukraine changed significantly due to Kiev’s international isolation, caused by its domestic scandals. Moscow’s support to Ukrainian rule, which was fighting against domestic troubles, gave Leonid Kuchma, then the president of Ukraine, an additional support to his efforts to stay in the office, and on the other hand, drew both countries even closer. At the same time, Russia seized the opportunity because it realized it could now develop a stable policy towards Ukraine. On the basis of these variables, extensive diplomatic moves took place, starting from late 2000.

During the years of 2000-2001, numerous agreements were concluded with Russia in the field of military cooperation, aerospace, military-industrial cooperation, and joint development and sales of weapons. During his February 2001 visit, President Vladimir Putin emphasized the new dimension of the two countries’ bilateral relations. For some Russian analysts, Russia tried to seize the

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8 A mutual framework for NATO and Ukraine cooperation was launched in Madrid on 9 July 1997 by a document titled *Charter on a Distinctive Partnership*, which provide for consultation and co-operation in such areas as conflict prevention, crisis management, peace-keeping, humanitarian operations, civil emergency planning, disaster preparedness, and defense reform. This document still remains the basic foundation of the NATO-Ukraine relationship. The Charter supports Ukraine’s national sovereignty and independence, its territorial integrity, democratic development, economic prosperity, and its status as a non-nuclear state, and formally recognizes the importance to Europe of an independent, stable and democratic Ukraine. In the context of the Charter, NATO and Ukraine agreed to take joint initiatives aimed at contributing to Euro-Atlantic security and stability and to cooperate in such areas as conflict prevention, crisis management, peace keeping and humanitarian operations.

9 This scandal erupted in 2000 (also known as the Cassette Scandal) and caused by alleged voice recordings (known as the Melnychenko tapes) of Leonid Kuchma where Kuchma claimed to have given orders for the killing of journalist Heorhiy Gongadze. The events caused isolation of Ukraine and western leaders avoided getting together with Leonid Kuchma.


opportunity by appointing former Prime Minister Victor Chernomyrdin\textsuperscript{12} as the ambassador to Ukraine in line with Moscow’s intra-CIS policy of appointing senior Russian political figures as ambassadors. The bilateral foreign relations climate continued to evolve the following year because of the pressures coming from West in the wake of the scandals shaking Kuchma’s authority. When western circles made unfriendly gestures against Ukraine’s President, the leadership of Ukraine demonstratively continued to fall into the grasp of Russia.\textsuperscript{13} With regard to the CIS, Ukraine has decided to become an associate member of CIS’s Eurasian Economic Community. It also established closer relations with the CIS’s military cooperation structures through an Air Defence Agreement and the organization’s Anti-Terrorist Centre.

\textit{The Post-Orange Revolution Period}

Post-Orange revolution period offered rare opportunities for western integration of Ukraine simply because President Viktor Yushchenko, in contrast to his predecessors, sincerely regarded this as the main political agenda. With Yushchenko in office, the multi-vector foreign policy of his predecessors were replaced with pro-European and pro-Western policies. In addition, after the Orange Revolution Ukraine’s efforts to develop partnership with NATO increased and that reflected in the Yushchenko’s following statement:

\begin{quote}
We believe that Ukraine’s participation and engagement in the North Atlantic community of democratic peoples will strengthen peace and security on the European continent. We are ready to make all necessary efforts to achieve this noble goal ... We have already created a strong foundation for our mutual relations and can extend it ... Participation of the Ukraine in peacekeeping efforts of NATO was highly assessed. Implementation of the Action Plan is an important priority for us, indeed, these are the real steps forward but I am convinced that the time has come to speak about principles and new possibilities.\textsuperscript{14}
\end{quote}

Starting from 2005, NATO clarified its position and declared its readiness to support political and military reforms in Ukraine. The Intensified Dialogue program started the same year. In Spring 2008 NATO opened the door for Ukraine’s membership in the alliance. However, in the period of 2004-2007, the Ukrainian government failed to improve the qualifications of Ukrainian experts

\textsuperscript{12} Former Russian Prime Minister Victor Chernomyrdin has been appointed as an ambassador to Ukraine on May 2001.


\textsuperscript{14} Opening statement by Viktor Yushchenko, President of Ukraine at the meeting of the NATO-Ukraine Council at the level of Heads of State and Government, 22 Feb. 2005 \url{http://www.nato.int/cps/en/natohq/opinions_21972.htm} (latest access 20.07.2015).
that would support Euro-Atlantic integration. Though, a limited progress in military reform was observed in Yushchenko’s time in office. By 2006 Ukrainian government failed to pass a law on admission of foreign military units, which received a strong reaction in some parts of the country, particularly in Crimea, for military exercises into the Ukraine. Viktor Yanukovych’s government, formed in August 2006, also had taken a negative stance to the Ukrainian prospects in NATO.


Viktor Yanukovych’s period was troublesome in relations with the NATO. After he became the Ukrainian president he stopped all active lines of cooperation with NATO that became operational particularly after the Orange revolution and Yanukovych excluded the goal of “integration into Euro-Atlantic security and NATO membership” from the country’s national security strategy.

Viktor Yanukovych was often portrayed as a pro-Russian president because of his roots in the Ukrainian east and his political past and discourse, and this had a reflection on NATO-Ukraine relations. Limited space in this paper may not allow me to further discuss the issue but I challenge the argument that Yanukovych and his entourage had an ideologically charged pro-Russian political agenda. Yanukovych and many in his entourage have roots in criminal circles that cannot even conceptualize and foster pro-Russianism. Yanukovych can be classified merely as an opportunist whose actions were guided to a large extent by immediate pragmatic considerations towards securing his own family and clan interests. His opportunism reflected in Ukraine’s foreign policy preferences and also guided relations with the European countries, EU and Russia. One can take various examples to examine Ukrainian foreign policy under Yanukovych. But possibly one of the most controversial was the April 2010 Kharkiv accords which prolonged Russian presence in Sevastopol naval base (which would have otherwise expired in 2017) in return for cheaper gas prices to the benefit of his oligarchs. Again to the benefit of his oligarchs, and against his political discourse, he began feeling more comfortable with the idea of competing within the European markets, he pursued close relations with the EU. With these policies, Yanukovych was contemplating that both EU and Russia will adopt a more positive approach towards Ukraine and provide Yanukovych with the best set of benefits and privileges.

To counter-argue that Yanukovych was dedicated pro-Russian, one can also take a look at the decisions such as Ukrainian parliament’s approval of an annual plan for joint training with NATO forces in Ukraine and also Ukrainian government’s refusal to join in customs union with Russia, Belarus and Kazakhstan and
Collective Security Treaty Organization. In the meantime, Russia’s desires in Ukraine were not appeased by the prolongation of the term of Russian Black Sea Fleet in Sevastopol. Nonetheless, Moscow gradually increased pressure on Yanukovych to gain full control of the energy pipeline system in Ukraine, enforced a Ukrainian membership in the Customs Union and applied bans on certain Ukrainian export products. Under such pressure Viktor Yanukovych did not give in and followed a protectionist policy to secure the interests of his oligarchs and clients. Rather puzzling, Yanukovych’s policy to achieve an association agreement with the EU was further fueled by Moscow’s determined policy to full capitalization of Ukraine transforming it into a client state.

Euromaidan, Annexation of Crimea, Donbas and NATO

Immediately after Crimea’s annexation and with the start of the conflict in Donbas, a major question became how all this happened and how it could have been avoided. Explanations and commentaries that came both from academics and politicians voiced publicly and in private held Ukrainians responsible and ranged from arguing that Ukrainians themselves paved the way for the Russian occupation through EuroMaidan, to claiming that the region is a backyard of Russia and that Ukraine giving in for EU and NATO policies provoked Russian aggression. I would like to challenge such arguments by claiming that the problem here for Russia was not the Maidan movement, or with the terms of Moscow propaganda “the fascist take over” in Kiev. This has very much to do with the fact that the Euromaidan marked a point of failure for Moscow’s long political investments in Ukraine for full-control over the country that it pursued in full throttle during the term of Yanukovych. In other words, the success of the Euromaidan in forcing Yanukovych to escape and the replacement of his government with that of the pro-Euromaidan political forces meant for Russia the loss of its long-time built dominance in certain sectors in Ukraine, the cleaning of pro-Russian agents who had penetrated into all levels of Ukrainian state mechanism, the consolidation of Kiev’s control over Crimea and Donbas, that is Donetsk and Luhansk. Such a situation would bring forward irreversible costs for Russia and collapse of its long-time pursued costly project. Under such dire prospects for Russian interests in Ukraine, the annexation of Crimea and running a hybrid war in Donbas came as an emergency plan to refund some of the costs and to hold Ukraine government, which was unfriendly to Russia, hostage.

How did NATO react to Maidan and how did post-Maidan Ukrainian leadership

15 For space limitations Russian military involvement in Donbas will not be further discussed. However, there is ample amount of data to argue that the conflict in Donbas has not started by locals but by the mercenaries brought from Crimea. There are also sufficient indicators and evidence that prove where Russian regular forces have taken part in the conflict.
related itself to NATO? During the EuroMaidan there were calls in the east and the south of Ukraine calling for Russian intervention because they saw the Maidan movement as a NATO intervention.\(^{16}\) Even though NATO was demonized in the eyes of some Ukrainians it intervened to bring parties during the EuroMaidan to resolve the conflicts. However, NATO involvement provided substance to propaganda that explained everything happening as NATO’s “cunning” games over Ukraine.\(^{17}\) Nevertheless, NATO kept making calls on parties to make decision for the future of the country. In return, anti-NATO statements of the Russian Foreign Ministry was calling for respecting non-block status of Ukraine and criticized NATO general secretary’s declaration that “Ukraine’s NATO membership is the most urgent task”.\(^{18}\) The position of the post-EuroMaidan Ukrainian government favouring close relations with NATO was not shared by the leading presidential candidate, Petro Poroshenko, on the grounds that this option is not politically a valid one.

When Russian “green man” appeared on Crimea, everyone seemed to be caught unguarded. New EuroMaidan government had to let Crimea go without an armed resistance. According to a report given during a private meeting by a high official of Ukrainian Defence Ministry of post-EuroMaidan government, at the time of Russian occupation of Crimea, the Ukrainian army had 6000-7000 combat-ready troops with non-functioning chain of command. Ukraine had also no operative means to position its military forces to face the progressing Russian military units in Crimea. For example, in Dnipropetrovsk, in order to defend the region Ukrainian oligarch Ihor Kolomoisky filled fuel tanks of the military vehicles to have them take defence position. The foregoing examples portray the state of Ukrainian military showing low levels of NATO’s transformative power on Ukrainian army during long-years of cooperation. Furthermore, the fact that NATO declared that they had no intelligence reports about military intervention\(^{19}\)


NATO–Ukraine Relations Before and After the Euromaidan

shows the scale of unpreparedness of NATO security alliance for a possible military operation which ended with a territorial take-over by regular troops.

Only a week after the occupation of Crimea, post-Maidan government of Ukraine asked NATO to consider all options for defending the territorial unity of Ukraine and NATO responded by stating that Ukraine’s security is seen as a determiner of all-European security. This support is based on the 1997 document signed between the NATO and Ukraine. On this basis, NATO committee for emergency situations confirmed NATO’s readiness to provide material-technical help and invited a Ukrainian delegation to NATO headquarters in Brussels. The meeting produced an agreement to undertake measures that would increase defensibility of Ukraine and reform the Ukrainian military.

Meanwhile, we observe in the Ukrainian internal political realm that the NATO support and Ukrainian post-EuroMaidan government’s turn to NATO helped demarcation of political lines. For example, the NATO support was and still is used as an anti-NATO propaganda tool in occupied Crimea, Donbas, and also in other regions of Ukraine. In addition, on March 5, 2014 Ukrainian parliament’s (Verkhovna Rada) discussion to make necessary legislative changes to alter fundamentals of national security of Ukraine was strongly opposed by the Communist Party. Against all odds, Arsenii Yatseniuk, the Prime Minister and candidate for presidency in May 25, 2014 elections, called for preparations for NATO membership. After NATO’s declared support for Ukraine in March 2014, the Ukrainian government voted on legislation in April 1, 2014, that allowed foreign troops to land on Ukrainian soil and conduct military drills. Immediately after, a military drill with participation of the US and Britain was planned to be


conducted in Lviv. The particular legislation which allowed entry of foreign troops, brought forward discussions of Ukrainian non-block status that was put in place to keep Ukraine away from any aggression (non-block status was cancelled by the Ukrainian parliament in late December 2014).26

The second phase of the relations started when armed conflict began in Donbas. Immediately after the start of violent events in Donbas secretary general of NATO declared that there were fundamental divisions among the members of the alliance about the reasons and ways of solving the crisis in Donbas.27 This was a very clear display of confusion on the NATO’s side to read and interpret the situation in Donbas. Basically, problem for the NATO was to tell if events in Donbas had sources in legitimate claims of locals for independence or Russia instigated and projected territorial take-over. However, by late June 2014, after making better judgements NATO decided to create special funds to help Ukraine.28 Furthermore, in July 2014 NATO decided to provide military advisors to Ukraine.29 In August 2014 the armed-conflict in Donbas got into an intensive phase and Ukrainian government started insistently asking NATO military aid in the face of a rapid territorial loss, and with that Ukraine’s membership to NATO became an issue of discussion and Ukrainian government proposed to renew policies towards NATO membership.30 While taking a positive stance to NATO, Petro Poroshenko kept a careful distance to the membership discussions and claimed that such a decision should be taken by the Ukrainians.31 Similar statement was repeated in April 23, 2015 during Poroshenko’s visit to France.32

Around these times in late August and early September 2014, when intensity of the conflict was at its highest, secretary general of NATO recognized Russian
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attacks on Ukraine in Donbas. To show support, NATO agreed to release 15,000 Euros to be used in development of logistics, commands systems and communication systems. The funding was released in late November 2014. While it was a step towards supporting Ukraine in what Ukrainian government calls anti-terrorist operation in Donbas, around those days in early September 2014 estimated daily cost of Ukrainian military operations in Donbas was around 10,000 American Dollars. Realizing that NATO would not be taking further and stronger steps to support with provision of lethal-arms, the Ukrainian government started to raise the issue of gaining back Ukraine’s nuclear arms capacity. No doubt, Ukrainian side hoped to use this as a bargaining chip against NATO with no promise of gains.

Possibly one of the most useful NATO initiative for Ukrainian part, which was first raised in mid-2014, was to offer for training Ukrainian officers. The training of 407 officers and 1932 Ukrainian soldiers was completed in early March 2015. However, NATO declared that reform in Ukrainian army requires effort, time and investment and there are complaints that Ukrainian Defence Ministry and military establishment is not yet ready for taking measures for quicker results. The need for a reform in Ukrainian army and NATO’s commitment for increased support through funds and consultations was mentioned during the May 2015 NATO summit in Turkey.

Instead of a Conclusion

The situation in Ukraine is an ongoing one and appears not only as a regional challenge but a global one. The new political setting in Eastern Europe will lead to a further soul-searching for NATO partners in administering their relations with Russia in the face of new security challenges. No doubt, stability for Ukraine is much sought for, however, NATO does not seem to have a viable and decisive Ukraine-strategy, a pattern we have been observing since 1990s. In contrast to pre-EuroMaidan period, with a pro-western government in charge in Kiev, for the first time NATO will have to seriously tackle the sincere ambitions—first time with majority of the Ukrainians supporting a future NATO membership—of Ukrainian membership to NATO. The Ukrainian pro-western government and the president were quick to realize limitations of their western partners in helping Ukraine to balance the threats posed by Russia. Even with that the discourse that

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is formulated by the decision-makers in Kiev is a reflection of an attempt to form an anti-Russian league based on Ukraine’s struggle in Donbas, which posed as a necessity to protect Europe and therefore provide a service for European and global security. That view reflected in Ukrainian Prime Minister’s statement when he called for help: “Whoever wants peace in the world should help us.”

Without dwelling on the validity or invalidity of the Prime Minister Arsenii Yatseniuk’s argument one has to notice that Ukraine spent 80% of its defence budget in the first 5 months of 2015. According to the Ukrainian Defence Minister Stepan Poltorak this budget is spent only for national production of arms since other countries are not selling arms to Ukraine. No doubt, if the conflict in the frontline in Donbas would go into another active phase, Ukraine government will find it a challenge to hold on the frontline with its economy in shambles. Doubtlessly to say, this will certainly be major challenge to NATO and a test for its very existence as well as its abilities to act as an alliance.

35 “Яценюк: Дайте нам зброю,”
36 Ibid.
37 “За п’ять місяців Україна витратила 80% оборонного бюджету”,
This is a wonderful opportunity to discuss all these issues with experts from Turkey, Azerbaijan, Armenia, Georgia and with the representative of NATO Public diplomacy division. Many thanks to AVİM for this invitation.

I’ll be presenting on the Ukraine crisis and its impact on the South Caucasus. Before I begin, I would like to comment briefly on the previous presentations. We heard that NATO wants Russia to be a status quo power. Russia was indeed a status quo power. It was a status quo power in Iraq; it was a status quo power in Libya, it was a status quo power in Kosovo. It was a status quo power in connection with anti-missile defense in Europe. It was status quo power in case of the Treaty on Conventional Armed Forces in Europe. It was a status quo power even in Ukraine during the February 21st talks. And even now, despite the Ukraine crisis and the civil war there, Russia is making efforts to resolve this crisis multilaterally. We have to ask NATO, we have to ask the United States;
why they did not support the *status quo* in Ukraine, in other words, why they backed the *coup d’etat* (or so called “regime change”) in Ukraine after the agreement was signed between Yanukovich and the leaders of the opposition on the 21 February 2014.

Next, I would like to discuss the impact of the Ukrainian crisis on the South Caucasus. First, I should say that the situation in Ukraine has had little or no impact on the South Caucasus. Relations between Russia and the countries of the South Caucasus have not been changed or have not been changed dramatically. The strategic partnership between Russia and Azerbaijan, economic integration between Russia and Armenia, normalization of the relations between Russia and Georgia, which, of course, has certain limits because of the context of bilateral relations (no diplomatic relations, contradictions on Abkhazia and South Ossetia status), still goes on. We have seen some changes in Russia’s policies towards the partly-recognized states of Abkhazia and South Ossetia. Russia has signed new treaties with these two states aiming at closer political ties and economic cooperation.

What is most important, in my opinion, is that stability in the region has passed the critical test. I am referring to the military clashes in Karabakh in 2014. The clashes stopped partly because of the firm balance of power in this conflict region, partly because of the attempts of the Minsk Group, and partly because of Russia’s special diplomatic efforts. Such efforts stopped the escalation of military actions and provided fragile stability instead of potential new war. I am not sure if this cease-fire will hold in the long run, but we have seen that the power balance and diplomatic measures are efficient and stability is preserved. I should stress that we have not seen any cooperation between Georgia and Ukraine until Autumn 2014. Perhaps, Kiev’s strange behavior that is appointing Saakashvili and his associates to governmental posts in Ukraine, is the reason. These political figures, of course, are not relished in Tbilisi. We do not see any attempt to revive the GUAM (in current circumstances, maybe GUM; Georgia, Ukraine and Moldova: it is hard to believe that Azerbaijan would come to this game). There were some discussions on the expert level on such revival, but we do not see any practical steps toward this.

Why? I think that the crisis in Ukraine influences the South Caucasus in several respects. First, there is the problem of the vulnerability of the post-Soviet states, including Ukraine. The second is that the Crimea case again raised the problem of self-determination in the post-Soviet space, specifically in the South Caucasus. The third dimension is the cost and substance of the ‘European values’. What are the ‘European values’ and what are their costs for the countries which intend to adopt these values? The fourth dimension is the relations between Russia and the West. What place do the countries of the South Caucasus
countries have in these relations and the crisis between the West and Russia? I would put the question this way: ‘Does the West really help its partners?’

As for the vulnerability of the post-Soviet space, what I would like to stress is the total weakness of the Ukrainian state; institutional weakness, economic weakness, ideological weakness, and military weakness. These weaknesses have not been remedied since independence. In fact, they got worse. For all the post-Soviet states and for all states of the South Caucasus, the question is whether state institutions in these countries strong enough to withstand domestic or international challenges. These countries are rather cautious and they have to be cautious. I think not only these countries, but even Russia has to be careful and even Russia has to consider if its state institutions are strong enough to face internal and external threats.

Two of the three recognized South Caucasus states once split - I am referring to Azerbaijan and Georgia, and Karabakh and Abkhazia/South Ossetia cases - like Ukraine split during the current crisis. So, these historical experiences affect their approaches toward Ukrainian crisis. Also, I would like to underline that the two partly-recognized states face the challenge of integrating ethnic minorities. Abkhazia and South Ossetia do not know what to do with the Georgian population as a minority group; they do not know how to integrate them, nor do they know how to create a political system and political institutions which would include the Georgian minority. So, we see the same threat of possible fragmentation of the partly recognized states, too.

Two of the three states of the South Caucasus have weak economies dependent on Russia’s economy. Only one of these three countries has a strong economy. I mean Azerbaijan’s economy. Nevertheless, it largely depends on the global oil market. There is a lack of stability and strong political institutions in the region. So, this is maybe paradoxical, but this keeps the stability. None of the regional actors wants to be at risk. No one wants to enter into a risky situation that may carry a threat to state stability and integrity. The regional actors are rather cautious to keep away from the global political storm the crisis in Ukraine has provoked. As for Russia as a regional actor in the South Caucasus, it has been drawn in that political storm, but does not want the South Caucasus to be the part of the storm. Moscow is strongly interested in stability in the region.

Let us now turn to issues of self-determination in the post-Soviet space. Of course, events in Crimea were a source of encouragement for unrecognized or partly recognized states in the region. This was an emotional or psychological effect of the Crimean case. These states see that they are not alone. They see that the notion of self-determination is still valid. And, as to the recognized states, which once have faced the problem of fragmentation, the Crimean
precedent increases anxiety and uncertainty. Maybe the most interesting thing is that there are two narratives on Crimea in Georgia. Or at least, I have come across two narratives in my work in this country. The first one - often heard from officials - is that Russia annexed or occupied Crimea and Putin is trying to seize the lands of the neighboring countries and so on. And the other is that Putin took back a territory that historically belonged to Russia. It follows that he should see that Georgia is made up of territories that historically were part of Georgia and these lands should be returned. The second narrative suggests that if Russia has Crimea now, it means that for Russia, Abkhazia is not as valuable in geopolitical terms as it was before. This, of course, is a part of the impact that the Ukraine crisis has had on the South Caucasus.

Let’s now talk about the cost of ‘European values’, the basic slogan for the *coup d’etat* in Ukraine. What was the cost for Ukraine? For Ukraine it meant the split of both the country and the society. I am well aware of what has been said about the crisis in Ukraine: that it was due to Russian influence, Russian intervention, Russian meddling and so on. But, we knew two or three years ago that there were different parts of Ukraine and that Ukrainian society itself was fragmented and different sections of the Ukrainian society had different views on key foreign policy issues, relations with Russia, Europe and the United States. The people in the South East of Ukraine and the people in the West of the country have contrary views on pivotal issues of their common history and they have different political opinions with respect to the sphere of education. They voted for oppositional politicians during the whole electoral history of Ukraine. They have contradictory economic interests. The industrial South-East wants to cooperation and free trade with Russia. The underdeveloped agrarian West wants to have visa-free entry to European Union to seek low-skill jobs there.

The *coup d’etat* in Kiev led to open clash between two parts of the society. The mutiny against Yanukovich under the banner of ‘European values’ led to civil war and repression by the new authorities in Kiev against those who did not support their policy. So, what is the substance of these ‘European values’? For the people of the South-East of Ukraine it was war, which is waged against them by Kiev with heavy weaponry. And from the Russia’s perspective, ‘European values’ mean trying to distance oneself from Russia as much as possible and to create animosity towards Russia (just remember that anti-Russian slogans were amongst the most popular on Maidan).

We have to ask ourselves how it could happen that very enticing, promising and hopeful idea of common values for all of the European continent has turned into bombing of Donetsk and Lugansk? Does anybody really not think that this idea has lost some part of its influence in the South Caucasus and other regions of the world afterwards?
So, the crisis is really between Russia and the West. About five to seven years ago, we were asking ourselves the same question: Is a binding and broad agreement on Europe’s security possible? Russia is convinced that it is merely reacting to unilateral moves of the West and its partners in Central and Eastern Europe and in the South Caucasus.

The states of the South Caucasus have adopted different security strategies. Armenia became a member of the Collective Security Treaty Organization. This agreement offers security guarantees of Russia and other members of the organization. Azerbaijan chose neutrality and it tries to maintain equilibrium between neighbors and outer actors. And, Azerbaijan is successful in pursuing this neutrality. And finally, Georgia. Georgia has had aspirations to join NATO for quite some time, perhaps ten years or more. What has been the fruit of Georgia’s efforts? We see that Georgia has no security guarantees from NATO. In fact, it has no security guarantees, at all. It is not neutral. It does not have a military power balance with its neighbors. It has no security guarantee under any security umbrella.

I have a more burning question: Should we wait for the crisis in Ukraine and in the South Caucasus to escalate? The problem is that it is up to the West to de-escalate these conflicts. This is up to the West to make Ukraine fulfil the terms of Minsk agreements; namely to accord the terms of constitutional reform with Donetsk and Lugansk, to participate in the reconstruction of the infrastructure destroyed during the hostilities, to restore the social care system etc. It is up to the West to stop NATO enlargement in the South Caucasus and to take the road towards establishing the system of multilateral security guaranties in the region. On the contrary, we see a move towards escalation, for example when some Georgian politicians propose to deploy Free Syrian Army training camps in Georgia. There may be some ways of escalation in the South Caucasus: Regime change in one of countries in the region, some hostile steps towards Russia inspired by client states of the West (for example, a kind of “new North-Caucasus politics” undertaken by Georgian authorities under Michael Saakashvili).

The question the Ukrainian crisis raises is: “Does the West help its partners?” In October 2008, the donors’ conference in Brussels provided Georgia 4.5 billion dollars. It was almost one third of national GDP. If Ukraine were to receive the same sum of assistance as a share of GDP, this would be about 45-50 billion dollars. Yet, of course, there has been no such help. I think this is partly because of a lack of confidence in the Ukrainian authorities. By 2008, the Georgian government had demonstrated that they knew how to work with international donors. The Ukrainian authorities, by contrast, have not. And the other reason the Ukraine has not received significant financial assistance is because the West
is experiencing its own economic difficulties. So, in these circumstances, the reasonable strategy for the states of South Caucasus is to stay out of the Ukraine crisis and wait for it to play itself out. Also, these states should choose to keep out of the clash and tensions between Russia and the West.

And I would like to ask a rhetorical question. Many different countries, many different nations in the Western part of Post-Soviet space or in the South Caucasus have wanted to integrate into Western institutions like the EU, NATO. This is complicated region with very different nations, very different histories and historical narratives, very different ways of life, very different economies and very different domestic policies. What makes us - or what makes you - believe that Western institutions can take hold in so many different nations together and solve so many different problems? I think the main lesson of the Ukrainian crisis is that we need a multilateral system of security in Europe and a multilateral system of economic cooperation.

As I approach to the end of my talk, I would like to note some possible sources of optimism. First of all, we have a balance of power in the region, in the South Caucasus. It is a bad balance. Nobody is satisfied with it and everybody feels insecure, but it is still a balance. We do not anticipate great changes in the region. We do not anticipate that there will be a NATO enlargement in the South Caucasus in the near future. We do not anticipate a war and I personally do hope that there will be no war. So, stability is kept not only by this balance, but also by our future expectations. We see the intersection of two integration initiatives in the South Caucasus. The first is free-trade agreement that Georgia has signed with the EU. The second is the Eurasian Economic Union, which Armenia has joined. We understand that for the success of the Eurasian Economic Union, Russia and Armenia need to cooperate with Georgia, at least on transportation, economic, and trade issues. Economic integration projects in neighboring states present new opportunities both to Georgia and Armenia. For example, Georgian companies may use Armenian jurisdiction to export its goods to Russia and vice versa Armenian companies – to the EU. And maybe seeing this stability, seeing this - I underline one more time - bad balance, we may leave the discussion of traditional security issues such as geopolitics, NATO, EU on the margins. We may focus on practical matters. New challenges such as terrorist threats in the South Caucasus need to be discussed and dealt with. The Islamic State is an actual threat for Georgia, Azerbaijan and Russia. We must also discuss economic cooperation. For example, it should be discussed how to implement the agreement between Russia and Georgia on Russia’s joining the World Trade Organization (the agreement was signed on November 9th, 2011, it established the legal base for transit of goods via Abkhazia and South Ossetia). The implementation of this agreement may help to restore the transit trade via the territories of two partly recognized states in the South Caucasus and promote
trade and broad economic cooperation in the region. We may discuss the way to harmonize the interplay between two economic integration projects in the South Caucasus, namely, the Eurasian Economic Union and EU’s Eastern Partnership. Beginning with small steps, we may establish more secure and sustainable South Caucasus.

Thank you very much for your attention.
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