BAKU DIALOGUES

POLICY PERSPECTIVES ON THE SILK ROAD REGION

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Middle Powers and the Silk Road Region

Christopher Mott

> *"The nations and builders who insist on a single order are out to bind the trickster again, hoping to stop time, hoping to get Eshu off the road. But—if there were a single unchanging order the world would be hard upon us, the government would be hard upon us, and we would long for a traveling poet to tell the old story—about how Coyote went to sleep during the council of the animals and dreamed of eating their meat."*
>
> — *Lewis Hyde,* Trickster Makes This World *(1998)*

Scholarly commentary on the rising phenomenon of multipolarity is almost entirely focused on how this affects the current established great powers. This overlooks a more interesting question: what are the opportunities afforded to smaller countries in this now freewheeling world situation—and particularly to the countries in regions like the Caucasus and Central Asia, which are often neglected by more established geopolitical commentary? Answers to this and related question is imperative because, as unipolarity declines, the void is not just being filled just with a handful of expected countries, but rather a growing role in regionally influential middle powers across the board.

***Christopher Mott** is a Research Fellow at the Institute for Peace and Diplomacy where he focuses particularly on historical geopolitics and the intersection of sovereignty with the burgeoning realism and restraint movement. He previously worked for the U.S. State Department as a countering violent extremism analyst. The views expressed in this essay are his own.*

Middle Powers Defined

My colleagues Arta Moeini, David Polansky, Zachary Paikin, and I at the Institute of Peace and Diplomacy released the Middle Powers Project in spring 2022. This was done specifically to examine the growing role of a particular kind of country in shaping world affairs as conditions of unipolarity continue to ebb. We noticed that while the return of great power politics between the strongest states was well known (such as increasing assertiveness by Russia and especially China against what is often called the U.S.-led, rules-based liberal international order), there was still a critical lack of analysis regarding not-quite-global but still significant powers. This led us to conduct a study whose primary focus was not only to point out the critical role such countries were coming to play in geopolitics, but also to specifically define what middle powers are.

> *As unipolarity declines, the void is not just being filled just with a handful of expected countries, but rather a growing role in regionally influential middle powers across the board.*

Our starting consensus was that the theoretical school of realism was the most accurate of the major international relations theories. However, the baseline version of classical and structural realism alone was inadequate for the task at hand. Neoclassical realism, however, with its strong focus on the interplay of domestic politics in the conduct of foreign policy as well as its more nuanced understanding of state goals being not simply limited to maximalist gains, served as the core (but by no means exclusive) intellectual framework. There was also significant borrowing from the new regionalism and securitization fields. Additionally, there was a corrective corollary added to Samuel Huntington's thesis where the future of the civilizational state was upheld, but not his assertion that it was destined that they clash based on cultural values.

By our definition, a middle power is a regionally potent state that lacks the global heft of a great power. In a specific localized context, however, it can behave as a great power. This strong regional focus leads to massive differentials in calculating its geopolitical weight based on proximity alone. Such states do not simply project power, however, but are long-term regional anchors that outlast any one particular government or foreign policy stance. Their geographic base is thus also one of historical rootedness, with some version of political power stretching back generations and even across different successor governments. Thus, geography and history intertwine to create favorable security opportunities for local actors with the capacity to increase their influence in their respective neighborhoods.

To quote the report directly, there are four main points to consider:

1. Geo-regionality: they are states situated in and shaped by their particular regions within a regional security complex. These complexes are historically dynamic and can enlarge or shrink somewhat over time. Moreover, the geographic constraints and advantages that define their territorial expanse and put them in a favorable, if not inherently dominant, position vis-à-vis the RSC's other actors also inform their pride of place and sense of history, determining and locking in their vital interests across time.

2. Relative Material Advantage: They are states that possess a certain degree of material capability and operational resources enough to create and maintain comparative superiority—both militarily but also in terms of economic and human capital—allowing them to outperform their proximal neighbors in the pursuit of their goals.

3. Status as a Cultural State: They represent countries with long historical memories, often espousing distinctive values, committed to the preservation of their cultural form of life in the present and the future, and aspiring to achieve recognition and the respect of their peers. The historical and cultural continuities also breed greater solidarity and higher internal stability with an attendant and heightened level of interest in the immediate abroad that is shaped by their singular historical and cultural legacy.

4. Limited, Non-global Aims: Due to their comparatively limited capabilities (namely, the inability to pursue interests far beyond their regions as great powers can), and thanks to their emphasis on cultural particularity and prioritization of vital interests, these states have narrower goals and strategic concerns that are limited to the near abroad, and which do not change drastically over time, enduring even between different political regimes.

A middle power, in short, is a state with long-term regional power projection which cannot be dominated in its own immediate

neighborhood—what the report termed its "near abroad." Therefore, states like Canada or South Korea that, on paper, appear to have the economic and population potential to meet the mark, do not qualify: Canada's influence is greatly overshadowed by the United States (with which it shares its only land border) and South Korea is located between the two larger states of China and Japan. But a country with the same economic and financial power as Canada or South Korea would certainly count as a middle power were it located on the African or South American continents.

There are many potential candidates for middle powers. Some of those we have not yet examined in great detail include India, Indonesia, Brazil, Nigeria, and South Africa. These states deserve much more attention in the future, but, since the conversation is a relatively new one, we wanted to start by primarily homing in on four countries that best show the transition away from unipolarity: The "revisionist" powers of Türkiye and Iran and the "status quo" powers of Japan and Germany. It was these countries that we believe show the most obvious bifurcations in presently unfolding trends.

A middle power is a regionally potent state that lacks the global heft of a great power. In a specific localized context, however, it can behave as a great power.

Status quo middle powers are those that are primarily concerned with retaining the benefits of the U.S.-led order from which they have benefited. Such states are the core players in specific regions when it comes to restraining the ambitions of rising powers hostile to this arrangement, and often serve as key economic linchpins in the global economy. Germany and Japan are the most prominent of such powers, being top tier states in the respective regions with a history of importance. Germany is threatened by Russian revisionist designs and Japan is threatened by Chinese revisionism (as well as Russian, if to a much lesser extent). Having once themselves been the primary revisionist rivals with the more established powers, the defeat of the Axis in World War II saw these countries occupied and restructured to become front line states in the Cold War. This ended up putting their economic advantages in the service of the unipolar moment in the period following the fall of the Berlin Wall.

With the end of that moment, both Tokyo and Berlin have calculated that in order to keep reaping the benefits of their close positioning with Washington, they must be more proactive in their specific regions. Japan's close (if unofficial) relations with Taiwan and desire to compete with Beijing's Belt and Road Initiative (BRI) project with "Quality Infrastructure" programs of its own has resulted in billions of dollars of infrastructure investment in South and Southeast Asia. When it comes to military priorities, Japan has also built up a specialty in counter-submarine and coastal defense operations. Germany, meanwhile, was a bit slower on adapting to the end of unipolarity. However, the Russian invasion of Ukraine in February of 2022 has galvanized the process, with Berlin authorizing a temporary increase in defense spending, playing the key role in military aid program to Kyiv, and putting a freeze on the Nord Stream II pipeline with Russia. Additionally, Germany has provided military hardware to Ukraine's war effort.

Status quo middle powers are those that are primarily concerned with retaining the benefits of the U.S.-led order from which they have benefited. Such states are the core players in specific regions when it comes to restraining the ambitions of rising powers hostile to this arrangement, and often serve as key economic linchpins in the global economy.

The revisionists, on the other hand, are those who see more opportunity in multipolarity, giving them the conditions to re-orient their regional influence through rebelling against the old status quo rather than becoming greater participants in it. Revisionists may or may not have worked within the confines of unipolarity perfectly well before, but now they sense a chance to alter a regional balance of power away from the old consensus. Two of the most impactful of these states today are Türkiye and Iran, who inherited the mess of the U.S. invasion of Iraq and the Arab Spring's impact on the Middle East and decided to work within the chaos of that situation by maximizing their own influence over neighboring countries.

Türkiye has played decisive conventional military roles in its neighborhood, most relevantly in supporting Azerbaijan's retaking

of the Karabakh region from Armenia in the Second Karabakh War as well as serving as the primary supporter of the remaining rebels in Syria. Ankara has also inserted itself into Libya and, more indirectly, in Ukraine via local connections and arms exports. Iran meanwhile expands its influence through less conventional but still as militarized means, particularly with the support of militias in Iraq, Syria, Lebanon, and Yemen. Both countries now are vital to the balance of power of the Middle East and must be reckoned with by their neighbors as much as any of the great powers.

Revisionist middle powers see more opportunity in multipolarity, giving them the conditions to re-orient their regional influence through rebelling against the old status quo rather than becoming greater participants in it, sensing a chance to alter a regional balance of power away from the old consensus.

Obviously, considering the proximity of these countries to each other (including a shared border area) one must also take into account the danger of both being revisionist at once. Their respective local allies often clash directly in the Syrian Civil War theater. From the Macedonian successor states on through Roman-Parthian and Roman-Sassanian enmity to the Safavid-Ottoman wars, history is replete with powers on the Anatolian and Iranian plateaus becoming long-lasting rivals. Thus, it could be said that these powers are revisionist in the context of the present-day but are at the same time simply returning to normal from the perspective of the long term. What is important to note here is that middle powers are often states with civilizational anchoring to a specific region, whose status can be in flux and whose policies can wield disproportionate influence because of these ambiguities. As regionalism reasserts itself over a supposedly global norm, the strategic options for local actors can increase along with their growing responsibilities.

Keystone Dialogues

After completing our Middle Powers project, my colleagues and I were made aware of the ongoing discussions in Baku-based journals like *Baku Dialogues* (published by ADA University) and *Caucasus Strategic Perspectives* (published by the Center of Analysis of International Relations) about overlapping topics. For instance, in the Winter 2020 edition of the latter publication, Damjan Krnjević Mišković wrote of the "existence of a number of states of substantially equal strength" in what he calls the "Silk Road region," which could enable the core states of what amounts to Inner Eurasia to "maintain and possibly deepen its own balance of power system." In this and subsequent writings, he has developed possible strategic trajectories of this burgeoning geopolitical phenomenon by anchoring it in an analysis of the growing role of "keystone states" like Azerbaijan, Kazakhstan, and Uzbekistan in that part of the world and the concurrently decreasing ability of any single outside power to dominate the region. The Second Karabakh War effectually undid the result of the First Karabakh War, which was characterized by an Armenian land grab, and so was particularly enlightening in this regard. While Russia's position as regional arbiter was confirmed, it was responding to rather than driving events. And it was Azerbaijan, acting with support from Türkiye, that had upset the old post-Soviet status quo that had favored Armenia.

These themes were further built upon by Nikolas Gvosdev in the Fall 2020 issue of *Baku Dialogues*, entitled "Geopolitical Keystone: Azerbaijan and the Global Position of the Silk Road Region." Here the concept of "transactional neutrality"—a strategy of non-aligned economic integration originally proposed by Anar Valiyev and Narmina Mamishova in a February 2019 article—comes into play. This stipulates that the best path forward for the security of the region is for every outside great power to understand that the states of the Caucasus and Central Asia are going to have relations with every other great power but not be beholden to any of them—a consequence of Inner Eurasia's "heightened geopolitical heterogeneity," as Krnjević has put it. This could mean that the Silk Road region itself is a keystone, given its resource richness and ability to carve out a space between other more established maritime nations.

Many of the common themes in past discussions taking place within Baku Dialogues and Caucasus Strategic Perspectives are clearly independently converging with IPD's analysis regarding the rise of middle powers as among the most important aspect of the present era of geopolitics.

Gregory Gleason, in his Winter 2020-2021 *Baku Dialogues* essay "Grand Strategy Along the Silk Road" also touches on this line of thinking. Middle powers can outperform great powers in specific regional roles and the bulk shipping trade advantages of maritime states might decrease due to more advanced land-based infrastructure and the increasing nationalization of trade routes by territorializing choke points like the Straits of Malacca. To quote the author: "In the logic of the situation of today's world, the states and regions that are situated territorially or conceptually between the competing visions of world order are of pivotal significance. Keystone states are significant for this reason."

Many of the common themes in past discussions taking place within Baku Dialogues and Caucasus Strategic Perspectives are clearly independently converging with IPD's analysis regarding the rise of middle powers as among the most important aspect of the present era of geopolitics. All of us agree that regionalism and divergence, rather than the implied uniformity of the post-Cold-War era (or, for that matter, the bipolarity of the Cold War itself) is now the order of the day. This opens up opportunities in particular to the strongest states of otherwise neglected regions.

There are, however, still differences between the trends in *Baku Dialogues* and those found in IPD's Middle Powers project. The most obvious one revolves around the question of what exactly constitutes a middle power. A running theme in the aforementioned articles is that Azerbaijan either already is or is rapidly becoming a middle power. This is a question of scale: if one takes the South Caucasus states by themselves, Azerbaijan is unquestionably the one with the strongest economy and geopolitical position. While Azerbaijan's position is enviable compared to Georgia and Armenia, it still does not meet the criteria to a middle power as set out by IPD's recent research. This is primarily because it shares a direct border with Russia and extremely close but not quite equal ties with Türkiye. And it is Türkiye (and Iran) that meet IPD's present definition of a middle power precisely because of the pull they have in regions like the Caucasus. Specifically, their status as long-lived cultural anchor-states within the region. Still, it should be noted that both Krnjević and Gvosdev, writing both together and separately, make the point that Azerbaijan, Kazakhstan, and Uzbekistan taken together constitute the anchors of a nascent regional order: "none by itself is indispensable, but together they provide equilibrium whilst setting the tone, pace, and scope of the overall [regional] cooperation agenda." As of now, however, each of the three states remains peripheral to nearby regional and great powers. To become what the Middle Powers Project calls "regional balancers," some circumstances would have to change. But this is certainly within the realm of possibility.

This is a disagreement on specific definitions and present economic dispositions rather than the overall concepts. The discussions that have been unfolding in *Baku Dialogues*, in particular, are primarily focused on the future geopolitical potential of both the Caucasus and Central Asia (the core of the "Silk Road region," understood as a "single geopolitical theater with multiple stages"). And it is the future of these regions that indeed hold the correct combination of ingredients to one day produce a new middle power region if certain policy strategies are met. This is not far-fetched, because the potential to exploit the conditions of middle power multipolarity are there, and because the region already has a rich history, going back many centuries, of leveraging its geography between other power poles to its own massive benefit.

Opportunity Returns to the Inshore Balancers

Taking the long-term historical perspective, landlocked Eurasia is certainly not a remote and sidelined region of the world, as stereotyped by people in many outside places. In fact, at virtually any point in history before the eighteenth century, it was one of the key regions in driving world history and geopolitical events—a point convincingly made in the relevant writings of scholars like Christopher Beckwith, S. Frederick Starr, and Peter Frankopan. And in both late antiquity and the Middle Ages, specifically, the Silk Road region was arguably the most important place in the world for international trade and military power projection.

Despite almost always having smaller populations from which to draw than surrounding regions like South and East Asia, the Middle East, and the Mediterranean, Central Asia in particular was nearly always a military and cultural innovator when it came to using space and mobility to project power and influence. The high proportion of the populace that once lived a nomadic horse-and-herding lifestyle provided natural recruits for cavalry and logistical networks, meaning the average speed of a military column or a trading caravan was increased compared to many other regions. The existence of cities like Samarkand and Bukhara within these vast inland spaces in turn meant that not only trade goods could be acquired from within, but manufactured materials as well—if at a lower volume than elsewhere. Logistics and geographic mastery thus came together in a place difficult to attack from the outside, but extremely able to project power outwards in reverse.

Just as technological changes in the early modern era stemming from the rise of larger and more sophisticated naval vessels had moved the main trade routes away from the Eurasian hinterland and towards the oceans, so too could the process be at least partially reversable in the future.

It is easy to forget the importance of this historical legacy, but even parts of the world about which we are used to thinking today as littoral and ocean-focused once used their proximity to Central Asian networks crossing the overland routes of the steppe as their primary leverage of international power. Both Han and Tang Dynasty China, for instance—representing what some consider to be the (premodern) peak of Chinese civilization—were heavily involved in the region and located their capital, Xi'an, in the far west of their territories to reflect this Central Asian focus. The Eastern Roman Empire (known in the West as the Byzantine Empire), turning more towards West Asia once the European portion of its realm began to decline and lose its central location in Roman grand strategy, gradually adopted more of the military innovations and frontier management strategies of peoples to their north and east. I refer here not just to Persian-style heavy cavalry, though this is perhaps the most famous, but also to Hunnic auxiliaries and the geopolitical logic of diplomatic integration with the Turkic world. It was by adopting a more fluid concept of diplomacy and geopolitics that the East could prosper even as the West faded.

In 2015, I wrote a book, *The Formless Empire: A Short History of Diplomacy and Warfare in Central Asia*, based on my doctoral thesis at the University of St. Andrews, which was completed the year before. My primary purpose was to mine Central Asian history for examples of indigenous geopolitical understanding from a criminally overlooked region of the world. The reason I did this was not simply my long-held historical fascination with the subject, but also because the unique geographic and cultural circumstances at play were well worth examining. The Turko-Mongolian and Iranian worlds, it turned out, were prime examples of adaptive Neoclassical Realism at work, for various states belonging to those worlds showed how landlocked and deep-interior societies—which we in the North Atlantic are taught to assume are doomed to be economically and politically blighted—could, with the right circumstances, be central to economic development and political security.

With the rise of increased militarization of sea-lanes in places like the South China Sea, as well as the maritime nations of the North Atlantic wielding ever more sanctions as part of their foreign policy, alternative routes and markets are inevitably going to be explored.

Specifically, I argued that there was a form of "inshore balancing" (my specific term for the Inland Eurasian context that is congruent with IPD's present term of "regional balancer") that continuously re-occurred in the histories of Central Asian states, where the steppe-based societies (be they nomadic confederacies or formal empires) used their mastery of what other people would consider remote geopolitical locations in order to wield disproportionate influence over their near-abroad. In this analogy, which is a kind of inversion of the more famous "offshore balancing" practiced by naval powers, mastery of vast yet traversable interior space functions a bit like modern-day naval power, with the steppe acting as a kind of inland highway not totally different from sea lanes. Greater mobility around spaces where commerce concentrates gives the regional power great sway over strategic options. This was once Central Asia's default setting, and its success led to many states from further afield that came into contact with the region—e.g., Russia and China—to selectively adopt frontier policies from these experiences.

This may seem like an abstract argument more suited for historians than the field of international relations. However, it was and remains my contention that just as technological changes in the early modern era stemming from the rise of larger and more sophisticated naval vessels had moved the main trade routes away from the Eurasian hinterland and towards the oceans, so too could the process be at least partially reversable in the future. The rise of the littoral world was based on the growth of port cities and the connection of sources of wealth abroad to these places. This undermined the inland trade networks that had thrived in earlier centuries by redirecting so much of economic activity away from them (and taking much tax revenue and technological innovation with them). However, with the rise of increased militarization of sea-lanes in places like the South China Sea, as well as the maritime nations of the North Atlantic wielding ever more sanctions as part of their foreign policy, alternative routes and markets are inevitably going to be explored.

While bulk shipping at sea obviously isn't going anywhere, opportunities for inland trade networks are growing, and the overlooking of Central Asia by many of the present world powers gives the region the opportunity to grow its overall global profile in the long term. As mentioned previously, we at IPD are skeptical that any middle powers currently exist in Central Asia and the Caucasus. However, the opportunities for them to eventually arise certainly do. Indeed, one could say the growth potential of the region is immense. However, the political conditions needed to bring this about would first need to be met. And here, premodern history once again becomes useful.

The concepts of "transactional neutrality" and "Silk Road region balancing systems" are the modern revival of the old Turkic understanding of geopolitics, even if the balance of forces is no longer as favorable towards the region as they once were. What would be required for this to work would be greater regional integration as well as a dedicated forum to smooth over local disputes before they can be capitalized on by outside powers. There is some evidence that more than embryonic steps are being taken in this direction, under the framework of a process that began formally in 2018, called the Consultative Meeting of the Heads of State of Central Asia. No stranger to being outnumbered by littoral societies, the core states of the Silk Road region can only maximize their potential when presenting a largely unified front to outside societies. Ethnic conflict along the border with Uzbekistan and Kyrgyzstan, for instance, should not be allowed to drive either of those countries' foreign policy stances so much as standardized trade practices and flow of commerce do. Such regional integration may also help diminish such territorial flare ups. The present war in Ukraine has directly shown the utility of following such a path, as NATO member states impose massive sanctions on Russia in response to Moscow's initiation of a potentially destabilizing conflict in its near-abroad. There is clearly room to eke out a space between these poles, where commerce and regional stability take precedence over conflicts that involve other powers.

If the region's strongest military powers were allies rather than rivals with each other, there would be no question that they could dictate the terms of their economic links with the various littoral powers.

The clear desire to reboot the Silk Road trade network that is shown by the openness throughout the region to BRI-style projects presents both dangers and opportunities. The fact that the Belt and Road Initiative, in particular, is primarily a Beijing-funded and Beijing-directed project presents concerns—to some extent to the core states of the Silk Road region itself, of course, and, more so to great power centers like Russia and the West. But it is also worth noting that the more trade is conducted through Central Asia, the better the region's prosperity and connectedness. The middle corridor of the old Silk Road states could sell themselves as a safer alternative for trans-Eurasian trade and pipelines in light of recent events. Should everything go according to plan, this strengthens the hand of the participant states not only by increasing the overall amount of trade and infrastructure dependent on them, but also because it makes the region more attractive to investment for further abroad powers. China might be the primary investor, but anyone can use the new facilities they help fund and construct. A true New Silk Road recaptures the essence of the old by going beyond the immediate near-abroad when developing trade and connectivity links.

As commerce increases, so too could its various states think about how they, collectively, could bargain from a position of greater strength. The individual states in both the Caucasus and Central Asia must choose between bandwagoning with each other to form a proximate regional power, or act in some kind of less centralized but still coordinated neutral non-aligned league. There is certainly an opportunity in Central Asia for an insular security treaty/organization in the mode of the Abraham Accords to protect these states from future interference from outside powers. Doing so, however, requires prudent and sober leadership and strategic nuance. A discussion of the opportunities and challenges for a Silk Road Security Initiative (SRSA) in light of these factors could be well received. As it would be more profitable to trade with a leagued regional alliance than attempt to dominate it, outsider powers capable of doing a cost/benefit analysis would quickly come to the realization that a New Silk Road was rising for the same reason that the old one once did: apparent inaccessibility can be leveraged by locals to grow new opportunities that outside powers are unwilling or incapable of pursuing directly. If the region's strongest military powers were allies rather than rivals with each other, there would be no question that they could dictate the terms of their economic links with the various littoral powers.

Febrile Zone?

While there is no single country that yet meets the criteria for being a regionally decisive middle power in Central Asia or the Caucasus, the region itself contains vast amounts of potential for the future. This is understood by many people who reside in the core states of the Silk Road region but by relatively few outside of its geography. China's BRI and Russia's longstanding security arrangements, as well as their proximity to the core of the Silk Road region, mean their interest is a given. Yet, facing few direct rivalries as of now, they often prioritize Europe (for Moscow) and East and Southeast Asia (for Beijing).

Central Asia is a place far too distant to be a core interest of the United States, and the relative latecomer status of India's growing world economic power implies that while its impact in the region will be felt, it will most likely not be in a game-changing capacity anytime soon. However, as the infrastructure of the Silk Road network countries develops and their importance rises accordingly, more investment and connections from places even far afield will become inevitable. Particularly key is increasing levels of regional consensus-building among states like Uzbekistan and Azerbaijan, given that they have disproportionate influence among their most immediate neighbors. It is quite possible that a mutual consensus between Baku and Tashkent could be the start of a new regional geopolitical realignment, as Krnjević, Gvosdev, and others have argued.

As long as the core countries of the Silk Road region can work more in partnership rather than rivalry, not only could they reap the benefits of middle power multipolarity but could also return to something resembling their former status as geopolitical poles of import—one capable of leveraging trade routes, the manufacturing of value-added goods, transactional relations between littoral power poles, and a supposedly "remote" location into a sovereignty-defending, inshore balancing position of regional power to which outside forces must agree in order to successfully do business. Even acknowledging the very real local differences between countries and the differing levels of foreign intervention in the Caucasus compared to Central Asia, this still remains a regionally-achievable strategic goal worth pursuing.

This is a long-term prognosis to be sure—and one that requires an avoidance of inter-regional strife that cannot be guaranteed; and yet, the opportunity is as real a potential recurrence as the premodern history of the old Silk Road shows it once was. Much of history, especially that of geopolitical history, is one of long-term cycles. In times of rapid change some states rise while others decline. But this is never a permanent state of affairs, and often, as the nomad-admiring scholar Ibn Khaldun was fond of pointing out, it is precisely those who have been on top for too long who are at the greatest risk of losing their position to others who have had their meddle tested by being exiled from the poles of power. There is a very real possibility that a fatal complacency has set in with many of the established powers, and that the supposedly peripheral space between them is about to become a febrile zone of growth for those they assume their lesser. BD

The Centrality of Karabakh in Caucasus Geopolitics

Svante E. Cornell

Azerbaijan's ability to reassert its territorial integrity in the 2020 war with Armenia was a major event in the modern history of the Caucasus. This war, commonly called the Second Karabakh War, showed the continued centrality of Karabakh in the geopolitics of the Caucasus. Even more specifically, the citadel of Shusha is the center of the Caucasus: the capital of the former Karabakh Khanate, Shusha lies at the center of this conflict and thus of the region's geopolitics.

Surprisingly, very few scholars have underlined this critical point; in fact, only two studies spring immediately to mind. The first is by Elchin Amirbayov, who in 2001 wrote a report for the Harvard Kennedy School's Belfer Center on Shusha's "pivotal role" in any future Karabakh settlement; the second is by Farid Shafiyev, who in 2021 contributed a chapter on the "paramount significance" of Shusha in a book co-edited for ADA University Press by the Co-Editors of *Baku Dialogues*. (Amirbayov is presently an adviser to the First Vice President of Azerbaijan; Shafiyev is presently the chairman of the Center of Analysis of International Relations. Both are former Azerbaijani ambassadors.)

To reiterate: Shusha has been—in military and symbolic terms—the center of the Armenia-Azerbaijan conflict, with wide implications that have gone beyond that. For example, it was the loss of Shusha in May 1992 that spelled the end of the first post-Soviet government of Azerbaijan. Conversely, it was the occupation of Shusha that same year that sealed the Armenia-Russia alliance, which formed one of the major geopolitical axes of the post-Soviet Caucasus. But it was also Azerbaijan's retaking of Shusha that ended the Second Karabakh War.

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On a deeper level, the Armenia-Azerbaijan conflict (which centered on but was not limited to Karabakh) formed the main dividing line in the Caucasus. This conflict ensured that the Caucasus was composed of states that were suspicious of each other or in conflict with each other, instead of developing statehood and sovereignty and cooperation together.

This is not limited to Armenia and Azerbaijan, but includes Georgia as well. Armenian secessionism in the late 1980s laid the ground for the spread of similar sentiments in Abkhazia and South Ossetia, which were immediately manipulated by influential forces in Moscow. It showed to leaders in Russia that secessionism was a useful tool to reduce the independence and limit the sovereignty of the Caucasus countries. And it inspired entrepreneurs of separatism based in parts of those states. This logic can be stretched all the way to the Russian use of secessionist entities in eastern Ukraine today.

Every regional power has had an opportunity in the past two decades to appreciate the fact that it cannot control Azerbaijan, but that it can befriend Azerbaijan.

In this sense, Azerbaijan's success in single-handedly achieving the implementation of four UN Security Council resolutions on the conflict—and, in turn, the return of occupied territories to Baku's control—is a key turning point in the modern history of the Caucasus. It symbolizes the reversal of a trend: the reversal of the *centrifugal* tendencies that had dominated the region since the late 1980s; and perhaps, the beginning of an era of *centripetal* tendencies.

Instead of division, the arrangements that arise from the outcome of the Second Karabakh War foresee a future of cooperation based on strong sovereign states. Certainly, states enjoying good relations with their big neighbors; but sovereign states first and foremost. Of course, there is a long way to go before such a rosy scenario becomes reality. But the geopolitical logic of the arrangements deriving from the end of the Second Karabakh War unmistakably point in that direction. This is likely to be further cemented should the EU prevail in its present efforts to facilitate the formal normalization of relations between Armenia and Azerbaijan—and it may be the case even if Russia is able to reassert a primary mediation role in this ongoing process (a scenario that is highly dependent on the rapidity and terms of the end of the war in Ukraine).

Following the Leader?

Azerbaijan has been a leader in the region in building sovereignty and true independence. It has relied on its own resources and rejected dependence on any outside power while forging friendly relations with all outside powers that respect Azerbaijan's independence. This has been possible for two reasons: Azerbaijan's economic strength, and its stable leadership.

Every regional power has had an opportunity in the past two decades to appreciate the fact that it cannot control Azerbaijan, but that it can befriend Azerbaijan. Russia has consistently put pressure on Azerbaijan, but on many occasions, Baku has pushed back at times when it felt Moscow was siding too closely with Armenia in the conflict over Karabakh. Iran, similarly, has found that efforts to exert pressure on Baku, such as regarding its relations to Israel, have backfired. The U.S. efforts to pressure Azerbaijan in the mid-2010s similarly failed to achieve their desired result; and even Türkiye, Azerbaijan's closest partner, found in 2009-2010 that its short-lived attempt to ignore Azerbaijan's interests in the context of an attempt to normalize ties with Armenia generated a domestic blowback when Azerbaijan refused to cooperate.

The citadel of Shusha is the center of the Caucasus: the capital of the former Karabakh Khanate, Shusha lies at the center of this conflict and thus of the region's geopolitics.

Conversely, all four regional powers have experienced the fact that when they have taken Azerbaijan's interests into account, Baku has proven willing to cooperate, in turn taking into account the interests of regional powers when devising its independent foreign policy.

Will this approach spread to other nations of the Silk Road region in general, and the Caucasus in particular? After all, in Central Asia, Kazakhstan two decades ago adopted a policy of "multi-vector" foreign policy (it was conceived and largely executed by the country's current president, Kassym-Jomart Tokayev), which all other Central Asian states subsequently adopted, in modified form.

What about in the Caucasus? Will Armenia and Georgia similarly follow Azerbaijan's example? In the time ahead, this seems probable, although it is unlikely to happen immediately.

Under presidents Eduard Shevardnadze and Mikheil Saakashvili, Georgia aimed to build its sovereignty and independence in a similar way to Azerbaijan. Much was achieved during this period: Shevardnadze presided over Georgia's opening to the West and Saakashvili sought with some success to reform the Georgian state to make it efficient and functioning. However, neither Saakashvili nor Georgia's Western partners accurately gauged the full scale of Russia's willingness to use force to prevent the attempt at a successful Western integration of former Soviet states belonging to the Silk Road region. As a result, the Russian invasion of 2008 took place, which marked Saakashvili's tenure in power and ushered in a period of intense political polarization that led to his downfall in 2012. Ultimately, Georgia has stagnated in recent years, with considerable instability in its domestic and foreign policies.

Will Armenia and Georgia similarly follow Azerbaijan's example? In the time ahead, this seems probable, although it is unlikely to happen immediately.

Most alarmingly, the country continues to be highly dependent on the West, but meanwhile the current Georgian government has done a very poor job at maintaining constructive relations with its Western partners. While the Georgian government has pursued an accommodationist policy with Russia, which has increased Georgia's economic dependence on Moscow once again, it has engaged in battles with European politicians expressing criticism of Georgian domestic policies. In other words, there has been a lack of strategic thinking in Georgia in the past decade.

Georgia, of course, lacks the significant economic resources that Azerbaijan possesses; but mostly, it has lacked stable, predictable leadership. That said, the current political balance in Georgia appears unsustainable in the long run, and the present vacuum of leadership is likely to be filled eventually by a new political force that better reflects the aspirations of the Georgian people. At that point, Georgia is likely to resume the process of building state institutions and developing its role in the region.

The reason for Armenia's dependence on Russia was always purely related to Karabakh. There is no longer a rationale for this policy; Armenia is now left only with the downside of dependence, without the upside of territorial control.

Armenia is in an even worse position than Georgia, with a society remaining in shock following its defeat in the Second Karabakh War. Armenia now has no choice but to rethink its entire national idea since independence, which had been based on the imperative of securing long-term control over the territories it had conquered in the First Karabakh War.

This objective had informed all of Armenia's major decisions since independence—above all, its ever-deepening dependence on Russia for security. At this point, Armenia needs to accept the need to work together with its neighbors rather than somehow re-securing control over Karabakh. If Armenia does this, it will realize that it no longer needs to depend on foreign powers—whether they be Russia, the European Union, Iran, or anyone else. The reason for Armenia's dependence on Russia was always purely related to Karabakh. There is no longer a rationale for this policy; Armenia is now left only with the downside of dependence, without the upside of territorial control.

A debate in Armenia has existed for a long time between those advocating for territorial expansion at all costs, and those proposing a more sustainable approach. The latter have not yet come out on top—and they are not likely to do so tomorrow. Still, there is no question that the Second Karabakh War, as tragic as it was for Armenia, accelerated the process of shifting from an expansionist policy to a more conciliatory one—if only because it showed the unsustainability of an approach focused on the expansion of irredentist territorial control.

Similar Approaches to Ukraine

In this context, it is notable that the three states of the South Caucasus have adopted fairly similar approaches to the war in Ukraine. Armenia adopted a policy that sought some distance from Russia; while Georgia adopted one that sought some distance from the West. Both countries would likely have hewn more closely to their outside protectors a decade ago; but both appear to have concluded that they must seek a more balanced approach. Azerbaijan's decision to do the same, while maintaining a clear policy of support for Ukraine's territorial integrity, is much less surprising.

Both Georgia and Armenia have adopted an approach reminiscent of the Azerbaijani one regarding the Russian-Ukrainian war.

Thus, in a sense, both Georgia and Armenia have adopted an approach reminiscent of the Azerbaijani one regarding the Russian-Ukrainian war. It is far too early to determine if such an approximation of the foreign policies of the three states will be lasting, and there are many challenges: Armenia remains wedded to Russia-led integration schemes, while Tbilisi is looking for Brussels to formalize Georgia's aspiration for EU membership. Still, in this regard, the similarity of the three states' approach to the most serious regional crisis in thirty years is an interesting fact.

It is also important to consider what a weakened Russia will mean for the South Caucasus, because it appears clear at this point that the war in Ukraine will inevitably accelerate Russia's decline as a great power in the Silk Road region. There is, in fact, a precedent: when Russia lost the First Chechen War in 1996, it led to rapid movement on the part of Azerbaijan and Georgia to created distance between them and Russia and move to develop linkages to the West and Türkiye. Indeed, this is what made the construction of the Baku-Tbilisi-Ceyhan pipeline possible. Furthermore, Armenia also made moves in this direction, as the U.S. got more involved in efforts to resolve the Armenia-Azerbaijan conflict.

This decline of Russian influence was reversed with the rise of Vladimir Putin, however. But in the late 1990s, the three states were incomparably weaker than they are today. This means that a clear decline in Russian influence as a result of the war in Ukraine could lead to new opportunities for the states of the South Caucasus to work toward common approaches to international affairs, beginning with a lasting peace agreement between Armenia and Azerbaijan, and moving on toward a greater level of coordination on relations with major powers. This would make the South Caucasus a more secure region, and weaken the ability of outside powers to maximize influence in the region through the classic policy of divide and rule.

Peace between Baku and Yerevan is certain to be laborious and take time, as Armenia must accept the fallacy of three decades of expansionism before a peace deal can be finalized.

What Can Baku Do?

What can Azerbaijan do to facilitate greater convergence on the regional level, and to promote a more peaceful and stable South Caucasus? Three particular factors come to mind.

First, Azerbaijan should continue to hold out its hand to Armenia to produce a long-term peace. This is an achievable albeit difficult proposition. Peace between Baku and Yerevan is certain to be laborious and take time, as Armenia must accept the fallacy of three decades of expansionism before a peace deal can be finalized. Changing a nation's mind is not done overnight; this will require strategic patience. And it will also require a combination of showing Armenia the benefits of peace, while simultaneously making it crystal clear that Azerbaijan is willing and able to move ahead on regional initiatives without Armenia—if needed.

For example, as Baku expects Yerevan to apply the final provision of the 10 November 2020 tripartite statement and open up transit between mainland Azerbaijan and its Nakhichevan exclave (and onward to Türkiye), it is not sitting idly waiting for this to happen. Instead, it is working actively with Iran to develop an alternate route that circumvents Armenia, thus reducing Armenia's leverage and putting pressure on Yerevan to cooperate or be left behind.

Second, Azerbaijan should present its vision as being even bigger than just peace between the two countries; rather, it should put forward a regional vision or partnership for the South Caucasus as a whole. This would include the establishment of regional instruments, including financial ones, such as a Caucasus Development Fund, proposed by the Central Asia-Caucasus Institute's chairman S. Frederick Starr.

Such a Fund, which would be led by a Caucasus Development Bank that would need to be established, would operate on the basis of capital provided by all three regional states, but also be a regional entity cooperating with both international financial institutions and international aid agencies. Its mission would be to foster economic and social development in all three participating countries—especially in their underdeveloped mountain areas—and to promote harmonious and constructive interaction in the spheres of economic and social development among citizens of the participating countries. While there exist many international development institutions, a self-managed development program focused exclusively on the distinctive requirements of the three Caucasus countries remains an urgent and, to now, unmet need.

Azerbaijan should forward a regional vision or partnership. This would include the establishment of regional instruments, including financial ones, such as a Caucasus Development Fund, led by a Caucasus Development Bank.

Such a bank would offer funding to public, non-governmental and private bodies in the three participating states to carry out development projects on their separate territories and in the region as a whole. To hold and invest the funds it receives, the Bank could establish a foundation in New York, London, or elsewhere.

The only figure with the credibility to initiate this type of a structure is President Ilham Aliyev of Azerbaijan. Only Azerbaijan has the economic wherewithal to provide the seed investment for this bank; furthermore, Azerbaijan is the only country with the political stability and strategic approach needed make such an initiative possible. Moreover, the president of Azerbaijan has experience in managing large economic projects and guiding the State Oil Fund of Azerbaijan, thus providing a clear track record for outside investors and, in turn, much-needed legitimacy to a new regional development bank.

Third and finally, Azerbaijan should look east. Central Asia has changed considerably in recent years, driven by the change in Uzbekistan since Shavkat Mirziyoyev took over the country's presidency upon the death of his predecessor in late 2016, as well as the emergence of new leaders in Kazakhstan, Kyrgyzstan, and also Turkmenistan. For the past five years, the leaders of the five core Central Asian states have been involved in a steady process that may soon culminate in a formal treaty defining the terms of regional economic connectivity.

There is no good reason why Azerbaijan and the other two Caucasus states could not be drawn into some form of closer trans-Caspian collaboration—especially in light of the tragic war in Ukraine. This conflict has disrupted the established modes of east-west trade, given that transportation routes across Russia toward Europe have become inoperable (and routes traversing Iran remain too fraught with peril to be considered viable alternatives). Thus, Azerbaijan is already playing a central role in helping Central Asia to maintain its linkages to world markets across the Caspian. A greater Azerbaijani opening to Central Asia, which is beginning to happen, would also benefit both Georgia and, through the foreseen corridor to Nakhchivan, Armenia as well. The rapid growth of trade across the South Caucasus would benefit the economies of both countries (as well as Georgia), while also concretely developing the interdependence between them, thus contributing to a more cooperative approach to economic development. And as such, it would help the Caucasus develop more cooperative and forward-looking institutions.

There is no good reason why Azerbaijan and the other two Caucasus states could not be drawn into some form of closer trans-Caspian collaboration—especially in light of the tragic war in Ukraine.

A Different Vision

The three states of the South Caucasus find themselves in a world where norms and rules matter less, while strength and

power matters more than in the recent past. There is understandable fear that the war in Ukraine will lead to increasing anarchy and confrontation in the world. This must not be the case, however, particularly in the South Caucasus. Here, the divisions of the past could easily lead the region to new calamities if the approaches that have dominated the past thirty years continue. But there is a vision for a different South Caucasus, where three sovereign states work in coordination and cooperation with one another, and do not allow outside powers to pit them against each other. Azerbaijan can and should be the driver in this process. BD

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How the Caspian Can Help Solve Europe's Gas Woes

A Close Look at the Trans Caspian Connector Project

John M. Roberts

The plentiful natural gas reserves in and around the Caspian constitute an obvious medium- to long-term source of supply for Europe. What may be more surprising is that they also constitute the only source of sustained pipeline gas delivery that can improve Europe's gas balance within months or even weeks.

There are four elements that define the issue. The first is Europe's requirement for gas. The second is the availability of gas for immediate or early input into the equation. The third is the question of the capacity of available infrastructure to carry the gas to market. Finally, there is the question of whether there is the political support to implement such measures.

The short answer to these questions constitutes the first section of this essay.

Four Elements

Europe wants to replace—within a single year—around 100 bcma of gas supply from Russia by importing gas from a variety of

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alternative sources, by substituting other fuels, and by introducing energy efficiency measures. But so far, at least, its policies only appear to account for around three-quarters of this projected 100 bcma supply shift, while it still lacks a program to demonstrate how this reduced level might be achieved.

The principal focus of EU efforts to secure alternative gas supplies is naturally on liquefied natural gas (LNG) since LNG production is continuing to soar, with output expected to increase by around 33 bcm in 2022 following a 36 bcm rise in 2021. But this is basically a one-off enhancement, since much of this year's increase stems from delays to projects scheduled for completion last year or that have suffered from technical and maintenance issues. The problem is that in 2023 and 2024 very little new LNG production is due to come on-line. So, the Caspian has the potential to play a unique role in the provision of gas by pipeline, since Turkmenistan has available capacity that can be harnessed in ways that would rapidly improve Europe's overall gas balance.

The plentiful natural gas reserves in and around the Caspian constitute an obvious medium- to long-term source of supply for Europe. What may be more surprising is that they also constitute the only source of sustained pipeline gas delivery that can improve Europe's gas balance within months or even weeks.

Caspian gas can reach Türkiye, and thus have a positive impact on European gas markets beyond Türkiye, in three ways. Only two of these definitely possess spare capacity and can therefore carry increased volumes of gas without requiring upgrades while the potential of the other to carry a little bit more is currently being assessed. The first is through the original 42-inch South Caucasus Pipeline (SCP), which runs from the Azerbaijani gas terminal at Sangachal to the Georgian border with Türkiye, where it connects to the Turkish grid operated by Türkiye's state gas company, Botas. This line currently has around 3 to 4 bcma of spare capacity.

The second is through the expansion of this system, known as SCP-X. But the 48-inch SCP-X line is earmarked for the delivery of gas from the second phase of Azerbaijan's giant Shah Deniz project, and, with production from the field's West South flank due to start in mid-2022, should be ramping up steadily towards its full 16 bcma baseplate capacity during the second half of 2022. However, because pipeline capacities are not precise, *in extremis* SCP-X might be able to carry a little bit more. This year, the operators of the Southern Gas Corridor have already managed both to raise—and utilize—export capacity through the existing SGC system by around 1 bcm/y so that actual flows to the EU are currently running at a rate of 12 bcm/y.

The third is the existing Iran-Türkiye line, which has a nominal 10 bcma capacity, the equivalent of 28 mcm/d. However, this 48-inch line has rarely operated at full capacity and in the opening months of 2022 was carrying less than 14 mcm/d. On the assumption that flows of Iranian gas are not likely to be stepped up until the onset of winter 2022, this should mean that roughly half the line, equivalent to 5 bcma, is currently available for Turkmen gas to be delivered either directly or indirectly to Türkiye.

In sum, around 9-10 bcma of additional Caspian gas can be carried to Türkiye via existing pipelines.

The political support of five countries—Turkmenistan, Iran. Azerbaijan, Georgia, and Türkiye—is required to ensure delivery of 9-10 bcma of additional Caspian gas to Türkiye in the quickest time possible. Azerbaijan and Georgia have repeatedly stated their willingness to act as reliable transit countries for oil and gas produced elsewhere. Iran has demonstrated its willingness to provide de facto transit facilities for Turkmen gas in that it is already part of a swap agreement with Turkmenistan and Azerbaijan that ensures a flow of around 1-2 bcma of gas to Azerbaijan. Türkiye views itself as a natural gas hub and would be likely to welcome increased flows of Caspian gas to offset its reliance on gas from Russia.

The key issue concerns Turkmenistan, which has yet to give a clear signal that it is prepared to work with prospective partners and transit countries to open up a significant export route to the West.

Europe's Gas Problem

Europe's determination to replace so much of its Russian gas supply, and the need for rapid action, constitute an opportunity for Caspian gas to play a significant role in helping to ease the European Union's immediate supply problem

and thus to create the opportunity for increased deliveries thereafter. But the issue also has to be seen in a much broader context.

The European Union—and, indeed, much of the rest of the world—is currently having to grapple with two very different energy crises. One is the ongoing issue of climate change and the need to end reliance on fossil fuels in order to avoid catastrophic consequences from global warming. The other is the need to replace reliance on Russian oil and gas in the wake of Vladimir Putin's invasion of Ukraine and the latest demonstrations by Moscow that it is clearly willing to use gas as a weapon whenever it so chooses.

All this makes Russia an unreliable energy partner for the EU and various other countries. While the issue of Russian reliability was questioned before in some circles, the dangers posed by reliance on Russian gas are now at the heart of the EU's planning for energy security. Three reasons are now given. One, the invasion and outright destruction wrought on a major transit country, Ukraine; another is the stopping of export deliveries to EU member states like Poland and Bulgaria; while a third, muttered rather than spoken out loud, is the concern that it is not sensible to have a partner that not only makes war on its neighbors but even threatens to use nuclear weapons.

The EU's determination to terminate its dependence on Russian energy supplies was stated on 8 March 2022, when the European Commission, the EU's executive arm, published the outline of its REPowerEU plan, which, *inter alia*, declared that "phasing out our dependence on fossil fuels from Russia can be done well before 2030." In an accompanying statement, EU Commission President Ursula von der Leyen stated: "We must become independent from Russian oil, coal, and gas. We simply cannot rely on a supplier who explicitly threatens us."

Although oil has been the prime focus of attention in recent weeks, as the EU has sought to develop a policy of ensuring the complete termination of all Russian oil imports, the major problem—in pure energy terms—concerns gas. The bottom line is that oil is a fungible commodity that can be transported in a variety of ways and via a host of intermediaries. So long as oil is available from alternative sources, it can be delivered by pipeline, marine tanker, rail, or road to final users or, of course, by a combination of such facilities. Even in the case of Hungary, which has made the most pressing pleas for exemption from the EU's intended boycott of Russian oil, ways can be found to deliver alternative supplies to the Hungarian market.

But gas is different. It requires more complex infrastructure to produce, transport and deliver, while a total cut-off of gas has more serious consequences for urban communities and industry than a total cut-off of oil. If there is no oil, machines can be switched off and cars and trucks parked until fuel oil, gasoline, and diesel are again available. With gas, every appliance dependent on continuous availability of gas needs to be checked before a gas supply network can be re-started, and that can take many, many months.

If there is no oil, machines can be switched off and cars and trucks parked until fuel oil, gasoline, and diesel are again available. With gas, every appliance dependent on continuous availability of gas needs to be checked before a gas supply network can be re-started, and that can take many, many months.

This is a key reason why EU energy officials are worried about their gas storage levels. The EU came out of last winter with levels substantially lower than the previous five years, not least because Russia's Gazprom filled up much less of its own EU facilities than usual. Since then, with the LNG market easing slightly and LNG flowing into Europe, by mid-May 2022 storage levels were above the level of mid-May 2021 (39 percent full vs 33 percent full), although they were still far below the levels seen in mid-May 2020, when they were 67 percent full. The relatively low current levels ensure that storage will remain a key focus for both the market and anxious politicians worried about the impact of potential supply shortages on their constituents at a time when summer stockbuilding is required to cope with increased demands in the winter.

The EU's immediate gas problem is simply that Russia is its largest single supplier. In 2021, when EU consumption amounted to 379.9 bcm, the EU imported no less than 145 bcm of gas from Russia. In practice, although the figures remain imprecise, the EU Commission is currently planning to replace around 100 bcm of Russian gas this year. This is not an exact figure—and still less a target that will likely be

attained—but it does demonstrate the direction of the Commission's gas strategy.

The figure itself is imprecise because it derives from a package of climate change-related reforms in July 2021 that aim to reduce EU emissions by 55 percent in 2030 and which, in its "Fit for 55" proposals, postulated a 30 percent reduction in fossil fields by 2030 and, specifically, the removal of at least 155 bcm of gas use by then, to which an EU statement added that nearly two-thirds of this effort could be accomplished in a single year.

That single year is now here. And while there was no specific assertion in the 2021 statement that the gas cutback would be confined to Russia, there can be few who doubt that the conflict over Ukraine has almost certainly ensured that the entirety of the EU's projected 100 bcm cutback will be at Russia's expense.

But is this realistic? There are two main issues to consider. The first is Europe's overall gas balance; the second is the differential level of suffering between countries in Europe, a differential that essentially reflects the gulf between those countries for which LNG already plays a substantial role in their imports and those for which it does not.

The EU's intention to cut gas imports by 100 bcma within a year is certainly ambitious. But just how this might be achieved remains unclear.

The Overall Balance

The EU's intention to cut gas imports by 100 bcma within a year is certainly ambitious. But just how this might be achieved remains unclear. First, there is the question of how much gas can be substituted by other energy sources—such as renewables, nuclear, and even coal—and also by energy saving. The EU seems to think that this can replace around 35-40 bcma of gas consumption, although both the precise targets and the means to accomplish this have yet to be published.

Secondly, around 30 bcma of new LNG capacity is expected to come online by the end of this year, as a result of projects initiated years before the Russian invasion of Ukraine.

Thirdly, around 9-10 bcma of new pipeline gas from the Caspian could be made available to improve Europe's overall gas balance.

All this accounts for around three-quarters of the 100 bcma target; how the remaining quarter might be achieved remains far from clear. Moreover, while the rapid substitution of so much Russian gas would go a long way to help meet EU climate targets, it would not be sufficient to counter the real potential bombshell: what happens if Russia itself decides to halt all its supplies to the EU in response to EU military, financial, and political support for Ukraine?

The Challenge and Opportunity for Caspian Gas

Then there is the fact that some countries, notably Spain and Italy (and, outside the EU, the UK) are already operating substantial LNG import terminals while Germany has only just started an emergency program to institute such facilities. Italian LNG import terminals are well connected to the rest of Europe, and, indeed, Greece also has the potential to play a significant role in using its terminals to help balance regional gas supplies in the Balkans. But the pipelines connecting Spain to France have only limited capacity—and France could well prove to be an unexpectedly hard hit by any EU gas shortages, as its current reliance on nuclear power is threatened by corrosion in its reactors' pipes, which is substantially reducing their effectiveness.

The sheer constraints that the EU faces in ensuring it can both eliminate as much Russian gas from its system as possible and that it can ensure equitable deliveries of gas throughout the union puts a premium on whatever sources of pipeline gas can also be utilized to improve Europe's gas balance.

This is where the Caspian can play a crucial role.

As of mid-2022, there is only one country with sustainable surplus production capacity—and only one country with which it needs to cooperate if its gas is truly to have a positive impact on both the short- and long-term gas balance in Europe.

There is only one country with sustainable surplus production capacity: Turkmenistan, and the necessary partner is Azerbaijan.

The producer is Turkmenistan, and the necessary partner is Azerbaijan.

There are other countries, notably Norway, that can probably provide some short-term increase in pipeline flows by adjusting seasonal output, but this is not the same as a real month-on-month, year-on-year increase in output.

Three Proposals

Turkmenistan has the ability to ease Europe's gas balance in three ways. All three result in increased gas flows to Türkiye. Two of them can do so without the need for additional infrastructure whilst the third requires construction of a 78-km line to connect an offshore platform in Turkmen waters with one in Azerbaijani waters, a project which could be accomplished within months of securing a final investment decision.

All three options are predicated on the concept that if the gas can reach Türkiye, then LNG going into Türkiye can be freed up for competitive sale to the rest of Europe, where there is a comfortable surplus of LNG regasification capacity.

Between them, the three options could deliver around 9-10 bcm of pipeline gas to Türkiye. In 2020, Türkiye imported 15 billion cubic meters (bcm) of LNG, followed by 14 bcm in 2021; the latter represented 24 percent of its gas demand on the year. Replacing some of that with pipeline gas from the Caspian and freeing up the displaced LNG for EU markets to bid on would offer immediate supply.

Expanding the existing Turkmenistan-Iran-Azerbaijan gas swap constitutes the *first way* in which Caspian producers can improve Europe's gas balance. On 3 January 2022, Turkmenistan began delivering gas to northeastern Iran, apparently at a rate equivalent to around 4.0 to 4.5 bcma, with Iranian oil minister Jawad Owji saying two days later that the swap arrangement with Azerbaijan in northwestern Iran had also started. In practice, however, it appears that the amount of gas Iran is actually supplying Azerbaijan remains limited to the equivalent of 1 to 2 bcma.

At first sight, expansion of this swaps arrangement would seem to be the simplest way for Turkmen gas to ease Europe's energy balance, with any extra gas arriving in Azerbaijan either going to Türkiye directly or, alternatively, freeing up Azerbaijani gas for export to Türkiye. But there is one very uncertain factor in all this: the state of the Iranian section of the Iran-Azerbaijan pipeline system. The pipeline was originally built some 50 years ago in the Soviet era and although it was designed to carry around 10 bcma, there is now a distinct possibility that old age and limited maintenance may well mean that its current capacity is no more than around 3 bcma.

The *second way* Turkmenistan can ease Europe's gas balance is by means of a putative Turkmenistan-Iran-Türkiye swap. Turkmenistan used to supply around 7-8 bcma to Iran, but halted deliveries to Iran on 1 January 2017 in pursuit of its claim that the Iranians owed it $1.8 billion for previous deliveries. There have been indications that both sides wish to resolve this dispute and resume gas sales, so it is reasonable to presume that Turkmenistan is in a position to produce—and export—significant additional volumes of gas to Iran, or through Iran to Türkiye. Pipeline capacities for delivery to Iran and via the internal gas network in northern Iran appear to be more than adequate for the export of around 5 bcma of Turkmen gas to Türkiye, either directly or in the form of swaps. It is also worth noting that when the first 'Iranian' gas reached Türkiye via the newly-constructed Iran-Türkiye pipeline in December 2001, Turkish chemical analysts found that it actually consisted of Turkmen molecules.

Both of these projects are quite feasible and essentially require political rather than commercial support. They require the active support of Iran and that, in turn, raises questions concerning the willingness of the parties involved as well as those like the European Union, which stands to benefit from such swaps, to countenance the involvement of Iran. There is no guarantee that implementing such swaps will not get caught up in the far more complex negotiations concerning the question of Iran's nuclear aspirations and the future of the Joint Comprehensive Plan of Action (JCPOA).

The *third way* is the direct supply of Turkmen gas to Azerbaijan by means of a small-scale 78-km connector pipeline between a production platform in Turkmenistan's Magtymguly field and gas-gathering facilities in Azerbaijan's Azeri-Chirag-Guneshli oilfield complex.

This is the focus of a project with which the author is personally engaged and, indeed, much of the rest of this essay will largely deal with this project. However, the concepts of a Trans Caspian Connector and

BAKU DIALOGUES

of the expansion or initiation of swap arrangements should not be considered as part of an either/or choice. Rather, it should be assessed in the context of their potential contribution to a both/and solution to the question of how best to utilize Turkmen gas to improve Europe's current energy balance.

The Trans Caspian Connector Project

This project is being developed by an American company, Trans Caspian Resources—and the core idea behind this project is very simple. Malaysia's Petronas Carigali is currently producing about 5 bcma at its Magtymguly field off Turkmenistan's Caspian coast. This gas is then transported onshore to Kiyanly, where some of it is used as feedstock for Turkmenistan's petrochemical industry, notably a $3.4 bn polymer plant and the nearby Garabogaz urea plant, but where much of it is simply flared.

This means that at a time when the European Union is looking both to augment gas supplies and to reduce fossil fuel emissions, the Trans Caspian Connector project would actually serve both objectives. In addition, the project is equally aligned with the Turkmen Government's focus on reducing flaring, venting, and leaking, which currently account for the equivalent of around 7.1 bcm of wasted gas a year. Turkmenistan's new president, Serdar Berdimuhamedov, stressed environmental issues when he addressed the COP26 Climate Change conference in Glasgow in November 2021 in his previous role as Deputy Chairman of the Cabinet of Ministers of Turkmenistan and announced that "Turkmenistan plans to achieve zero growth in greenhouse gas emissions by 2030." He added: "Turkmenistan at the national level pays special attention to reducing methane emissions, and in this regard welcomes the new initiative Global Methane Commitment, adopted within the framework of this high Forum."

Gas from Magtymguly can easily be transported westwards, where it would be able to tap into commercial markets and contribute to Europe's gas balance either directly, by shipment through the original SCP, or indirectly by supplying gas to the Azerbaijani domestic market while Azerbaijan's own gas is freed up for delivery to Türkiye. Azerbaijani sources have said that such a line could be operational within four to six months of it being approved, and that the cost would be likely be in the $300-$500 million range. Some of the gas would likely remain in Azerbaijan, since spare capacity in the SCP is limited to a maximum of 4 bcma while the ability of the SCP-X to carry anything extra has yet to be established.

Technically, laying the line should pose few problems. Magtymguly is closer to Azeri-Chirag-Deepwater Gunashli (ACG) oilfield than it is to the Turkmen coast, and plenty of pipelines have already been laid in the area., though not across any putative boundary lines separating Turkmenistan's operational areas from those of Azerbaijan.

The construction of a relatively short line to connect an offshore platform in Turkmen waters with one in Azerbaijani waters could be operational within four to six months of it being approved, and that the cost would be likely be in the $300-$500 million range.

Two studies, both financed by the U.S. Government, have demonstrated that pipelines for delivery of large volumes of natural gas and oil across the Caspian Sea from Turkmenistan and Kazakhstan to Azerbaijan are technically feasible. One was conducted in 1999, at a time when PSG International (a joint venture of Bechtel and GE Capital Structured Finance Group) and the Anglo-Dutch Shell Group were seeking to develop a full-scale 30 bcma Trans-Caspian Gas Pipeline (TCGP). The second was published in 2011, and though primarily concerned with the development of a pipeline to carry Kazakh oil to Azerbaijan, it is relevant to the current issue since it concluded that the best route would pass through Turkmen waters before entering Azerbaijani waters in the general vicinity of the proposed Trans Caspian Connector.

In addition, Azerbaijan's state gas company, SOCAR, from around 2015 onwards, undertook sustained efforts for several years to secure a supply of Turkmen gas to ameliorate gas shortages in its domestic market, since output from its giant Shah Deniz gas project is almost entirely committed to exports. While these failed to secure direct pipeline deliveries, there was never any suggestion that this was because of technical problems in actually laying the line. Ultimately, of course, they helped to deliver the November 2021 Turkmenistan-Iran-Azerbaijan swap agreement.

One issue, however, that still has to be addressed is the question of the optimum connection to Azerbaijani facilities. BP operates both the ACG oilfield complex and the giant Shah Deniz gas field. Both have extensive gas gathering facilities. A connection to ACG, rather than Shah Deniz, is logical, for two reasons. Firstly, the route is shorter, around 78 km as opposed to 112 km; secondly, since ACG is currently operating at roughly half its originally planned one million barrel-a-day production capacity for oil, there should be spare capacity in the pipes used to gather associated gas from the fields. But how much spare capacity there is has yet to be determined.

The key advantage that Turkmenistan possesses is that it is able immediately to provide gas for both the swaps and for the Trans Caspian Connector project.

Various supply factors also need to be borne in mind. The Turkmen industries at Kiyanly would still need gas supplies, but there are other fields producing gas in the region and, indeed, in 2015 Turkmenistan commissioned its 30 bcma capacity East-West pipeline linking the natural gas network at Shatlyk in eastern Turkmenistan to the Belek compressor station near the Caspian coast. Moreover, Petronas has said previously that it would not find it difficult to ramp up production at Magtymguly if the markets justified such action. Although Petronas originally signed a 25-year production sharing contract for Magtymguly in 1996, this was subsequently extended with Malaysia's Prime Minister Mahathir Mohamad, saying at the end of a visit to Ashgabat on 28 October 2019 that President Gurbanguly Berdimukhammedov had mentioned the possibility of a 10-year extension to 2038.

The key advantage that Turkmenistan possesses is that it is able immediately to provide gas for both the swaps and for the Trans Caspian Connector project, not least because it is currently developing the supergiant Galkynysh field—the world's largest onshore reservoir with audited reserves of at least 14.2 tcm and possibly as high as 21.2 tcm. It is also in a position to take advantage of concluding the necessary agreements to initiate such projects to demonstrate its ability to be a reliable partner for Europe when it comes to longer-term deliveries.

In general, the issue of how Europe will cope with its long-term supply problem is beyond this paper, not least because so much depends on how much emphasis the EU will place on the need to reduce reliance on fossil fuels as quickly as possible in order to tackle the very real threat of global heating. But if there should be a need for Europe to import more gas in a longer-term framework, then it is important to note that the Caspian constitutes an obvious source for such supplies. The reason is simple: the development of the $40 bn Southern Gas Corridor was largely predicated on the concept that its initial phase for the delivery of around 6 bcma to Türkiye and 10 bcma to European destinations beyond Türkiye would be followed by a second phase that would double the volumes for delivery to and beyond Türkiye.

This would be a multi-billion-dollar program because, while it will not require much new actual pipe, it will need expensive compressors to increase the volumes that can be transported through the existing pipes.

Moreover, the timeframe for such an expansion is not clear. Some industry sources suggest it could take as long as four years while others think that political pressures might considerably speed up the process. Before the Ukraine war, the assumption was that commercial considerations would determine SGC expansion, not least because the methodology for expanding the SGC is geared to a series of market tests designed to demonstrate whether there actually is a direct requirement for carriage through the SGC of a magnitude sufficient to justify the necessary increase in compression—either to the maximum projected throughput of 32 bcma to Türkiye and 20 bcma onwards to Italy, or for some intermediate volumes.

But there is now real political pressure being put on the SGC partners to see both how fast the system could be expanded and what extra sources of gas could be harnessed to justify such an expansion. Turkish sources say that the presidents of Türkiye and Azerbaijan have already discussed the possible expansion of SCP-X and TANAP based on an increase in Azerbaijani deliveries, with follow up talks conducted by their energy ministers. But Azerbaijan has only a limited ability to ramp up production in the near term (more on this below) and Türkiye may have already asked Azerbaijan to consider how Turkmen gas might be brought into the picture. The Turkish sources add that Türkiye, Azerbaijan, and Turkmenistan are all looking at the need to assess how the SCP-X and TANAP could be expanded in order to carry around 5-8 bcma of Turkmen gas in addition to whatever additional gas Azerbaijan itself could contribute. The Turkish side is also assessing whether increased gas flows from the Caspian might utilize the existing BOTAS system in Türkiye, since the main East-West trunkline currently has more than 10 bcma of spare capacity.

The significance of such discussions is that they are focusing on what is practical in the near-term. They implicitly acknowledge the impracticality of focusing on the long-standing concept of a massive 30 bcma Trans Caspian Gas Pipeline, since this would not only cost around $5 billion to build, but (based in the costs incurred in constructing the SGC) would also require more than $20 billion in additional pipeline infrastructure to carry the gas onwards from Azerbaijan to European markets.

The delivery of 5 bcma of gas through the Trans Caspian Connector would serve as proof-of-concept that gas can be delivered from one side of the Caspian to the other, thus paving the way for an expansion of the Trans Caspian Connector.

At present, Azerbaijan is responsible for all the current gas input into the first phase of the SGC. But it could well take the best part of a decade for Azerbaijan to increase its gas production to a level where it could provide a further 16 bcma to fill an expanded SGC. This is the opening for direct input of Turkmen gas into the SGC. Moreover, the delivery of 5 bcma of gas through the Trans Caspian Connector would serve as proof-of-concept that gas can be delivered from one side of the Caspian to the other, thus paving the way for an expansion of the Trans Caspian Connector.

Such an expansion, which Trans Caspian Resources considers could result in flows of between 10 and 12 bcma in around 18 months, would obviously require full coordination between the Turkmen authorities and both Azerbaijan and the SGC. But the SGC is designed for expansion, so any increase in Turkmen throughput can both be coordinated with SGC expansion and help justify such expansion.

The SGC partners actively favor expansion, since this improves the system's commerciality, but face problems with regard to additional input beyond the final ramping up of Shah Deniz Phase 2 output forthcoming in summer 2022.

Azerbaijan's Place in the Caspian/Europe Equation

Azerbaijan is currently the sole provider of Caspian gas to Europe, and it has significant gas reserves of its own, so it might seem surprising that the focus in this paper is more on its role as a partner to Turkmenistan rather than as a supplier in its own right. Essentially, that is because it will take time to bring many of Azerbaijan's gas projects to fruition whereas Turkmenistan already possesses what is, in effect, stranded production capacity.

Right now, what Azerbaijan offers is reliable transit—as it has demonstrated in handling millions of barrels of Turkmen and Kazakh crude through the Baku-Tbilisi-Ceyhan pipeline over the last 16 years—coupled with proven leadership in developing a project that is not only proving crucial to European energy security but is also one of the world's biggest energy infrastructure projects, namely the Southern Gas Corridor.

So, the key role for Azerbaijan in the immediate future is to provide the glue that sticks this entire project together and thus enables Turkmenistan to play a significant role in rebalancing European gas imports. Put bluntly, without Azerbaijani assistance—notably in partnering with Turkmenistan in terms of both arranging for trans-Caspian deliveries and developing the appropriate commercial framework for such deliveries—there can be no lasting Turkmen contribution to European energy security.

While Azerbaijan can clearly play a major role in the long-term expansion of the SGC and supplies to the European Union, its main role right now is to partner with Turkmenistan to enable Caspian gas to maximize its contribution to Europe's gas imbalance.

Azerbaijan does have additional gas that it can supply in the relatively near-term. President Ilham Aliyev told the author on 29 April 2022 that the Absheron field, currently being developed by France's Total, would come online this year.

But initial production is slated to be just 1.5 bcma and it looks like it will be a few years before a second phase of development yields an anticipated 5 bcma.

There are several other ongoing projects, notably at the Karabagh, Umid, Babek, and Shafaq-Asiman fields. At Karabagh, Norway's Equinor is expected to start production in 2025, with targeted output of 1.5 bcma. But progress at Umid (intended to produce 1.5 bcma) and Babek (intended to produce 3-5 bcm) has been slow and it is not clear when they will enter full production. As for the biggest of these fields, Shafaq-Asiman, three exploration wells have been drilled and expectations are that it will eventually produce around 8 bcma. However, the operator, BP, is still evaluating the discovery of the field's substantial but deep gas/condensate reservoir, and production still looks to be some years away.

As they enter production these fields will enable Azerbaijan to contribute to any expansion of the Southern Gas Corridor. But they cannot help resolve the EU's immediate problems, while Azerbaijan's own domestic gas requirements mean they will not be sufficient to fill an expanded SGC on their own. For that to happen, Azerbaijan will have to see the development of such major reservoirs as the deep level of gas under the ACG oilfield complex or a further production phase at the giant Shah Deniz gas field.

Thus, while Azerbaijan can clearly play a major role in the long-term expansion of the SGC and supplies to the European Union, and while it is contributing directly to resolve the problems faced by one EU country in particular, Bulgaria, its main role right now is to partner with Turkmenistan to enable Caspian gas to maximize its contribution to Europe's gas imbalance.

Some Simple Bottom Lines

One key point should be stressed: while SGC expansion continues to constitute a key element in any longer-term strategy to reduce EU reliance on Russian gas, it does not solve the immediate problem. For Europe, Azerbaijan, and Turkmenistan there are some very clear bottom lines.

For Europe, non-Russian pipeline gas is an integral part of the solution, and the only readily-available source of such gas is the Caspian basin. The EU Commission needs to give a clear green light that it will fast-track both political and regulatory authorization for measures that would enable Caspian producers to improve the EU's gas balance, both immediately and in the longer term.

For Azerbaijan, it needs to partner with Turkmenistan to introduce a new source into the regional supply equation and lay the groundwork for a longer-term consolidation of its own role as a highly reliable gas supplier to Europe.

For Turkmenistan, there is an opportunity now to help the European Union overcome its immediate supply shortage problems. That could—perhaps should—lead on to the prospect of more substantial exports to the West, including direct sales to the EU. However, the converse is also true. Failure to take action immediately—failure to send a clear signal that it is ready to play its part in developing a Trans Caspian Connector—makes it almost impossible to conceive that any subsequent project to develop major Turkmen gas exports to the West will secure the necessary corporate or state backing. BD

Azerbaijan's Gas Deliveries to Bulgaria

One related question that needs to be addressed is Azerbaijan's acceleration of gas deliveries to Bulgaria. On 27 April 2022, the same day that Russia announced it was terminating gas deliveries to Bulgaria, Prime Minister Kiril Petkov said his country was looking to the opening of the Inter Connector Greece Bulgaria (IGB) to alleviate gas shortages.

"IGB's entry into service will become an actuality at the end of June, and Azerbaijani gas will be running through it starting in September. This will mean lower prices and greater energy independence for our country," Petkov said. The IGB will enable Bulgaria to receive Azerbaijani gas from the Southern Gas Corridor, to which an interconnector is already connected, and also gas from the new Greek LNG receiving terminal at Revithoussa.

The pipeline will initially operate at around one bcma, although it is designed to carry 3 bcma. Azerbaijan is expected to supply the initial 28 mcm/day (the equivalent of 1 bcma) via the SCP-X line to Türkiye and its counterparts in the SGC, the TANAP line across Türkiye, and the TAP line in Greece.

What is not clear is whether BP's statement that it is looking at prospective ways of optimizing the existing system to increase capacity by around 1 bcma specifically relates to the need to carry this Azerbaijani gas to Bulgaria or whether that volume has already been factored in to SGC operations, and that what is now envisaged is an ability to carry an extra single bcma over and above previously planned deliveries to Türkiye, Greece, and Italy and the imminent new delivery to Bulgaria.

Drones and Resets

The New Era of Turkish Foreign Policy

Soner Cagaptay and Rich Outzen

Turkish foreign policy under Recep Tayyip Erdogan has gone through a number of turns since 2003, characterized by the country's leader continuously taking stock of domestic and global dynamics whilst navigating between the U.S. and Europe, Russia, and the Middle East. He came to power in Ankara 19 years ago after rising through Türkiye's political Islamist movement, serving first as prime minister and since 2014 as president.

Erdogan's foreign policy approach over two decades can be divided into a number of periods: an initial era of aspirational multilateralism with a strong pro-EU tilt, until roughly 2009; an ambitious period of regional assertion marked by failed support for the Muslim Brotherhood and the Arab uprisings, until around 2015; an increasingly unilateral, hard-power driven period through 2020; and what appears to be a new era blending hard power—enabled and symbolized by Turkish drones—and a Ukraine war, in which Türkiye is, simultaneously, selling drones to Kyiv and courting Washington while implementing the 1936 Montreux Treaty to limit its frenemy Moscow's access to the Black Sea. Together with recent steps aimed at rapprochement with Israel and Gulf Cooperation Council (GCC) states like Saudi Arabia and the United Arab Emirates (UAE), these last factors encapsulate the new era of Turkish foreign policy—albeit one overshadowed at the moment by Ankara's unwillingness to unconditionally approve Swedish and Finnish accession to NATO.

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Making Friends to Sideline Enemies

As Türkiye's new prime minister in 2003, Erdogan felt threatened by the Kemalist military that viewed his political Islamist pedigree as contrary to Ataturk's legacy and the country's secularist constitution. Accordingly, as he prepared for an impending showdown with the generals, Erdogan adopted an internationalist approach in order to cultivate as many domestic and international allies as possible against the generals. To this end, he built strong ties with Washington (after a botched initial response the 2003 Iraq War), embraced Ankara's EU accession path, supported negotiations to unify Cyprus, and even attempted to normalize ties with Armenia.

Although the latter two efforts failed for a complex set of reasons, and whereas Türkiye's EU accession would stall in the next decade, the initial promise of EU membership helped attract record amounts of Foreign Direct Investment to Türkiye, driving robust economic growth.

Coupling economic growth with improved access to public services, Erdogan built a powerful domestic coalition bringing together a conservative, religious political base with liberals, a new middle class, ethnic Kurds, Anatolian business elites, and Fethullah Gulen's movement. That movement—which consists of a network of religious, business, and social organizations—is widely believed among Turks and Türkiye scholars to have accumulated illicit influence within Türkiye's military, police, and civilian bureaucracy as a "parallel state." This coalition helped Erdogan sideline the generals and their secularist allies. Erdogan's ascendancy was cemented by the 2008-2011 Ergenekon trials, in which one quarter of Türkiye's generals were arrested on conspiracy and attempted coup charges conceived and facilitated by Gulen supporters with the sort of evidence that would not have stood up to scrutiny in most Western judicial systems. In 2011, the military's remaining top brass resigned *en masse*, leaving senior ranks open for the rapid rise of officers less resistant to Erdogan—many of whom were associated with Gulen's movement.

With the secular generals out of his way and with Ankara's EU accession talks coming to a halt, Erdogan launched the second era of his foreign policy, pivoting Türkiye away from Europe and to the Middle East under the slogan of "zero problems with neighbors" launched by his erstwhile protégé Ahmet Davutoglu, who at the time served as the country foreign minister and was largely responsible for instituting a foreign policy of "strategic depth." His goal was to make Türkiye a first-rank power through leadership of Muslim-majority countries in the Middle East, and the Arab uprisings appeared to provide an opportunity to do so. Erdogan supported Muslim Brotherhood-aligned groups across the Middle East, hoping this would help Türkiye-friendly governments in place in Arab capitals from Cairo to Damascus.

Turkish foreign policy under Recep Tayyip Erdogan has gone through a number of turns since 2003, characterized by the country's leader continuously taking stock of domestic and global dynamics whilst navigating between the U.S. and Europe, Russia, and the Middle East.

An Unraveling

Developments soon disappointed Erdogan, and "zero problems with neighbors" evolved into what some called a posture of "precious loneliness"—an expression coined by Erdogan's longstanding adviser Ibrahim Kalin in July 2013. Assad took back much of his country from the Turkish-supported opposition, and with that the Turkish leader's hopes of a friendly government in Damascus. Libya descended into civil war following Qadhafi's ouster. The Brotherhood was ousted from power in Egypt in July 2013 almost as fast as it had climbed to the top of government. Erdogan's support for the Brotherhood subsequently put him at odds with Egypt's new ruler General Abdel Fattah El-Sisi and his regional backers, including most of the GCC countries (minus Qatar) and Israel.

Other elements of Ankara's regional policy unraveled, too. Competition for influence in Iraq

and Syria drove increasingly tense relations with Iran. Peace talks with the Kurdistan Workers Party (PKK) failed in July 2015, and a ceasefire in southeast Türkiye ended with brutal violence and urban insurrection instigated by the PKK's misbegotten "trench warfare" urban campaign. This coincided with U.S. President Barack Obama selecting—with plans in Washington to ally with Türkiye and Turkish-backed forces in Syria to fight Islamic State seemingly going nowhere—the PKK-affiliated Peoples Protection Forces (YPG) as Washington's main ally in Syria to fight the Islamic State, greatly enhancing the capabilities and prestige of an armed movement that targets Türkiye as its main enemy and has conducted terror attacks in Türkiye for decades. U.S.-Turkish ties took a nosedive soon after.

The 2016 coup attempt throttled whatever idealism remained in Erdogan's regional outlook. It also presented an opening for the world's leading hard-power unilateralist, Russian president Vladimir Putin, to pull Erdogan and Türkiye into an intriguing modus vivendi.

Meanwhile, Ankara's ties with Israel frayed further following the 2010 Flotilla Incident, as Erdogan condemned Israel harshly in the wake of failed two-state negotiations and military escalations in Gaza following the flotilla tragedy. Cementing a sense of regional isolation and threat was a failed coup attempt against Erdogan in July 2016, widely seen by many in Ankara and the analytical community in Washington as the handiwork of the Gulen network.

The 2016 coup attempt throttled whatever idealism remained in Erdogan's regional outlook. It also presented an opening for the world's leading hard-power unilateralist, Russian president Vladimir Putin, to pull Erdogan and Türkiye into an intriguing modus vivendi. Putin reached out to Erdogan immediately during the coup, inviting him to Russia for consultations. Despite historically fraught Turkish-Russian ties, a personal bond emerged the two leaders—with Erdogan valuing Putin as the protector of threatened leaders globally and with Putin seeing Erdogan as a valuable ally to dilute NATO unity. A working arrangement of managed competition subsequently emerged, under which each country exercised hard power where they saw need and deconflicted with the other as much as possible, while at the same time deepening economic and diplomatic coordination.

"Drone Package" Hard Power

The Astana process for Syria was a product of this arrangement, as were joint patrols in Syria and de-escalation arrangements in Syria, Libya, and the South Caucasus. So too were Turkish counter-YPG operations in Syria, tolerated by Putin as long as Assad was not the target. Türkiye and Russia largely lost faith in Western-mediated or UN-led conflict resolution mechanisms during this period, and found one another more honest, if no more trustworthy, than other interested parties. Another product of the arrangement was Erdogan's summer 2019 purchase of Russian S400 air defense systems, resulting in Türkiye's expulsion from the U.S. F35 fighter jet program and a further deterioration in U.S.-Turkish relations. Erdogan and Putin pursued a number of economic initiatives, while each used the other as a hedge against diplomatic pressure from the West.

Erdogan avoided antagonizing Putin during a period of relative Turkish weakness: an empowered YPG, tensions with the U.S., Europe, and Israel, reeling anti-Assad opposition, Russian military re-assertion in the Middle East and Ukraine, and domestic turmoil marked by PKK- and ISIS-led terror attacks.

Yet, the Turkish military, which is the second largest in NATO, began a stunning comeback after the 2016 coup attempt, carrying out the first of many military operations in Syria to go after the YPG only six weeks after the failed putsch. Subsequently, Türkiye laid the groundwork during this period for a sophisticated power-projection capability of its own. This was based on an expanded diplomatic network; burgeoning foreign trade; overseas military deployments, basing, and training agreements; a professionalizing military; an increasingly capable defense industrial sector; and a military-technological innovation that upended the military balance in multiple conflicts and regions in Ankara's favor: drones.

Türkiye's drone program was born of frustration, in a sense. Having purchased from Israel drones with limited capability, Türkiye was rebuffed in efforts to

purchase more advanced American drones. The U.S. offered to share drone video, for instance pointing at the PKK, but without targeting data and with a time delay. Türkiye then tried the Israeli Heron, with similarly disappointing results.

Turkish Aerospace Industries (TAI), a government-owned enterprise, developed a domestic prototype, the ANKA, which struggled to achieve operational capability in 2010-2012, but provided adequate reconnaissance capabilities by 2016. A domestic breakthrough came from the privately-owned Baykar firm, whose scion Selcuk Bayraktar, one of Erdogan's sons-in-law, designed and demonstrated a small drone in 2005, won a contract for 19 mini-drones the following year, and a mass production contract for the TB2 model in 2012, finally achieving precision strike capability with the latter by 2015. The Turkish military was employing dozens of TB2s and ANKAs between 2015 and 2017, and began exporting them in droves by early 2017.

Türkiye exported an innovative military operational approach centered on drones, including precision munitions fired from manned air and ground platforms, networked software and sensors, electronic warfare systems, professionalized commando and mechanized units, training, doctrine, and field experience.

By 2020, those drones enabled Türkiye to outmaneuver Russia and other powers as a shaper of events on the ground in multiple regional conflicts, such as in Syria, Libya, and the South Caucasus. Not just drones, of course—to be precise, Türkiye exported an innovative military operational approach centered on drones, including precision munitions fired from manned air and ground platforms, networked software and sensors, electronic warfare systems, professionalized commando and mechanized units, training, doctrine, and field experience.

This approach enabled Türkiye by 2020 to significantly decrease PKK operations on Turkish territory and to inflict increasing casualties against PKK fighters and leadership in Iraq and Syria. The drone-based strategy also enabled effective counter-YPG operations in Syria, in both Afrin (2018) and the northeast (2019). In 2020 it helped halt Assad's assault on Idlib province (February) and Libyan warlord Khalifa Haftar's offensive against Tripoli (May-June). With Turkish assistance, Azerbaijani forces employed the same suite of equipment and tactics in the successful Second Karabakh War to regain territories lost to Armenia decades prior (November). Most recently, Turkish-made drones have been cited by Ukrainian leaders as a critical tool against the ongoing Russian invasion, memorialized even in a patriotic song called "Bayraktar" that was shared on the Ukrainian army's official Facebook page in early March 2022.

Flying Everywhere

Naturally, Turkish drones have their limitations. To begin with, they depend upon the cooperative access and training agreements and integrated technical arrays referenced above. As standalone systems, current Turkish drones—the pioneering ANKA, the flagship TB2, and the "kamikaze drone" Kargu—are of middling quality compared to both U.S. drones and the drones produced in countries like China, Russia, and Iran.

Turkish drones embody today's Türkiye, a middle-income economy that often falls in the middle of global indicators: they are not super high-tech, but they are affordable, which means they are available to middle-power and other aspirant nations. Indeed, the TB2 is "utilitarian and reliable—qualities reminiscent of the Soviet Kalashnikov AK-47 rifle that changed warfare in the twentieth century. A set of six Bayraktar TB2 drones, ground units, and other essential operations equipment costs tens of millions of dollars, rather than hundreds of millions for the [U.S.-made] MQ-9," as a June 2021 *Wall Street Journal* article put it.

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The features that made the Bayraktar indispensable to the Turkish government's own security priorities soon proved equally useful to numerous small and middle powers abroad. For a relatively modest investment, a country could obtain lethal military technology that could change the dynamics of a conflict or provide an effective deterrent against insurgents or other forces. In 2017,

Türkiye began exporting the TB2, and within five years it had sold drones to nearly two dozen countries, including allies and partners in Europe (Albania, Poland, and Ukraine); Central and South Asia (Kyrgyzstan, Pakistan, and Turkmenistan); Africa (Ethiopia, Libya, Morocco, Somalia, and Tunisia); the Gulf and the Levant (Qatar, Iraq); and the Caucasus (Azerbaijan, considered by Ankara to be its closest ally). Although these arms deals have been driven by a combination of mercantilism and geopolitics, they have almost always involved countries in which Türkiye has a strategic interest.

That Azerbaijan risked Russian retaliation in commencing its operation in Karabakh speaks volumes about the high level of trust between Ankara and Baku, rooted not only in military cooperation but a shared sense of trust and cultural identity.

Turkish drones—or more precisely, the network warfare approach integrating precision fires, real-time intelligence, electronic warfare, rapid targeting, and ground maneuver forces enabled by drones—had a particularly striking impact in supporting Azerbaijan's victory in the Second Karabakh War. Armenian forces, supported by Russia and entrenched in mountainous terrain, had seized, ethnically-cleansed, and consolidated control over seven Azerbaijani districts abutting the former Nagorno-Karabagh Autonomous Oblast (NKAO), as well as that territory itself, creating a decades-long refugee crisis and national *casus belli* for Baku.

Without a new operational concept enabling precision attack in depth and offsetting the occupation force's airpower to enable offensive maneuver, there was no hope of ending this occupation—and the international community seemed content to let any resolution play out over decades. Yet the drones—Israeli as well as Turkish—and a Turkish-inspired operational concept enabled Azerbaijan's forces to rout the occupying force and catalyze a new round of negotiations in late 2020. That Azerbaijan risked Russian retaliation in commencing its operation in Karabakh speaks volumes about the high level of trust between Ankara and Baku, rooted not only in military cooperation but a shared sense of trust and cultural identity.

Not all the countries that have purchased Turkish drones have enjoyed a similar depth of relationship and commitment, or incorporated the whole technical and tactical package. Some have acquired only small numbers of the systems. Examples include Tunisia, Morocco, Ethiopia, and Somalia. These nations may not gain decisive results against a well-trained or numerically superior enemy, and sometimes they misstep. For instance, earlier this year Ethiopia came under the spotlight for causing civilian casualties with its Turkish-built drones, although the drones were credited with ending an offensive by Tigrayan rebels.

As for the newer, more capable drones coming into service currently—maritime-use TB3, TUSAS Aksungur, and ULAQ, the heavily-armed Akinci, and new unmanned ground systems—these will require extensive training, testing, and operational integration before their effectiveness can be judged. As is the case with most breakthroughs in military practice based on effective operational integration of new technologies, competitors eventually catch up. For now, though, the Turkish approach has produced an advantage for the Turks and their allies.

Another limitation of "drone diplomacy" is that its very success invites counter-alignment. As noted above, since 2017 Turkish producers have sold drones to nearly two dozen customers across a broad geographical area. The image of a drone-empowered revisionist Türkiye upsetting regional balances has incentivized rivals—namely Greece, Egypt, the UAE, Cyprus, and France—to form an informal alliance to push back on Türkiye around the East Mediterranean. Ankara has noted with concern that the U.S. was ramping up military aid to Greece as a hedge against Russia but also, to a degree, against Türkiye. Ankara also faced the reality that given a perceived American inclination for retrenchment in the Middle East, Russia and Iran were likely to seek to expand their own influence; Türkiye's drones cannot replace cooperative relations with regional allies to constrain such expansion.

Drone diplomacy conferred an operational advantage to Türkiye and its customers but left Ankara facing a nascent anti-Turkish bloc around it. The bloc may not pose much of a military threat to Türkiye, though it removes a number of potential investors and trade partners at a time that Ankara badly needs exports to fuel economic recovery. This set the stage for another evolution in Erdogan's foreign policy: from drone-centric hard power to a more balanced multilateral approach.

Nevertheless, after years of go-it-alone unilateralism—which brought Türkiye a growing number of regional adversaries and frayed its alliances with the United States and Europe—the Turkish government has been able to leverage its Bayraktars and other drones to transform its international profile. In the Middle East, the drones have helped Türkiye assert its own interests with relatively limited diplomatic resources. With Ukraine, Ankara's military assistance has given Erdogan renewed clout in NATO at a time when his government is in a perilous economic position at home and his relations with the United States and Europe have been in crisis for several years. If Türkiye can continue to successfully manage and build upon its drone program, it may have given itself a crucial new form of influence—and redefined drone warfare in the process.

> *Türkiye's drone diplomacy has perhaps proved to be most important, and potentially riskiest, in Ukraine.*

Bayraktars in Ukraine

Türkiye's drone diplomacy has perhaps proved to be most important, and potentially riskiest, in Ukraine. Kyiv began purchasing TB2s in 2019 and first used them against Russian-backed Donbass separatists in 2021. But with the onset of the war on 24 February 2022, these weapons took on a more fraught status: for the first time, they have been deployed directly against Russia's own forces. In the first four months of the war or so, there have been more than 75 confirmed successful strikes by TB2s on Russian tanks, artillery pieces, vehicles, and even supply trains—and unreported incidents are likely significantly higher. For Türkiye's relations with the West, the unexpected role that the Bayraktars have played in strengthening Kyiv's hand against Moscow has had important consequences. It has elevated Ankara's standing inside NATO to a level not witnessed in years, and a thaw is now underway with some key European governments, including France.

But Ukraine's drone war has also raised complicated new questions for Türkiye's efforts to maintain working relations with Moscow. Türkiye must deal with Russia in numerous areas, from the Black Sea to Syria to Azerbaijan. On the strategic side, Ankara will do everything it can to ensure that Kyiv does not fall under Moscow's thumb. This is because Putin's "special military operation" against Ukraine has instilled a sense of realism in Ankara when it comes to Russia, Türkiye's historic nemesis. Now more than ever, Ankara values Ukraine and other Black Sea countries as indispensable allies with which to build a bloc balancing against the Russian behemoth north of the Black Sea.

However, at the same time, Erdogan wants to maintain economic ties—including the lucrative tourism sector—with Russia. Tourist arrivals from Russia in 2022 and continuing trade with Moscow are essential to Erdogan's plans to open up the Turkish economy with strong growth this year in order to win the presidential election scheduled for June 2023.

Moving Beyond Drone Diplomacy

There is abundant evidence that Türkiye is energetically pursuing a more conciliatory path in general as Erdogan prepares for his re-election campaign. His outreach to various states whose relationships with Türkiye had seen better days—in order to attract investment, jumpstart the country's economy, and re-build his base—has already born solid results.

Three examples can illustrate a wider point. First, UAE Crown Prince Mohamed bin Zayed (MbZ) visited Ankara in November 2021, signing a series of trade and investment agreements. Erdogan returned the visit in February 2022, securing a much-needed swap line between the fledgling Turkish and cash-laden Emirati central banks, as well as an agreement to expand bilateral trade. Second, Israeli President Herzog's travel to Ankara in March 2022 opened a new chapter in a venerable, but recently troubled, relationship, and was followed by Foreign Minister Yair Lapid's visit in mid-June 2022 as well as high-profile coordination against terror threats targeting Israelis in Istanbul. Third, Erdogan visited Saudi Arabia in April 2022, while a return visit by Crown Prince Mohammed bin Salman took place in mid-June 2022 that yielded initiatives to strengthen security and economic cooperation.

These moves aimed at creating new opportunities for trade and energy cooperation, softening

or dissolving the anti-Türkiye bloc, and improving ties with Washington.

This does not represent a turn away from hard power per se. Nor does it imply a renunciation of Turkish interest in Africa, the Gulf and the Levant, the Black Sea, or the Mediterranean. Erdogan is seeking to consolidate perceived gains of the past several years while simultaneously building down economic and strategic risks incurred during the hard-power turn. This requires a new synthesis of the unilateralism and hard power approach of the past several years with a more balanced and cooperative regional approach. Accordingly, Türkiye's partners in reconciliation will likely be wary yet open to sincere overtures.

Erdogan is seeking to consolidate perceived gains of the past several years while simultaneously building down economic and strategic risks incurred during the hard-power turn.

Western perceptions that Türkiye is not a good team player will not fade overnight, of course, built as they are on more than a decade of friction over Syria, Iraq, and the East Mediterranean, as well as disapprobation of Turkish domestic political trends. Ankara's determination to require stronger steps against PKK-linked activity by Swedish and Finnish authorities—and the lifting of an arms embargo imposed in 2019—have generated new accusations in U.S. and Western media that Türkiye's commitment to collective security is insincere, subordinate to a Kurdish preoccupation, or that Erdogan crassly instrumentalizes foreign policy to boost his nativist base at home. Yet NATO's leadership—and a significant number of Western leaders—acknowledge that Ankara's PKK-related concerns (especially regarding Sweden's NATO accession process) are legitimate and must be addressed. A deal may not emerge immediately, but remains plausible and likely over the long term.

Will Erdogan's new approach succeed? It is already bearing some fruit, in terms of economic deals and high-level visits. The real payoff will not be known until the 2023 elections, though; Erdogan seeks above all else to secure re-election by improving Türkiye's economic and security conditions leading up to the vote.

Balancing Russia

There are several possible risks or spoilers. One clear risk is Vladimir Putin. His decisive victory in Ukraine would weaken Türkiye's position vis-à-vis Russia in regional conflicts. At the same time, increased Turkish support to Ukraine might incur Putin's wrath. Despite the risks, Ankara views Kyiv as a key ally to build a balancing block against Russia's hegemonic power around the Black Sea and will, therefore, support Kyiv militarily, including by selling further drones under the radar, to ensure that Ukraine does not again fall under Moscow's influence.

In retaliation, Putin can undermine Ankara's interests in Syria, for instance by increasing support to the PKK's Syrian branch or triggering massive refugee flows towards Türkiye from Idlib. Anti-refugee sentiments in Türkiye have become potent recently, mainly due to its domestic economic crisis; Erdogan would not be able to counter the political trends triggered by a sudden and overwhelming increase in Türkiye's refugee population. Putin can use economic levers (i.e., implementing trade and tourism sanctions) to undermine Türkiye's economic rebound, and, with that, Erdogan's re-election prospects in 2023.

Therefore, Ankara has publicly downplayed its role in arming Ukraine, asserting that it is not the Turkish government but a private company that is supplying the Bayraktars. Even as it supplies drones to Kyiv, it has also sought to position itself as mediator, including hosting a meeting in Antalya, a city on the Turkish riviera, with the foreign ministers of Ukraine and Russia on 10 March 2022. Ankara has sought a deal with Kyiv and Moscow to allow export by sea of Ukrainian grain presently stuck due to mines and military operations, which would benefit world markets (and grant Türkiye a 25 percent discount price, according to the Turkish Minister of Agriculture and Forestry).

Erdogan's primary tactical goal remains avoiding a showdown with Putin, who could use economic leverage or even cyber-attacks to derail the Turkish president's reelection prospects.

Türkiye fears a Russian defeat only slightly less than it fears a Russian victory, in part because Russia is a useful trade partner and in part because the Turks and Russians have working—if adversarial—understandings in the South Caucasus, Libya, and Syria that might be jeopardized by a Russian defeat. If Putin has a list of countries he will punish for supporting Ukraine after the war comes to an end, Türkiye may very well be close to the top—although obviously below the Baltic states and Poland, the United Kingdom, and the United States. Erdogan's primary tactical goal remains avoiding a showdown with Putin, who could use economic leverage or even cyber-attacks to derail the Turkish president's reelection prospects.

At the same time, Turkish effectual neutrality regarding Ukraine may put Türkiye on the wrong side of a reinvigorated anti-Russia consensus within NATO, with global sentiment pushing to isolate Moscow, while damping the hopes of a rapprochement with U.S. president Joe Biden—a move that is a key building block of the new era of Erdogan's foreign policy. As a resource-poor country, Türkiye needs global financial inflows to grow. The Turkish president wants to build a narrative of good ties with Washington to trigger investments and subsequently present a strong economic comeback to the voters.

Another risk for Erdogan is getting caught between Biden and Putin. Erdogan wants to lure sanctioned Russian oligarchs to Türkiye, hoping that their assets and cash could help boost Türkiye's struggling economy. Türkiye could also become a real estate market for Russia's upper-middle class eager to safeguard its wealth.

Erdogan's strategy in Ukraine, therefore, is to provide quiet military support to Kyiv even as he seeks to sustain diplomatic channels to Putin and economic profits from Russia. To that end, Erdogan has refused to support the West's sanctions and export restrictions against Russia, and Türkiye continues to buy Russian hydrocarbons. And unlike its Western counterparts, Türkiye has kept its airspace open to Russian civilian flights.

This Janus-faced strategy might just be acceptable enough for Putin—for the moment, at least. It is unlikely that the Russian leader will pick a fight with Türkiye right now, especially if Erdogan continues to provide him and his oligarchs with a much-needed economic lifeline. But if the war in Ukraine is prolonged, and the TB2s help bring down more major Russian military assets like the *Moskva*, the Turkish ban against Russian naval vessels crossing the Turkish Straits could put Ankara and Moscow into more direct conflict.

A third risk is military escalation. In the South Caucasus, Putin may stir conflict to prevent the successful completion of ongoing Turkish-Armenian normalization talks, complicating things for Ankara, its ally Azerbaijan, and Erdogan personally, who benefits from this global strong man image domestically.

In order to block Putin's potential next steps preemptively, Ankara has recently started to pursue normalization of ties with Yerevan. The lingering effects of the conflict over Karabakh between Armenia and Azerbaijan allows Russia to be militarily present in the South Caucasus—both in the form of troops deployed to bases in Armenia since the end of the Cold War, and, since the end of the Second Karabakh War, as peacekeepers in a part of the former NKAO. The full normalization Turkish-Armenian-Azerbaijani ties would constitute a dramatic geopolitical development in the South Caucasus. This development would, in turn, reduce Russia's overall military presence in the South Caucasus (although it troops would remain in secessionist parts of Georgia and, according to bilateral treaties that are valid until 2044, both in bases in Armenia and on that country's borders with Iran and Türkiye) and, in turn, its overall influence—an influence that goes back at least to the Treaty of Gulistan (1813) between the Russian and Persian empires, which allowed the former to gain a permanent foothold in the region.

Accordingly, Putin does not appear to favor the full normalization of relations between Türkiye, Armenia, and Azerbaijan. However, with the Russian military occupied in Ukraine and Putin distracted by multiple challenges in that theater from NATO, the timing might now be just right for Ankara to pursue such a course with Yerevan. Baku seems to be in favor of such a development, so long as it is synchronous with the process of Baku-Yerevan normalization—a condition that Erdogan surely understands and accepts, given his close relationship with Azerbaijan's president Ilham Aliyev. Yerevan has been hesitant to fully pursue normalization from a combination of domestic political and regional motivations, but Prime Minister Nikol Pashinyan has clear incentives to move in this direction. Overall, Erdogan is aware that full normalization of ties between Türkiye and Armenia would eliminate the risk of a Russian-led escalation in the South Caucasus, while improving both Ankara's standing in the U.S. Congress and helping his charm offensive with Biden.

BAKU DIALOGUES

In addition to the South Caucasus, Putin could trigger renewed fighting in Libya, once again complicating things for Türkiye and Erdogan. Finally, there is the risk that Washington—and others in Europe—may be so anxious to be rid of Erdogan that they delay any substantive reconciliation to avoid strengthening him at the ballot box.

Political Survival

Türkiye's, and Erdogan's, stock seems to have risen as a result of support provided to Ukraine. This is certainly true in Kyiv, and in several NATO member state capitals. Erdogan has demonstrated remarkable political survival skills in his previous foreign policy eras, and may have done so again here. The war in Ukraine, and the degree of traction achieved in follow-up to the new multilateralism, will likely be determinative in how well, and how long, this approach delivers.

What also needs to be stressed is that the onset of Türkiye's heightened standing is traceable to its successes in developing and then exporting an innovative military operational approach centered on drones. Regardless of what happens in the 2023 presidential election, this could represent a source of continuity well into the decade. The concentric circles of Turkish neighbors and neighbors' neighbors—not to mention frenemies and allies—will likely bear this in mind in their respective calculations going forward. BD

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Türkiye and the Russia-Ukraine War

Impact on the West, Central Asia, and the Caucasus

Matthew Bryza

During a recent webinar, I was asked to address the following question: what does Russia's invasion of Ukraine mean for Türkiye's approach to the Caucasus and Central Asia?

At first, the question struck me as odd. Having worked on these issues since the late 1990s and now living in Istanbul, it seemed obvious to me that Türkiye's goals in these regions have been enduring since the end of the Cold War and were not changing because of Russia's latest invasion of Ukraine. These goals, I said, were and remain to: secure westward exports of oil and natural gas produced in the Caspian Basin; promote stability in the South Caucasus; and strengthen Türkiye's business and cultural ties with the Turkic populations of Azerbaijan, Turkmenistan, Kazakhstan, Uzbekistan, and Kyrgyzstan. Türkiye's approach toward Russia in this context also remains what it has been since the Ottoman centuries: cooperate where possible but confront where necessary.

Reflecting momentarily on this question, however, I realized how different Ankara's goals appear from the perspectives of Washington, Paris, and Athens. In these and other NATO capitals, Turkish foreign policy seems to have shifted from its pursuit of "zero problems with neighbors" during the early years of the leadership of Recep Tayyip Erdogan to one of "zero neighbors without problems."

Türkiye is thus viewed within the Atlantic Alliance as a belligerent outlier, bent on violating international law to pursue the extraction of Eastern Mediterranean hydrocarbons, enabling Azerbaijan to use military force during the Second Karabakh War, and aligning in Syria more with Russia than with its own treaty allies.

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Vigorous Shift

Indisputably, Türkiye's foreign policy did indeed shift toward a vigorous pursuit of its rights approximately six years ago. This change, however, is largely in the past and was driven not by a national penchant for aggression, but rather by two traumatic events that shook the foundations of Turkish foreign policy.

Türkiye's foreign policy shifted toward a vigorous pursuit of its rights approximately six years ago and was driven by two traumatic events now largely in the past.

First, Türkiye's coup attempt on 15-16 July 2016 was a political earthquake, prompting tectonic changes in Ankara's thinking. Though some Western observers scoffed at the coup attempt as bungled and perhaps even encouraged by Erdogan to provide a pretext for political repression, Turkish citizens across the political spectrum—even Erdogan's staunchest opponents—saw something far different. They observed a series of harrowing and deadly attacks by members of a politico-religious cult who had infiltrated Türkiye's military, police, and judiciary over the course of two decades. This included aerial bombardment of the Turkish Parliament by Air Force F-16 fighter jets; the storming of Türkiye's state television station by commandos who compelled a terrified presenter to declare their coup; and armored troop columns that attempted to seize Istanbul's Bosporus bridges and main international airport. Another group of F-16s reportedly attempted to shoot down Erdogan's presidential aircraft. In the end, 251 everyday Turkish citizens, who blocked army tanks in a show of "people power" in defense of their democracy were killed and 2,200 were injured.

Turkish suspicion, regardless of political affiliation, immediately turned toward the United States. The leader of the organization that carried out the coup attempt, Fetullah Gulen, is a reclusive cleric who received U.S. legal residency in 1999. How could it be, Turks wondered aloud, that a U.S. resident alien whose extradition Ankara had repeatedly sought could lead a coup attempt in Türkiye from an isolated compound in Pennsylvania's Pocono Mountains, all without Washington's knowledge? And if senior U.S. officials were aware of the burgeoning coup attempt but did nothing to stop it, that would be even worse.

Senior U.S. officials initially fed these Turkish suspicions. Rather than unequivocally condemning an attempt to overthrow the democratically elected government of a longstanding NATO ally, U.S. Secretary of State John Kerry first called for "stability and peace and continuity within Türkiye." Two days later, Kerry seemed to threaten Türkiye with possible expulsion from NATO if Erdogan cracked down too severely on the coup plotters, warning that "NATO also has a requirement with respect to democracy, and NATO will indeed measure very carefully what is happening." A few days later, referring to Ankara's arrest of hundreds of Turkish military officers for allegedly participating in the coup attempt, Commander of the U.S. Central Command General Joseph Votel noted, "I am concerned that it will impact the level of cooperation and collaboration that we have with Türkiye, which has been excellent, frankly."

Such statements provided Russian President Vladimir Putin with an opening in Ankara. He did not miss his chance. The day after the coup attempt was put down, and ahead of any NATO leader, Putin called Erdogan to express solidarity, citing the "categorial unacceptability in the life of a state of anti-constitutional acts and violence." Rumors abound that Putin also told Erdogan that Washington was behind the coup attempt and offered to send Russian *spetznaz* commandos to Türkiye should they be needed to suppress the vestiges of the coup attempt. In the following months, Erdogan's and Putin's relations blossomed, and 17 months after Putin's supportive phone call, Erdogan agreed to purchase Russia's S-400 air defense system.

This decision by the leader of NATO's second largest military to acquire Russia's most capable air defense system, which uses a highly sophisticated military intelligence platform, sent shockwaves throughout the Atlantic Alliance and ultimately led to U.S. sanctions against Türkiye. In Ankara, however, it seemed Erdogan might need an anti-aircraft system designed to shoot down the F-16s that had targeted both him and the Turkish Parliament.

The second traumatic event that prompted Türkiye's more assertive foreign policy was the collapse of UN-brokered negotiations regarding Cyprus in June 2017.

The second traumatic event that prompted Türkiye's more assertive foreign policy was the collapse of UN-brokered negotiations regarding Cyprus in June 2017. Greek and Turkish Cypriot leaders, together with the "Guarantor Powers" (i.e., Türkiye, Greece, and the United Kingdom), had gathered in Crans-Montana, Switzerland, under the good offices of the United Nations, hoping to secure an agreement to reunify the island into a bizonal and bicommunal federation and thus end five decades of intercommunal conflict. After the talks collapsed without an agreement, both sides (e.g., the Turkish Cypriots and Türkiye versus the Greek Cypriots and Greece) accused each other of torpedoing the talks.

A senior United Nations participant in the negotiations subsequently told the author that for the first time ever, Türkiye was prepared in Crans-Montana to accede to the two most important Greek Cypriot demands: *one*, Türkiye would renounce its right to intervene in Cypriot affairs, which it acquired via the 1960 treaties granting the island independence from the United Kingdom and establishing the Republic of Cyprus; and *two*, Türkiye would eventually remove all troops from the island.

Greek Cypriot leaders vehemently deny Türkiye offered these two points. Senior Turkish officials, on the other hand, told the author that once Greek Cypriot leaders rejected this offer, they concluded it would be politically infeasible for any Greek Cypriot government to agree to any compromise at any point in the future.

Türkiye responded with a vigorous assertion of its rights (as it defines them) in the Eastern Mediterranean. In 2018, Türkiye's national oil company, TPAO, began drilling for oil and gas in Eastern Mediterranean waters claimed both by Ankara and Nicosia. This outraged the Greek Cypriot authorities, who appealed to their EU partners for solidarity in condemning what they termed as Türkiye's violation of international law.

TPAO, however, had refrained from such actions for eight years after international oil companies began drilling under licenses issued by the Greek Cypriot government in waters also claimed by Türkiye. Ankara was trying to provide political space for the UN-brokered talks on a Cyprus settlement, despite profound disagreement with the exclusive economic zones (EEZs) claimed by both Greek Cypriot and Greek authorities, which reduce Türkiye's own EEZ so dramatically as to exclude most of the richest oil and natural gas prospects in the Eastern Mediterranean.

When Cyprus talks collapsed in Crans-Montana in the summer of 2017, however, Ankara gave permission to TPAO to begin planning for hydrocarbon exploration in these disputed Eastern Mediterranean waters. Türkiye simultaneously shifted its underlying goal for Cyprus from reunification of the island to a two-state solution.

In response, Cyprus and its EU allies condemned Türkiye for acting illegally, refusing to consider Ankara's interpretation of international maritime law while categorically dubbing TPAO's exploration activity illegal. France led the EU charge, even sending fighter jets to the Greek island of Crete, while in July 2020, Ankara deployed naval vessels to escort TPAO's hydrocarbon exploration ship in waters claimed by Athens. Greece responded with its own navy ships to shadow the Turkish warships.

Within a few weeks, a Turkish and a Greek warship collided, bringing the two NATO allies to the brink of armed conflict. This led NATO Secretary General Jens Stoltenberg to step in, brokering an agreement between Ankara and Athens to deconflict their naval operations. Simultaneously, German Chancellor Angela Merkel intervened with Erdogan on behalf of the entire EU and persuaded Türkiye's president to withdraw TPAO's exploration ships from the Eastern Mediterranean. Until this moment of writing in mid-June 2022, no TPAO exploration ships have subsequently operated in the Eastern Mediterranean.

De-escalatory Mindset

The collision of Turkish and Greek warships was a watershed for Türkiye, underscoring that its pugnaciousness in the Eastern Mediterranean was counterproductive. Ankara was further nudged toward de-escalation by the defeat of U.S. President Donald Trump in the U.S. presidential election in November 2020, which signaled that America's "maximum pressure" policy toward Iran—the centerpiece of Trump's approach to the Middle East—would soon be supplanted by U.S. President-elect Joe Biden's quest to find common ground with Tehran to restore the Iran nuclear deal.

The collision of Turkish and Greek warships was a watershed for Türkiye, underscoring that its pugnaciousness in the Eastern Mediterranean was counterproductive.

Further momentum for a general lowering of tensions throughout the Middle East was generated by the onset of the Abraham Accords, which normalized relations *inter alia* between Israel and the United Arab Emirates, both of which were estranged from Türkiye at the time. Finally, Azerbaijan's victory over Armenia in the Second Karabakh War removed a major source of geopolitical tension for Türkiye in the South Caucasus.

Subsequent to those events, Türkiye began to pursue a normalization of its relations with Armenia, Israel, and the UAE, as well as with Saudi Arabia and Egypt. Turkish Foreign Minister Mevlut Cavusoglu's visit to Israel on 25 May 2022—despite Israeli security services' killing of Al Jazeera's renown Palestinian journalist Shireen Abu Akleh exactly two weeks earlier—was a particularly significant sign of resolve to restore relations with Israel, given that previous killings of Palestinians had prompted Ankara's intense protests, and even the rupture of Türkiye-Israel relations in June 2010 following the Mavi Marmara incident.

The Turkish Government was therefore in a de-escalatory mindset when Russia invaded Ukraine (again) on 24 February 2022. Over the preceding months, senior officials in Ankara had been publicly emphasizing their conception of Türkiye as a stabilizing force in the world. They depicted Türkiye's armed clashes with Russian troops in northwest Syria and Libya in 2020 as preventing the slaughter of civilians and preserving the rule of law. Similarly, Türkiye's military support of Azerbaijan during the Second Karabakh War and the subsequent deployment of peacekeepers to the country after the Second Karabakh War to the

Russia-Türkiye Joint Monitoring Center were described as restoring international legal norms while providing NATO with "eyes and ears" on the ground to deter the Russian peacekeeper contingent from stoking instability in Azerbaijan, as they have done in Georgia and Moldova.

Ankara and Erdogan have avoided incendiary rhetoric toward Moscow and Putin, which has created space for Türkiye to serve as a mediator between Russia and Ukraine.

This de-escalatory mindset helps explain why Ankara has sought to mediate between Kyiv and Moscow. Additionally, Türkiye has significant economic interests with both Russia (natural gas and nuclear energy, tourism, agricultural exports, and tourism) and Ukraine (military technology and tourism).

Consistency of Approach

Türkiye is therefore following the same approach toward Russia and the Black Sea region as it has throughout the past six centuries: confront Russia when necessary but cooperate where possible (as noted above). Concretely, Ankara has consistently condemned the Kremlin's annexation of Crimea, Russia's invasions of Ukraine, and Moscow's violations of Ukraine's territorial integrity. Moreover, Ankara has closed the Turkish Straits to Russian (and other countries') warships that are not based at Black Sea ports, in accordance with the 1936 Montreux Convention.

Türkiye also remains one of NATO's staunchest supporters of Alliance membership not only for Ukraine, but for Georgia as well. And Ankara is providing Kyiv crucial military technologies, especially Bayraktar TB-2 drones that have played a crucial role in helping Ukraine's military to confound Russia's attacks and even to sink the cruiser Moskva (the flagship of Russia's Black Sea Fleet). At the same time, Ankara and Erdogan have avoided incendiary rhetoric toward Moscow and Putin, which has created space for Türkiye to serve as a mediator between Russia and Ukraine.

Both Moscow and Kyiv have welcomed Türkiye's mediation. Cavusoglu presided over a meeting of his Ukrainian and

Russian counterparts, Dmytro Kuleba and Sergey Lavrov (respectively), on the margins of the Antalya Diplomacy Forum in March 2022. A follow up meeting in Istanbul a week later yielded the outlines of a potential ceasefire agreement: Russia would withdraw its forces that invaded Ukraine since 24 February 2022; Ukraine would declare its neutrality and drop its NATO ambition; and the question of the legal status of the Ukrainian territories occupied by Russia in Crimea and Donbass would be deferred for 15years. While Ukraine announced its acceptance of this formula, Russia did not, as Putin appears to prefer to try to seize more Ukrainian territory in Donbass.

Türkiye's interests in the South Caucasus and Central Asia, meanwhile, have been largely unaffected by Russia's invasion of Ukraine.

Türkiye's interests in the South Caucasus and Central Asia, meanwhile, have been largely unaffected by Russia's invasion of Ukraine. Turkish peacekeepers remain on the ground in Azerbaijan, keeping NATO's eyes on the significantly larger Russian contingent, which, fortunately, continues to play a constructive role in mitigating armed provocations between the Azerbaijani military and Armenian irredentist forces operating within the Russian peacekeeping zone in a part of Karabakh.

Türkiye is also continuing discussions with Armenia on normalizing relations, while supporting Baku's efforts to reach a peace treaty with Yerevan. And in a broader strategic sense, Türkiye continues to fill one half of the strategic vacuum on Azerbaijan's behalf, which was left by the West in general and the U.S. in particular, when there was a failure to respond to armed clashes between Armenia and Azerbaijan on their international border in July 2020; Russia fills the other half of the vacuum on Armenia's behalf.

In Central Asia, Türkiye's efforts to secure westward exports of natural gas from Turkmenistan (including via Iran) and to strengthen cultural and business ties with Turkic populations continues unabated. The upgrading of the Turkic Council into the Organization of Turkic States in November 2021 underscores Ankara's commitment to bolstering ties with other Turkic countries.

The visit of Kazakhstan's president, Kassym-Joomart Tokayev, to Ankara in May 2022—five months after he requested Russian troops to suppress a violent uprising and then arranged for them to leave less than fortnight later—underscored how both Kazakhstan and Türkiye are working together to maintain regional stability, anticipating that Putin will likely continue muscle-flexing in the region either because he will feel empowered by a victory in Ukraine or sense a need to project enduring power if/when Russia suffers defeat. Uzbekistan is a key field of competition, with Moscow trying to thwart President Shavkat Mirzoyoyev's efforts to advance economic reforms and pull the Central Asian giant back into Russia's orbit.

Türkiye's ambitions to play a stabilizing role in the South Caucasus and Central Asia in opposition to a revisionist Russia are an important asset for the United States and all of NATO.

Türkiye's ambitions to play a stabilizing role in the South Caucasus and Central Asia in opposition to a revisionist Russia are an important asset for the United States and all of NATO. This is also true in Afghanistan, where Türkiye has kept open its embassy, offering NATO a crucial intelligence platform and means of influencing the Taliban regime. Türkiye is also committed to developing multi-modal transportation routes linking the Arabian, Black, and Mediterranean Seas, which could play a crucial role in enabling Central Asian grain, fertilizer, and natural gas to reach global markets and mitigate the risks of famine in the Global South and energy shortages in Europe resulting from Russia's invasion of Ukraine. Ankara is unlikely to step to the diplomatic forefront in the context of Afghanistan, however, unless encouraged to do so by Washington and other NATO capitals.

Formidable Obstacle

As Türkiye's 2023 national elections approach, both President Erdogan and his political opponents will be tempted to play the nationalist card and return to a more confrontational foreign policy. While NATO Allies have no obligation to rescue Türkiye from its own parochialism, they do have a shared interest in reinforcing Ankara's recent inclination to support the alliance's collective interests that stretch from the Arabian and Caspian to the Black and Mediterranean Seas. Türkiye will thus be willing to follow a positive lead from its Allies, but domestic politics will likely remain a formidable obstacle in NATO capitals, especially Washington and Paris. BD


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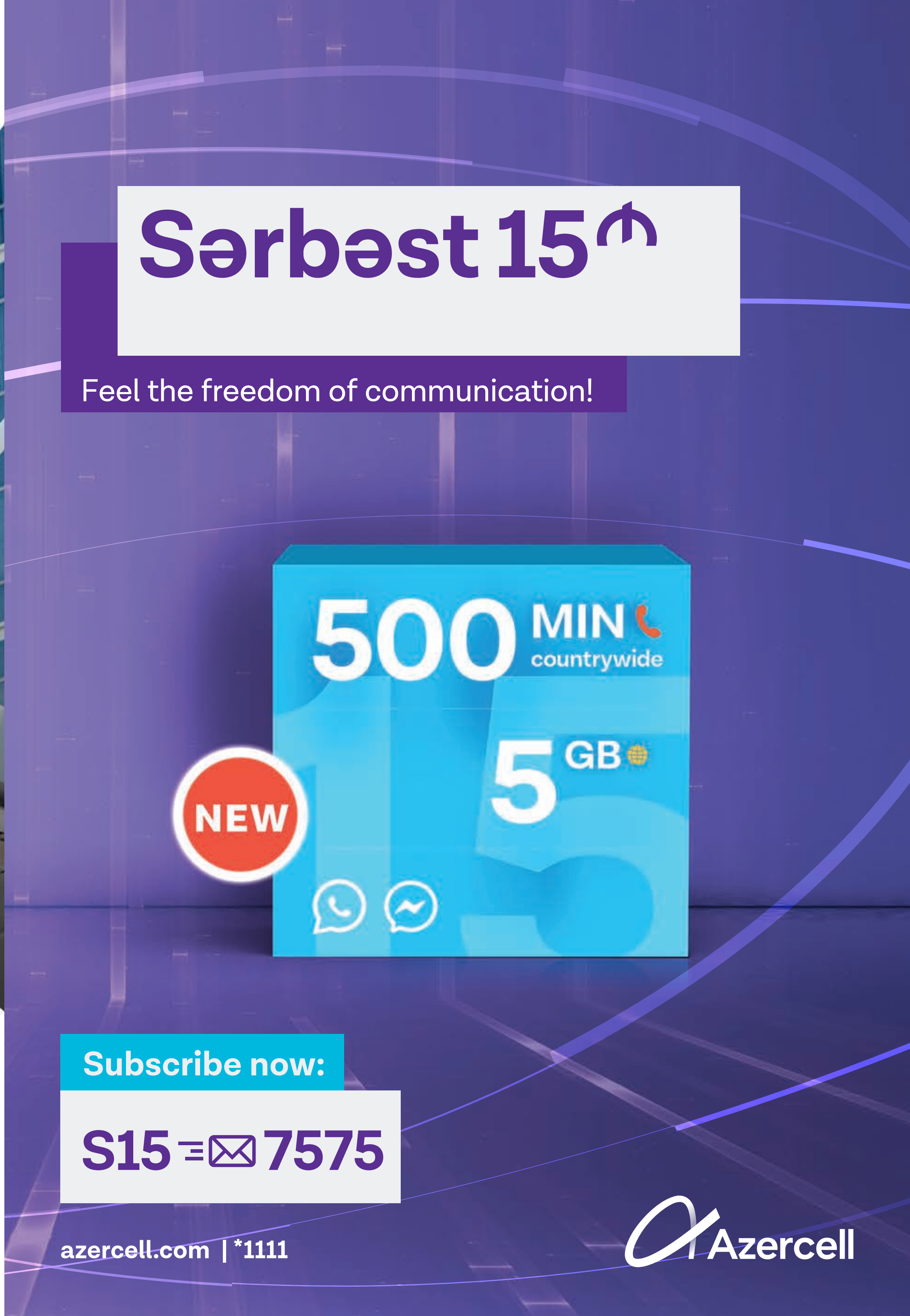
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How the Conflict Over Ukraine Affects Security in the South Caucasus

Nargiz Gafarova

Against the background of the present stage of the conflict over Ukraine, the South Caucasus is experiencing perturbation. Three examples rise immediately to mind: elements of the 10 November 2020 tripartite between Armenia, Azerbaijan, and Russia that ended the Second Karabakh War statement (and the arrangements that have derived from it) are being suboptimally implemented; the leaders of Georgia's breakaway region of South Ossetia continue to hold out the possibility to conduct a referendum on "unification" with Russia; and the uncertain outcome of the talks in Vienna to revive the Iran nuclear deal. Such and similar examples have led all three South Caucasus states (Armenia, Azerbaijan, and Georgia) to pursue variants of a policy some call "neutrality" and others "hedging" between the parties to the conflict over Ukraine.

Located at the intersection of Europe, Russia, and the Greater Middle East—and thus constituting the western part of the Silk Road region, as defined by the Editorial Statement of *Baku Dialogues*—the South Caucasus is one of the most important and, at the same time, one of the most potentially explosive areas bordering the West. Over the past several decades, developments within all three South Caucasus states have contributed to a general sense of insecurity within the region. These include, most obviously, ethno-political conflicts, civil wars, and color revolutions; the lackluster development of Western-style governance institutions; and the widely-held perception of ongoing high levels of corruption.

Even the potentially positive strategic consequences of the outcome of the Second Karabakh War—namely, the prospect for the normalization of two sets of bilateral relationships (Armenia-Azerbaijan and Armenia-Türkiye) and the unblocking of all economic and transport connections in the region—have been overshadowed by the ongoing restructuring of world order, manifested by the increase of geopolitical volatility and ambiguity due to the major escalation of the conflict over Ukraine whose present phase began on 24 February 2022. The effects of the Western-led sanctions and export restrictions regime against Russia have spilled over into the South Caucasus—notwithstanding the fact that none of the region's states have formally aligned themselves with them.

This essay provides an overview of the reverberations of the conflict over Ukraine towards the South Caucasus, with a focus on its impact on the region's political, economic, and security environment.

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Regional Security Patterns

The South Caucasus is located in a geopolitically complex neighborhood, as it borders Iran, Russia, and Türkiye. Each of these external powers have critical political, economic, and security interests, as do more distant powers like the U.S. and the European Union. All in various ways, and using various means, are engaged in exercises of influence that target the three states of the South Caucasus. These neighbors and more distant powers each seek to leverage the fact that developments in the region are traditionally conflict-driven: the South Caucasus has experienced a number of separatist conflicts and interstate wars that, taken together, provide fodder for multiple intra-regional contradictions and enmities.

For reasons having to do with these intra-regional conflicts but also with what Venera Fritz, a World Bank official now working on governance issues in the Western Balkans, has called "inherent state weaknesses," the South Caucasus as a whole remains exposed to the influences of its larger neighbors, who play significant roles in shaping regional security dynamics. Conflicts have also played a key role in generating political instability in the region, which has made the three Caucasus states both economically vulnerable and led them each to search for outside support and protection. Thus (at least from a Western perspective), unresolved intra-regional ethnic and territorial conflicts relegate the South Caucasus to the "at risk" category.

But there is an additional distinction that needs to be made, namely one regarding political orientation and collective defense groupings. In this regard, the South Caucasus can be said to represent a microcosm of global power dynamics: pro-Russia in the case of Armenia, pro-West in the case of Georgia, and, as my IDD colleague Damjan Krnjević Mišković has described Azerbaijan's posture, "equilibrium (but not necessarily equidistance)."

The South Caucasus can be said to represent a microcosm of global power dynamics: pro-Russia in the case of Armenia, pro-West in the case of Georgia, and 'equilibrium (but not necessarily equidistance)' in the case of Azerbaijan.

To wit: Armenia is a member of both the Russia-led Collective Security Treaty Organization (CSTO) and the Eurasian Economic Union (EAEU). Armenia is also a treaty ally of the Russian Federation and plays host to a Russian military base in its second-largest city, Gyumri. This base garrisons 5,000 Russian military personnel and, according to a 2010 agreement, will remain in Russian hands until at least 2044. Russian FSB troops are also responsible for policing the Armenian border with Türkiye and Iran.

Contrast this with Georgia. Tbilisi has consistently pursued its goal of both NATO and EU membership (with regards to the former, the Atlantic Alliance first acknowledged this aspiration in Article 23 of the 2008 Bucharest Summit Declaration; with respect to the latter, in late June 2022 the EU stated it will be "ready to grant the status of candidate country to Georgia once the priorities specified in the [EU] Commission's opinion on Georgia's membership application have been addressed").

Azerbaijan, for its part, has pursued a policy consistent with its status of what Nikolas Gvosdev of the U.S. Navy War College has

described in the Fall 2020 edition of *Baku Dialogues* and elsewhere as a "keystone state" of the Silk Road region. Manifestations of this policy of strategic maneuvering in furtherance of its national interests include active membership in the Non-Aligned Movement, which it currently chairs, upholding its strategic partnership with NATO member state Türkiye, and maintaining what is officially termed "allied interaction" with Russia.

Ongoing conflicts of one sort of another involving the three South Caucasus states play an important role in Russia's regional penetration and ongoing influence: Armenia is perhaps the Kremlin's closest and most reliable ally, Russia is a conflicting side in the case of Georgia, Moscow is a major arms supplier to Azerbaijan, and, since the end of the Second Karabakh War, Russian peacekeepers operate in a part of the former Nagorno-Karabakh Autonomous Oblast (NKAO) with the consent of both Baku and Yerevan.

At the same time, as mentioned above, such conflicts have increased the incentives of two of the three South Caucasus states to seek alliances with other regional powers or blocks: with Türkiye in the case of Azerbaijan and Western structures in the case of Georgia. Tbilisi's imprudent quest for membership in one such block (NATO) at the expense of another other (CSTO) led to a decrease in regional security and was undeniably a contributing factor to the 2008 Russo-Georgian war, given the strategic posture of Russia (the de facto leader of the CSTO) that this represented the crossing of a red line, since it considers the South Caucasus to be a part of its sphere of interest—its "near abroad," as the Kremlin used to call this part of the world. All in all, engagement with the region by the leading external powers is one of the most prominent security-related issue that is common for all the South Caucasus republics, as their involvement increases unpredictability in the geopolitical environment.

Another key element of regional security dynamics, which represents an overarching problem for regional stability, is the set of unresolved ethno-territorial conflicts in the South Caucasus. The existence of breakaway, unrecognized entities add to the region's security challenges, as these represent sources of instability (e.g., threat of low-level violence, refugee and IDP burdens, undermining the functionality of legitimate states and governments, hampering development).

The current escalation of the conflict over Ukraine, depicted by some as representing the onset of a new Cold War (as an addition to the growing Sino-American geopolitical bifurcation, which has been called Cold War 2.0), follows in general terms a similar pattern of unpredictability akin to the one observed in the South Caucasus over the past decades (i.e., risks of explosion and manipulation by outsiders of unresolved ethnic conflicts conjugated with the involvement of global powers into a rivalry over spheres of influence). This only adds salience to the clear signaling of all three South Caucasus states about the danger of being perceived through the same geopolitical playbook by the major external players.

The Imperative to Balance

Russia's prominent role in the affairs of the South Caucasus, heightened by the new regional geopolitical reality deriving from the 10 November 2020 tripartite statement, has directly affected the response of all three South Caucasus states to the hostilities that have broken out in Ukraine. This points directly to some of the reasons why the three South Caucasus states have avoided direct and overt criticism of the sort expressed by Western countries towards Russian involvement in that conflict.

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Other reasons include their uncertainty regarding Western support and the perceived vulnerability to Russian sensitivities and counteractions of one sort or another. All in all, the South Caucasus states are facing challenging choices. Two can be highlighted here. *First*, to one degree or another, all three South Caucasus countries have close political relations with both sides. *Second*, Russia is one of the primary trading partners for all three countries. Thus, hard realities must be acknowledged: Armenia, Azerbaijan, and Georgia are dependent on Russia in political, economic, trade, security, energy, and transport spheres. Not entirely, of course, and not all equally, and also not all in the same way. But none can act without strategically calculating the effects of their policy choices on Russia. The conflict over Ukraine is quite instructive in this regard.

Azerbaijan has a special relationship with both parties directly involved in that conflict (i.e., with both Kyiv and Moscow). Without Russia, the tripartite statement ending the Second Karabakh War would not have been possible: its peacekeeping force ensures that hostilities do not resume, which in turn ensures that fragile stability is maintained. On the other hand, Russia's military presence on the ground (coupled with its diplomatic and economic leverage) has impacted on the geopolitical balance of power in the South Caucasus: for decades, the conflict over Karabakh was the only one in the post-Soviet space that did not have a Russian military presence (the presence of a small Turkish peacekeeping contingent since the end of the Second Karabakh War has helped to balance this out, but not in a geopolitically game-changing way). At the same time, Azerbaijani-Ukrainian relations are strategic too, and Ukraine has consistently been a vocal supporter of Azerbaijan's sovereignty (and vice versa). Azerbaijan has also made numerous very public demonstrations of humanitarian solidarity since the onset of the present stage of the conflict over Ukraine, and, in addition, Baku and Kyiv are both members of the GUAM Organization for Democracy and Economic Development, together with Tbilisi and Chișinău.

A good example of Azerbaijan's strategic posture can be found in a pronouncement made by President Ilham Aliyev on 29 April 2022 to a distinguished group of foreign experts co-convened by ADA University's Institute for Development and Diplomacy (IDD) and the Center of Analysis of International Relations (AIR Center). "The signing of a Declaration on Allied Interaction with Russia […] was based on our strategic interests because it's our neighbor," he said. But this document, and the strategic posture that informed the decision to sign it, has not stopped Azerbaijan from reaffirming its principled policy regarding the territorial integrity of all UN member states, including Ukraine. "We do it publicly, [we] do not hide behind the big tree. We say what we mean." And then, drawing on his own country's experience, Aliyev added:

> The most important is never agree to occupation. You know, during times of negotiations [between the two Karabakh wars], there were different moments and different messages which I was receiving from Western colleagues, and one of them was that 'you have to take into account the reality. Azerbaijan lost the First Karabakh War and your'—how to say—'actions must be based on the reality.' There have been attempts to advice us that we need to consider issues related to our territorial integrity. And I was always saying 'no.' […] So [the] first [lesson], based on our experience, is never agree on [a] violation of territorial integrity—in any case. Second, what lesson I learned from this time of occupation—to rely on your own resources. Third, do not rely on international organizations' decisions and resolutions. They don't have any value.

Although public opinion in Georgia is not favorably inclined towards Russia for obvious reasons, the present government has pursued a pragmatic and balanced policy towards the conflict over Ukraine: the prime minister has taken a neutral stance while clearly articulating the possible consequences for Georgia in openly opposing Russia's "special military operation." At the same time, Georgia has begun the formal process of seeking membership in the European Union on the coattails of Ukraine's bid to do so—with less success (for now) than Tbilisi had hoped to achieve.

Among the three South Caucasus states, Armenia has the least room for maneuver and is severely constricted in pursuing a balanced policy towards the conflict. As mentioned above, Yerevan is a treaty ally of the Russian Federation and a member of both the CSTO and the EAEU (unlike Azerbaijan and Georgia). Moreover, the memory of Ukraine's political support for Azerbaijan during the Second Karabakh War is still very much alive in the country's public consciousness; on the other hand, Yerevan is aware that showcasing support for the Russian position in the conflict over Ukraine may further isolate Armenia and increase its dependence on Russia. This may help explain its recent interest in engaging with Azerbaijan on elements of a peace deal through the facilitation of the EU Council president, Charles Michel, rather than exclusively through Russian mediation.

The Karabakh Conflict

The conflict over Karabakh represents the key security threat to the region and has dominated foreign policy and national security discourse in both Yerevan and Baku since they both regained independence three decades ago. In this regard, Armenia opted to ally fully with Russia. Baku, on the other hand, sought to address its vulnerabilities through the pursuit of a multi-vectoral foreign policy. This led, inter alia, Azerbaijan to establish a strategic relationship with NATO member state Türkiye; this has culminated in the June 2021 signing of the Shusha Declaration on Allied Relations. Amongst many other points, this document focuses on defense cooperation, affirms joint efforts by the two armies in the face of foreign threats to regional security, and announces a shared commitment to establishing new transportation routes.

> *The conduct of a balanced foreign policy by Azerbaijan remains critical to the preservation of the outcomes of the Second Karabakh War and the normalization of relations with Armenia through peace talks.*

As noted above, Baku's multi-vectoral foreign policy posture also led Azerbaijan to sign a Declaration on Allied Interaction with Russia in late February 2022, i.e., on the eve of the start of the Kremlin's "special military operation." This document aims at deepening diplomatic, political, and military cooperation between the two states. Widely viewed as a way to balance the impact of the Shusha Declaration, it has garnered further attention in light of the escalation of the conflict over Ukraine and Russia's recognition of Ukraine's breakaway territories, notwithstanding the fact that its timing was largely coincidental since negotiations on its language had gone on for a year or so. Still, the relevance of Article 1 of this document is not to be discounted in light of the events taking place outside the South Caucasus: "The Russian Federation and the Republic of Azerbaijan build their relations on the basis of allied interaction, mutual respect for independence, state sovereignty, territorial integrity and inviolability of the state borders of the two countries, as well as adherence to the principles of non-interference in each other's internal affairs, equality and mutual benefit, peaceful settlement of disputes and non-use of force or threat of force." Baku views this language as explicitly preempting the possibility of the Kremlin recognizing ethnic-Armenian territorial claims to the former NKAO. Given the presence of Russian peacekeepers in a part of the former NKAO, the conduct of a balanced foreign policy by Azerbaijan remains critical to the preservation of the outcomes of the Second Karabakh War and the normalization of relations with Armenia through peace talks.

Moreover, there was a noticeable uptick in the number of reported tensions and ceasefire violations in Karabakh starting from the onset of the latest escalation in the conflict over Ukraine. These were relatively common prior to 24 February 2022, but they ones gained additional attention and salience given the onset of the war and the fact that both Azerbaijani and Armenian media reported on the transfer of Russian peacekeepers from the Karabakh theater to the Ukrainian one.

This escalation, which now appears to have moved beyond its peak, led to Russian accusations in past months that Azerbaijan was violating the terms of the first tripartite statement, which in turn spurred discussions in Azerbaijani society about Russian peacekeepers continuing to tolerate the presence of Armenian forces in the peacekeeping zone—i.e., on sovereign Azerbaijani territory—in violation of Article 4 of this document ("The peacemaking forces of the Russian Federation shall be deployed concurrently with the withdrawal of the Armenian troops").

Referendum in South Ossetia?

Similar in some ways to Azerbaijan's situation, Georgia must also deal with separatists that have gained de facto control of parts of its sovereign territory. Unlike Azerbaijan but in some ways similar to Ukraine, the country has been engaged in a direct military conflict with Russia (the 2008 Russo-Georgian war) and its separatist regions Abkhazia and South Ossetia have been recognized by Russia. Thus, in the current war between Russia and Ukraine, Georgia sees direct and powerful parallels, which in turn has spurred Tbilisi to emulate Kyiv's strategic moves. For instance, Georgia followed Ukraine in formally applying to join the European Union in early March of 2022, which is consistent with Tbilisi's longstanding status as the

most active South Caucasus state in pursuing closer ties with both the EU and NATO. Regretfully, from Tbilisi's point of view, the EU has demonstrated less willingness and enthusiasm to both symbolically and concretely embrace Georgian aspirations than it has Ukrainian ones.

On the other hand, Georgia has followed Azerbaijan in pursuing a pragmatic and balanced policy towards the conflict over Ukraine, which caught some Western observers by surprise. Thus, the day after the start of the Russian "special military operation" in Ukraine, Prime Minister Irakli Garibashvili announced that his government did not intend to join any sanctions effort against Russia: "I want to state clearly and unambiguously, considering our national interests and the interests of the people, that Georgia does not plan to participate in the financial and economic sanctions, as this would only damage our country and populace more," he said. This has remained Georgia's policy, despite criticism from the political opposition and rallies openly supportive of Ukraine. At the same time, Georgia has provided diplomatic support for Kyiv in multilateral fora like the UN and the OSCE and has also sent humanitarian aid to Ukraine.

Amid the Russian recognition of Ukraine's two separatist regions (the self-styled Donetsk People's Republic, or DNR, and the Lugansk People's Republic, or LNR)—which precipitated by mere hours the escalation of the conflict over Ukraine—the de facto rulers of Georgia's separatist entity of South Ossetia made public announcements on potentially rejoining Russia and initiated discussions on conducting a referendum on that issue. While the Georgian prime minister has called this proposal unacceptable and illegitimate, Russia's presidential spokesperson Dmitry Peskov initially stated that Russia would treat with respect the opinion of the people of South Ossetia. Since that time, Russia has backtracked on this declarative support. The issue has been made dormant, but this does not mean it cannot be brought back to prominence at a later date.

Manipulation Around A New Nuclear Deal with Iran

The armed intrusion of Russia into parts of Ukraine has impacted upon the policy and posture of the South Caucasus' southern neighbor, Iran. On the day that Putin announced the onset of his "special military operation," Iran's president, Ayatollah Dr. Seyyed Ebrahim Raisi, spoke with the Russian president. Here is an excerpt from Tehran's official readout of the call: "Dr. Raisi stated that the expansion of the NATO to the east creates tensions, stressing, 'the expansion of the NATO is a serious threat to the stability and security of independent countries in different regions.' The President expressed hope that what is happening ends up to the benefit the nations and the region. Referring to the nuclear talks, Dr Raisi also stated that the Islamic Republic of Iran is seeking a lasting agreement, not a shaky one, adding, 'providing a credible guarantee, ending political claims, and the actual lifting of sanctions are among the necessities of reaching a lasting agreement.'"

The allure of reviving the nuclear deal with Iran has never been more salient. This is a direct yet unintended consequence of the escalation of the conflict over Ukraine.

Negotiations on the restoration of the 2015 nuclear deal with Iran—the Joint Comprehensive Plan of Action (JCPOA)—are approaching their end point, but the conflict over Ukraine has made an agreement both more difficult to get over the finish line and more urgent to complete successfully. With the U.S. and the EU making political choices to dramatically reduce and even terminate their imports of Russian hydrocarbons, oil and gas prices have skyrocketed and stand at or near record highs. The geo-economic consequences of lifting the various sanctions and embargoes imposed on the country (Iran possesses the second-largest gas proven reserves and the fourth-largest proven oil reserves)—which would in turn enable Iranian hydrocarbons to flood the global market whilst opening the way for massive foreign investment in Tehran's poorly-maintained oil and gas sector—would be potentially game-changing. From this standpoint, the allure of reviving the nuclear deal with Iran has never been more salient. This is a direct yet unintended consequence of the escalation of the conflict over Ukraine.

This set the stage for recent developments in the nuclear deal negotiations. By all accounts, Russia had been playing an important and constructive role in the talks since they restarted nearly two years ago (and were kicked into a higher gear in the wake of the Iranian elections that took place in June 2021). Numerous reports indicated that Washington and Tehran were close to a deal. However, a new demand expressed by Russian foreign minister Sergey Lavrov in early March 2022, made amid reports of an imminent agreement, cast a shadow on the negotiations. Russia had demanded written guarantees that the Western-led sanctions and export restrictions regime imposed on the country due to the conflict over Ukraine would not interfere with its present and future economic ties with Iran.

Frozen territorial conflicts, the ongoing power straggle of great powers for influence in the region, the unpredictable nature of threats, and intra-regional ethnic tensions all contribute to present and potential threats to regional security.

Russia's demands were widely seen as seeking to ensure its longstanding relationship with Iran would not be negatively affected by what would amount to a reintegration of Iran into the world economy. Russia, in other words, was not willing to demonstrate altruistic goodwill to the West on a security and economic issue of grave Western concern at a moment when the West was itself actively working against the security and economic interests of Russia.

By mid-March 2022, the situation appeared to have been resolved. At a joint news conference in Tehran with his Iranian counterpart, Lavrov indicated that "we received written guarantees. They are included in the text of the agreement itself on the resumption of the Joint Comprehensive Plan of Action on the Iranian nuclear programme." Reports indicate that these were not as broad as the Kremlin had initially demanded but no details have been forthcoming. There was a subsequent period that appeared to cast doubt on the likelihood of a deal. The issue involved the question of America's refusal to lift its designation of the Islamic Revolutionary Guard Corps from its Foreign Terrorist Organization and Specially Designated Terrorist lists. But this appears to have been overcome. It appears that talks are back on track as of this time of writing—geopolitical tensions notwithstanding—thanks to the mediation of EU officials like Josep Borrell, the EU's chief diplomat. Speaking in Tehran in late June 2022, Borrell stated that he is "very happy […] that we will resume the talks on the JCPOA in the coming days. […] We are going to break this stalemate and stop this escalation process in which we were."

A positive outcome is still not a foregone conclusion, however. Should an agreement on the nuclear deal between the great powers and Iran be achieved—which would include the lifting of at least some of the sanctions imposed on Iran (whether by the UN Security Council or unilaterally by the West) and in turn enable Iran to sell its oil and gas with fewer (if any) restrictions—the consequences for the South Caucasus would be severalfold.

First, the importance of the South Caucasus as a transit corridor for the flow of goods, services, and energy resources would increase—perhaps dramatically—over time. *Second*, the prospects for some sort of armed conflict involving Iran, Israel, and the United States, which in one way or another would be sure to affect the South Caucasus, would decrease. This is an important but underappreciated potentiality: Azerbaijan and Armenia (both states border Iran) would naturally become transit states, if not destination countries, for refugees fleeing the country and creating a humanitarian crisis. An armed conflict would also pose a direct threat to regional energy infrastructure traversing Azerbaijan and Georgia; and it would also make landlocked Armenia even more isolated within the region.

Iran's rapprochement with the West would dramatically reduce one of the biggest threats to regional stability; it would also enable Iran to become an important energy diversification partner for the region and the West.

Two Silver Linings?

As combat between Russia and Ukraine continues and intensifies, the South Caucasus states find themselves—through no fault of their own—both impacted by the geopolitical implications of the situation and in need to respond to new security challenges. Much of this stems from Russia's role in ongoing regional disputes and conflicts, which makes Moscow's posture a critical factor in their response. All this will continue to have an impact on the complexity and fragility of security threats in the region. Frozen territorial conflicts, the ongoing power

straggle of great powers for influence in the region, the unpredictable nature of threats, and intra-regional ethnic tensions all contribute to present and potential threats to regional security.

A door has been opened for all three South Caucasus states to prudently leverage geopolitical vicissitudes for the benefit of their respective populations, and thus the region as a whole.

Nevertheless, two silver linings to the escalation of the conflict over Ukraine in the context of the South Caucasus seem to be visible. *First*, the European Union has further increased its presence and engagement in the region. The EU seems more open to political and economic rapprochement with the region, as reflected in its facilitation to the process of normalization between Armenia and Azerbaijan as well as its willingness to take (admittedly) tentative steps in advancing Georgia's membership prospects. *Second*, the restoration of a nuclear deal with Iran, which would include the lifting of at least some of the sanctions imposed on the country, would be greeted positively by its Tehran's northern neighbors. Iran's rapprochement with the West would dramatically reduce one of the biggest threats to regional stability; it would also enable Iran to become an important energy diversification partner for the region and the West.

It may very well be, ironically, that geopolitical circumstances beyond the region could have a positive impact on the relative vulnerability and fragility of the South Caucasus. Of course, this should not be understood to mean that the region will all of sudden transform itself into a global paradigm of secure prosperity; but it ought to be understood to mean that a door has been opened for all three South Caucasus states to prudently leverage geopolitical vicissitudes for the benefit of their respective populations, and thus the region as a whole. BD

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'Strasbourg' in the South Caucasus

The EU's Opportunities, Obstacles, and Incentives

Rick Fawn

Implausible might be the hyperbole of "once in a generation." Occasionally, overstatement is legitimate and necessary. Just as the Baku-Tbilisi-Ceyhan (BTC) pipeline revolutionized development and income in the South Caucasus a generation ago, so too (and more) are the prospects of reconstruction in the region due to Azerbaijan's victory in the Second Karabakh War. The possibilities for win-win progress and growth are truly unprecedented.

Hyperbolic hope faces challenges, and they need reconciliation with the unprecedented opportunities now recasting the South Caucasus—with potential betterment of the peoples and countries of the region, and even for the wider world.

This essay first considers the momentous changes already underway as well as the significances they portend. It then assesses obstacles, and thereafter suggests 'Strasbourg' as a multi-faceted label for contributions both to overcome them and help to realize fully the ambitions for this region. To be precise: 'Strasbourg' here means the physical, technological, and financial involvement of the EU in regional infrastructural development, including linkages of the South Caucasus more widely, and also as a metaphor for deep-seated, historically truthful reconciliation. (In the Summer 2021 edition of *Baku Dialogues*, elements of both meanings were put forward by F. Murat Özkaleli in an article titled "Winning the Peace" and are built upon here.) This thinking takes even greater significance as Euro-Atlantic planning will concentrate on redefining relations in this region due to conflict over Ukraine.

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Opportunities from Facts on Ground

A critical, even immutable, new factor is Azerbaijan's already-begun reconstruction of Karabakh. Short of renewed calamitous war that no one should welcome, this development is here to stay—and it is rapidly expanding.

Both the restoration and protection of communications and infrastructure were part of the 10 November 2020 tripartite agreement signed together by the leaders of Armenia, Azerbaijan, and Russia. Calls for the same—made in slightly more concrete terms—were reiterated in a second statement on 11 January 2021 and grew in specificity in the text of a third statement signed in Sochi on 26 November 2021. Various agreed statements put out by EU Council President Charles Michel in the wake of meetings with the leaders of Armenia and Azerbaijan have also contributed to making connectivity an integral part of the region's new reality. All told, the principles are present, as is the wider recognition that long-term security, success and prosperity comes from cooperation and, ideally, integration. Things are happening on the ground.

As real as was Azerbaijani military success in 2020, so too is reconstruction, and indeed redevelopment, already undertaken in and planned for its liberated territories. And it is not just that, but the speed, intensity, and quality of this redevelopment. Where dereliction and destruction stood in areas of Karabakh, transformative renewal is already evident.

Commenced in January 2021, in less than ten months Fuzuli airport became fully operational, built to international standards, and with a capacity of handling hundreds of passengers per hour. Plans exist already for more airports, including in Lachin and Zengilan. Apart from being icons of renovation, these three important transportation hubs will finally furnish this highly-mountainous region with unprecedented accessibility.

The totality of what is proceeding in Karabakh could be a greater transformative impact than the BTC a generation before, and these benefits should be shared widely. That endeavor recalibrated to the South Caucasus's favor the historical imperial Russian and Soviet system of extracting raw materials from their vast southern holdings before shipping them north to reap exclusive value-added in their heartlands. A cursory glance at any energy infrastructure map shows the lost opportunity for the Armenian side, with the BTC having to skirt some territories and divert itself unnecessarily to across others, while making Georgia a wealthier country through transit fees and its status as an indispensable regional partner.

Post-2020 developments are also enhanced by the prospects for the expansion of the Baku-Tbilisi-Kars railway (BTK). Although its international agreement was signed in 2005, it faced multiple delays, becoming operational only in 2017 (as opposed to the planned 2010). The outcome of the Second Karabakh War increased the likelihood that BTK could live up to its full potential. Moreover, these new economic and structural impetuses have further gained in importance consequent to the conflict over Ukraine. BTK and related connectivity projects may become momentous even on global terms—after all, the South Caucasus provides the shortest (and safest) rail connection between Europe and China (christened the Middle Corridor to differentiate it from the northern route through Russia and a southern one through Iran).

Where dereliction and destruction stood in areas of Karabakh, transformative renewal is already evident.

These historic developments are partnered with post-2020 works that include an emerging road and highway network. Long a challenge even to Soviet planners who, in theory, could assign unlimited resources to major

projects, the Caucasus mountains remained a profound geographic challenge. The major existing route, which was constructed in Czarist times and telling named the Georgian Military Highway, was nevertheless impassable with snow for months annually. Now, high quality roads systems are linking previously detached parts of this mountainous terrain, which has allowed them to integrate into regional and even international systems.

The post-2020 regional order is not all about infrastructure, however. Plans for integrated and technologically advanced communities ("smart" cities and villages) are being executed, with some of the latter launched in Agali, Zangilan region, earlier this year. Plans to rebuild the devastated city of Aghdam from-the-ground-up are being finalized, and, once completed, will serve as a model green city for the entire region.

The totality of what is proceeding in Karabakh could be a greater transformative impact than the BTC a generation before, and these benefits should be shared widely.

These ideas are innovative and capitalizing on further opportunity—rare is it that countries can rebuild from scratch, and then to install highest-end technology all the way up and through integrated developmental plans. While privatization reshaped so much of the post-Soviet space, the tragedy and in this case irony of the protracted conflict over Karabakh also stunted private ownership. Redevelopment there can occur without the impediments and delays that otherwise occur when trying to produce even modest-sized construction.

Karabakh also has a distinguished agrarian heritage. Farming and shepherding may well gain added importance (at least at the regional level) as a consequence of disruptions to world food supplies caused by the Western-led sanctions and export restrictions regime against Russia in reaction to its invasion of Ukraine. Regardless, some populations will want to farm—or, more accurately, return to farming—and agriculture enhancements are included in the post-war reconfiguration of Karabakh. This is a sector that cannot be neglected, with nearly half of Azerbaijan's population located in countryside, and it is also a sector with significant growth.

All of this has another layer of immutable importance: these realized and planned advances will amount to hefty facts on the ground. Mere facts on the ground do not necessarily cause the reorientation of popular perceptions or of government policy; they can even harden existing policies. Nevertheless, Azerbaijan's reconstruction efforts represent both Karabakh's new reality and its new opportunity.

New reality because not only is reconstruction underway, but also because it will lay the basis for other development and economic patterns, including that for key outsiders. China has been active in the South Caucasus regardless, and Beijing wants to make full use of new infrastructure. New opportunity because, engaged fully and in the right circumstances, the totality of redevelopment can provide economic regeneration. Ignoring this, and forswearing the prospects that it will furnish, risks counterproductivity. Signaling—and tangible reassurance—is needed.

What, then, are the issues, and how might all of this be done?

Signals and Incentives

The following discussion is not to make light of personal and collective pains, humiliation, and fears. At a minimum, dismissing traumas in others irrespective of one's own, risks the immediate derailment of wider and longer-lasting benefits. Self-interest—let alone other worthy motivations, foremost amongst them being individual wellbeing—also appeals to these considerations. At the same time, recognition of the above triad that inevitably arises from the horrendous, protracted conflict over Karabakh is necessary to help build a stable, prosperous, and shared future.

The depth of despair at the outcome of the Second Karabakh War among citizens of Armenia is clear enough—be it manifested in public protests, attacks on government buildings, or the attempt to physically bloc Armenian Prime Minister Nikol Pashinyan's vehicle from reaching the Yerevan airport to depart for Moscow to sign the second tripartite agreement. Prominent writings, also in English intended for international audiences, suggest Pashinyan is unrepresentative for running a "de facto single-party" regime and also of being mentally unwell. Pashinyan treads an incredibly difficult political terrain, of which all interlocutors need to be understanding.

More complex is the matter because of divergent constituencies and communities, even if these also sharing major common interests. Armenia—the country, the polity, and state structures—and Armenians are not monolithic. Often those most physically removed (though not necessarily emotionally) are the most committed to forceful rather than peaceable, negotiated outcomes. Paul Hockenos's *Homeland Calling* (2003) illustrates—primarily through the prism of the Balkans—how much nationalism came to be driven by those born or living outside (even for decades) the cauldron of conflict. After the Second Karabakh War, diaspora publications like *The Armenian Weekly*—which is headquartered in a Boston suburb, i.e., nearly 8,800 kilometers away from Yerevan—called not just for the reinvigoration of the Armenian military, but also that re-armament is the *only* option for Armenia. Bellicose rhetoric from any party invites more of the same—generating vicious cycles that are unlikely to help anyone. It should also go without saying that nationalism, by itself, does not generate any economic welfare.

True, in the past, Armenian leaders from Karabakh have had a disproportionate influence on the politics of Armenia. But the dynamics now are fundamentally different, and the country's public policy questions should focus primarily on economic revitalization.

It is often those living face-to-face, or closer to their counterparts, that ultimately want and need realistic, workable, and practical measures. True, in the past, Armenian leaders from Karabakh have had a disproportionate influence on the politics of Armenia. But the dynamics now are fundamentally different, and the country's public policy questions should focus primarily on economic revitalization—an against-the-odds effort that the Pashinyan government is pursuing. Armenians and Azerbaijanis living in the two countries are the core interlocutors, and expressions of need and concern—including the matter of security guarantees—should be addressed in terms of mutual interests and with genuine recognition of and responses to asymmetric relations and needs.

Thus, it is to the ethnic-Armenian communities on the ground to which appeals to the future can and should be made. Beyond existing calls for non-violence and the avoidance of any provocations, repeated reference to the futility of war is essential—foremost on the individual human level. Of course, some may still commit to the "greater good" of sacrifice for the collective, but many now likely understand that this has only brought them harm for decades.

It seems sensible first to address the socio-economic and security wellbeing of those most geographically affected. The real alternatives for generating economic prosperity should be extolled—and questions pressed to those who lack alternatives.

It is worth asking, what are the realistic sources of support? One is China, to which Armenian sources give much attention and which is underlined by the Memorandum on the Promotion of Cooperation in Building the Silk Road Economic Belt signed by Armenia and China in 2015. China has promised IT developments for Armenia. Nevertheless, even Armenians noted the limitations before the 2020 war. For example, Armenian analyst Mher Sahakyan offers the cautionary note that Armenia "could not find its place in China's mega initiative, which has resulted in the Sino-Armenian relationship being in a state of stagnation." China's two BRI projects in Armenia are valued, in international terms, at a paltry $10 million. In the wake of the Second Karabakh War, China is redoubling efforts to be involved in and benefit from postwar infrastructural redevelopment. Far from putting hopes on China, Armenia might want to reconsider how it can best maximize work with Chinese interests.

It is therefore unlikely that China can be Armenia's deliverer, irrespective of the already colossally-imbalanced trade in the former's favor. For China even remotely to be able to fulfil such a role would also require the end of blockades by two of Armenia's neighbors (i.e., Azerbaijan and Türkiye), and likely also the end of sanctions on both Russia and Iran. A regional plan therefore is needed for this option to work.

A second source remains Russia, which has been economically important to Armenia as both the country's largest trading partner and a provider of employment for remittances.

True also that in the April 2022 meeting between Vladimir Putin and Pashinyan, Russia pledged to increase bilateral trade. Russian-Armenian trade remains far larger than Sino-Armenian, but in the long-term is not a substitute for the EU market. Notwithstanding that Armenia balked at signing an association agreement with the EU in September 2013, it has worked stealthily since then to navigate the pressures of being uniquely linked to the wider region's two regional trade formations. That includes the 2017 signature of the EU-Armenia Comprehensive and Enhanced Partnership Agreement, which entered fully into force in 2021 but with provisions that may remain declaratory rather than generating significant income.

> *Azerbaijan now holds a decisive hand. It is to that hand to show tangible, unambiguous magnanimity—and to know that this is a sign of strength, and also an act that could generate greater prosperity and security for the entire region.*

These limited prospects could be reversed, and a win-win scenario ensured by involvement in post-war redevelopment. Unfortunately, some of the limited efforts to recommence connectivity after 2020 have caused discord, especially when attempted forcibly. All the more is the case, therefore, that socio-economic developments need to be conducted transparently and with as much agreement as possible—with the help of third parties, if needed. These initiatives must not engender fear and instead make the benefits more palpable to all.

Easier for those at a distance to propose such things; but that may be exactly what is needed. In the past, I have shown to assembled Azerbaijani some of the depictions Armenians themselves have generated—and credit to the Azerbaijani organizers for that. Azerbaijan now holds a decisive hand. It is to that hand to show tangible, unambiguous magnanimity—and to know that this is a sign of strength, and also an act that could generate greater prosperity and security for the entire region.

Indeed, it is critical for all parties to desist from anything that could be conceived as undue expressions of strength. This sounds impossible, and in practice, almost is. The importance, however, is greater now than before 2020: the physical proximity of people to armed forces, and armed forces to each other, has increased. If Armenians, and Azerbaijanis, can come to be or feel safe, the role for armed outsiders can diminish. That in turn eliminates possibilities for local misunderstandings, mishaps, and misperceptions, all of which too easily can escalate.

> *'Strasbourg' can provide at least four critical elements in the South Caucasus: one, positive force multiplication; two, technical know-how and planning best practices; three, funding; and four, soft security.*

Championing an inclusive future for Karabakh, now again under Azerbaijani control, would constitute a tremendous opportunity to reinforce the government's successful portrayal of the country's ethnic and religious tolerance and co-existence. So many a Western diplomat has praised, as it has been put, a "'Muslim' country that treats its minorities well." Ensuring the safety of ethnic-Armenians wanting to return or remain in Karabakh would be a remarkable addition; implementing a policy of inclusive involvement in and gain for economic renaissance would be mutually beneficial, and, indeed, could be seen eventually as a confidence building measure in its own right.

If needed, credible intermediaries should be recruited and encouraged to aid the process of, first, communicating benefits, and, second, of seeing them achieved. 'Strasbourg' holds incredible promise.

'Strasbourg' in the South Caucasus

As noted above, in addition to its important historical significance, 'Strasbourg' stands here also as a shorthand for the EU and its many institutions. 'Strasbourg' can provide at least four critical elements in the South Caucasus: one, positive force multiplication; two, technical know-how and planning best practices; three, funding; and four, soft security.

Positive force multiplier refers to how the EU represents many policies and views of the West—i.e., the U.S. and most of the other industrial democracies—and the stability and support that goes

along with it. American policy towards the South Caucasus is often overlapping with and reinforcing or even de facto subcontracting to EU. As EU Neighbourhood and Enlargement Commissioner Olivér Várhelyi explained in March 2021: "The U.S. and the EU act along similar lines; we share a similar vision. Security and stability are the foundations of prosperity. We cooperate already to strengthen the region's resilience, particularly on governance and rule of law in Armenia and Georgia, and on economic diversification and civil society in Azerbaijan."

In addition to its "Western" role, the EU can provide an additional platform for working though ever-increasing Chinese interests in the South Caucasus, which both Armenia and Azerbaijan welcome, though separately. Usefully, the EU also calls for working with China in this region. As an EU Commission document explained in September 2018: "The European Union and China share an interest in making sure that our respective initiatives work well together, despite the differences in approach and implementation. Connectivity is not possible if systems and networks are not interoperable."

> *A greater EU presence in the South Caucasus would provide diplomatic ballast to Tbilisi as well as good returns for the other two South Caucasus states.*

EU involvement acts also as a force multiplier for Georgian concerns, and then for the vital roles that Georgia can continue to play for many parties in the South Caucasus. Tbilisi, with 20 percent of Georgian territory out of its control, understandably is doubtful of the 3+3 format—it's Tbilisi's policy not to enter into new regional arrangements that involve Russia and no Western states. Georgia seeks closer ties with the EU, having submitted an "application" (however symbolic) for EU membership after the Russian attack on Ukraine. In late June 2022, the EU Council fell short of granting official candidate status for Georgia, but it did recognize its "European perspective," declared that its "future" lies in the European Union, and stated that it will be "ready to grant the status of candidate country to Georgia once the priorities specified in the [EU] Commission's opinion on Georgia's membership application have been addressed." A greater EU presence in the South

Caucasus would provide diplomatic ballast to Tbilisi as well as good returns for the other two South Caucasus states.

Technical capacity and funding is critical for the post-2020 regional progress to have a real chance at success. While the calls in the various Russia-mediated and EU-facilitated post-war statements involving Armenia and Azerbaijan to unblock transport lines and communications are essential starting points—not least after three decades of impasses—they have not yet materialized. This is understandable, for these matters are complex and sensitive. More work is needed, but the light at the end of the tunnel is now visible, with Azerbaijani initiatives to date already being recognized.

In this essential domain, the EU is fundamentally—and, arguably, irreplaceably—important. It offers concrete value-added in having had long-term interest and expertise in transportation and infrastructural development. In the South Caucasus it has had scant chance to bring planning into play: before the Second Karabakh War, EU provisions could only be inchoate and for parts even incoherent due to the protracted conflict that came to an end in 2020. EU plans under its Trans-European Transport Network (TEN-T) for Armenia before 2020, other than one modest connection to Georgia, proposed no more than cul-du-sacs transport routes that remain within that country.

Other plans were underway before 2020, with impetus for more now. In its first High-Level Transport Dialogue with Azerbaijan, in February 2019, the EU sought to take forward infrastructural plans on the basis of focused attention on technical cooperation. In that Dialogue, the EU rightly recognized Azerbaijan's regional roles and initiatives, including the newly-opened Baku-Tbilisi-Kars railway, the Baku International Sea Trade Port, and the joint Common Aviation Area Agreement. Here too, the EU referred to TEN-T. These necessarily tentative but auspicious plans now have unprecedented opportunity.

Most tragic and also most relevant to present plans is how some efforts at re-opening or building new connectivity have sparked fear and even violence.

The ongoing destruction of Ukraine is now an added consideration for regional reconstruction, although one that needs not necessarily hinder the expansion of the EU's footprint in the South Caucasus. The EU conceived of TEN-T in the context of its Eastern Partnership—that is, with more countries than just those three in the South Caucasus. The looming need for Ukrainian reconstruction and re-integration will be astronomical, and the EU's TEN-T program is due for revision in 2023. The time is incredibly auspicious for everyone.

Other issues, of course, abound. Most tragic and also most relevant to present plans is how some efforts at re-opening or building new connectivity have sparked fear and even violence. Mutual benefit needs to be reiterated by all interlocuters. After all, it was Russia that brokered the trilateral agreements that included the first references to the resumption of transportation. And the EU appropriately affirmed on 22 May 2022 that Armenia and Azerbaijan had "no extraterritorial claims with regard to future transport infrastructure."

Of course, Karabakh's status, though consistently recognized internationally as part of Azerbaijan's international boundaries, lacks the formal and binding agreement of Armenia. Here, a reiteration of the postmodern European project is vital: enemies can not only reconcile but flourish together. And here too the EU appears—and now fully as 'Strasbourg'. A city with a distinctively-one-spired cathedral, its significance radiates from sitting by the German border in the Alsace region of France—a part of Europe over which Europe's two major continental powers fought three times in as many generations. By contrast, today one traverses that evaporated border with happy oblivion regarding those conflicts, and instead having pause for the European institutions established in their stead. This must not be merely rhetoric. Positive actions on the ground will relay those essential messages even more convincingly. Credible external powers need also to join that refrain, and to back it materially.

The South Caucasus could be a significant winner from the circumstances arising in the wake of the Second Karabakh War. This would mean a move, albeit quite gradually, to something of a postmodern conception of both state and nation. That should not mean the loss of territory, history, or sense of place, especially for those who have been displaced, but their recasting—and in many respects, for greater benefit.

The EU also has tremendous opportunity, having looked for over a decade for ways to transform what it labelled its Eastern Partnership. This program has stumbled—not least because it almost arbitrarily packed together six very different countries. The infrastructural talks the EU began in the High-Level format in 2019 with Azerbaijan was also done with reference to the Eastern Partnership. An EU dimension may well be a significant way to reassure and incentivize Armenian participation.

Until the earlier this year, the U.S. and French governments expressed support for the OSCE's Minsk Group Co-chair format to continue. The EU has associated itself with various statements by the Co-chairs, such as that calling for restraint after a lethal flair-up in November 2021. But Azerbaijan's historical patience and frustration at the Group's failure is understandable. And like after the 2008 Russo-Georgian war, which coincided with Moscow redoubling efforts on Karabakh, the Kremlin might also attempt the same now—despite and because of Ukraine. Still, the Western Co-chairs and Russia have made it clear that the format is inoperable for the moment. Together with Azerbaijan's understandable unwillingness to engage through it, clearly no one should count on its relevance.

All said, it may be wise and beneficial to recognize that the Armenian side needs some reassurance—the 3+3 format may be unlikely to do so because of the absence of any Western party. If an integrated and prosperous South Caucasus is genuinely wanted in future, some greater role in this vital interim period for the EU as a soft security provider could pay off well later.

Third, EU involvement is a means to address costs. Should Azerbaijan have to pay for all of the reconstruction? That is both a moral and practical issue. Moral because Azerbaijan had felt aggrieved at international indifference to the occupation, neglect, and destruction of its territory. Moral also because although a successful hydrocarbon extractor and exporter, Azerbaijan's GDP is incomparable to those, for example, of the Gulf states. Practical, because of all of Azerbaijan's economic growth, its relative wealth is small.

Should Azerbaijan have to pay for all of the reconstruction? That is both a moral and practical issue.

World Bank statistics even put its 2020 per capita GDP at slightly below Armenia's ($4,266 and $4,221, respectively. These comparative figures also show the potential for wider benefits from energy innovations). And for greater contrast, the World Bank calculates UAE's per capita GDP ($36,284) to be eight times that of Azerbaijan and that of Qatar at almost twelve times ($50,124). *Eurasianet* reports reconstruction cost estimates of $15 billion. By contrast, the first postwar Azerbaijani state budget allocated just over $1 billion to reconstruction, although this figure has increased dramatically since then.

Another cost is that of demining—here financial figures, great though they are, are insufficient to grasp the scope of the challenge. This dangerous process is already underway in Azerbaijan, and its necessity and urgency is underscored by the fact that those planted munitions have inflicted at least 200 more casualties since the end of the Second Karabakh War. International support and solidarity in this painstaking procedure is a statement to general human wellbeing.

In addition to moral, EU involvement is practical, with the potentiality to facilitate more investment in the new transit corridors that are themselves potentially win-win. Although Azerbaijan's hydrocarbon resources are important sources of energy diversification, they cannot total replace Russian energy supplies to the EU. Nevertheless, it remains an alternative and, more importantly, greater expansion of routes and capacity could do what should have bene done decades ago—namely, ensure greater linkages with Central Asian hydrocarbon flows via Azerbaijan. EU support now and hereafter might be very helpful.

This takes us back to the moral aspect. In describing itself as a key partner of both Armenia and Azerbaijan, the EU will want to show equanimity. The parties can have some confidence in the EU and the individual efforts and offices of EU Council President Charles Michel, which have been received well by both Baku and Yerevan. And the words of the EU's Special Representative for the South Caucasus, Toivo Klaar, are apposite: "The EU is genuinely interested in supporting the emergence of a South Caucasus that is that is peaceful, that is prosperous. We are a genuinely benevolent actor, that was our message. I think that is also recognized in Baku and Yerevan."

A final EU role is soft security provider and inter-cultural assister. We need, again, to be realistic that reconciliation is a long-term process—much uncertainty remains. The above discussion already points to multiple benefits from the EU and its positive reception by groups within all parties. The EU is well-versed in creating dialogue internally and externally, and it also presents itself as world-class exemplar in building cross-border and cross-cultural educational programs.

The post-2020 environment is an opportunity for the EU to show its capacity for transformative development. Finding a safe and acceptable way to internationalize the new connectivity and economic developments of the South Caucasus holds potential for everyone's benefit.

Incentivizing Past the Obstacles

We started by caveating the introduction of lofty-sounding Strasbourgian ideals by acknowledging obstacles like open tensions on ground and the fact that various normalization documents are yet to be negotiated, much less signed—even and as all UN member states (save one) continue to recognize Azerbaijan's international borders.

The obstacles, however, do not alter the facts of transformation in Karabakh. And that includes also their likely long-term implications—and benefits. Third parties would do well to convey the message of benefits, including that the future of the South Caucasus need no longer be about insecurity but about prosperity. Disaffected parties—even individuals—can and do challenge peace processes, sometimes instrumentally and other times on the basis of genuine concerns. Issues of insecurity need to be addressed to ensure prospects of long-term peace and prosperity.

Third parties would do well to convey the message of benefits, including that the future of the South Caucasus need no longer be about insecurity but about prosperity.

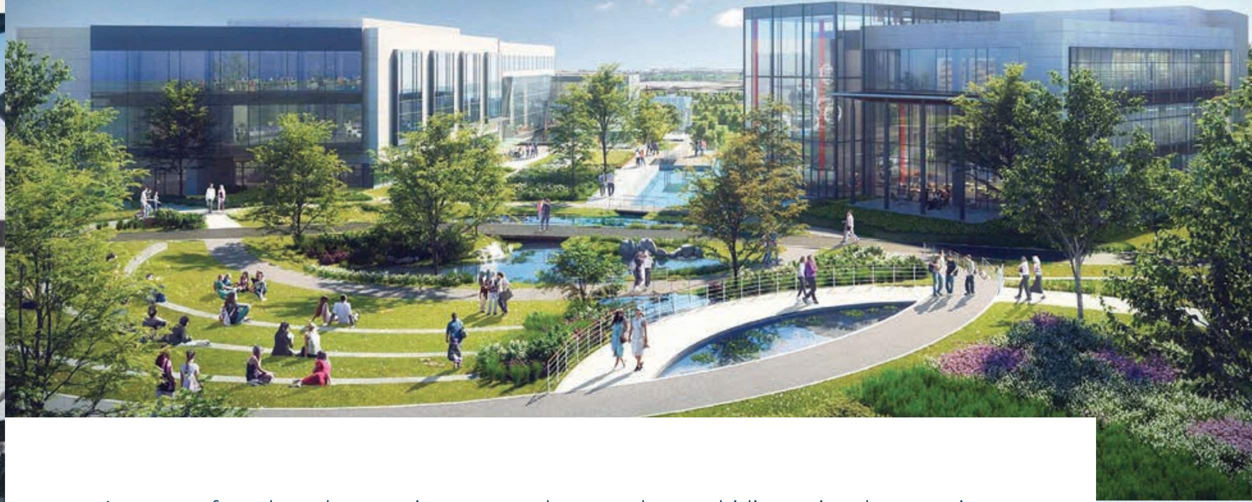
It is thus all the more essential to make prospects for the region as whole as attractive and as transparent as possible, and to dent the prospects of the spoilers. While some may wish to negotiate bilaterally, it is also understandable that others may wish the presence or participation of farther-afield parties. Utilitarian, gains-for-all benefits may come from multilateralism.

Those who continue to call for violence should be invited to offer plans for prosperity (and any silence allowed to speak for itself). This is and should be true for all. The value and volume from transit rights could be overtaken by the benefits from other economic plans. As important and promising as that is, lasting peace also comes from transcending transactional and technical processes. The EU, especially, could be encouraged to assist in both facilitating and promoting mutual understanding; the EU also has vast experience, from transnational education to integrated regional tourism: the long-term ideal is a twenty-first century version of what 'Strasbourg' was for the second half of the twentieth century. In fact, what we may want is 'Strasbourg' twice—first, as that European symbol of prosperous reconciliation; and second, as a soft but essential security provider equipped with means, funds, know-how, and ultimately reassurance to get the job done right.

Premature, even naive might be the idea of a "Strasbourg in the South Caucasus." But little happens without ideas, ideals, and will. The starting point is dispassionate cost-benefit analyses and a willing to see mutual gains. The physical groundwork is underway to make that possible. In the absence of direct bilateral dialogue, let alone agreements, multiple interlocuters are needed to expand dialogue, profile opportunity, and to reassure. Without first signaling and then encouraging participation in the benefits that will accrue from this transformative process, yet another generation may miss out from what is happening right now. BD

BREAKING GROUND ON THE NEW ITALY-AZERBAIJAN UNIVERSITY

ADA University Partners with Five Leading Italian Universities



As part of a shared commitment to deepen the multidimensional strategic partnership between Azerbaijan and Italy, Italian Foreign Minister Luigi Di Maio was joined on 2 April 2022 by his Azerbaijani counterpart Jeyhun Bayramov, together with Energy Minister Parviz Shahbazov and Education Minister Emin Amrullayev, to officially break ground on the construction of the Italy-Azerbaijan University on ADA University's campus.

ADA University will partner with Luiss University, Bologna University, Politecnico di Milano, Politecnico di Torino, and Sapienza University of Rome. The new university will serve as an intellectual basecamp for the transfer of knowledge, know-how, and technology in globally-acknowledged fields of Italian excellence, including:

- Agriculture and Food Science
- Engineering
- Architecture and Urban Planning
- Interior and Industrial Design
- Management, Innovation, and Entrepreneurship

The ceremony coincided with celebrations marking the thirtieth anniversary of the establishment of diplomatic relations between the two states and was followed by a conference hosted by ADA University featuring keynote addresses by the two foreign ministers.

Afghanistan-Azerbaijan Relations

An Underappreciated Bilateral Relationship

Mirwais Balkhi

Despite having a long history of friendly interaction going back centuries, Afghanistan and Azerbaijan have enjoyed formal diplomatic relations only in the post-Soviet period. The political destiny of the latter is in some ways reminiscent of the former (evident differences notwithstanding), given the hegemonic intentions and malicious machinations of various regional and great powers. Both past and present leaderships share a view that expansionist policies of neighbors can produce regional pessimism, which in turn can produce regional instability and result in the stagnation of economic and political development.

Afghanistan views Azerbaijan as a prosperous country that deftly manages its foreign policy by building various coalitions to offset centrifugal pressures. Azerbaijan, for its part, has viewed the advancement of cooperation with Afghanistan as key to augmenting its status from a Silk Road region energy and connectivity hub to an active player in Afghanistan's stability (and, by extension, the stability of the entire region). This has certainly been the case in the recent past and is likely to be so in the period to come—and, perhaps, it may even be possible in the difficult circumstances that characterize the present.

On the other side of the ledger—i.e., from Afghanistan's foreign policy perspective—Azerbaijan is one of the most important countries in the Silk Road region due at least in part to its strategic location, which represents an interest for Afghanistan in the context of advancing its "land-linked" economic policies. Afghanistan looks at Azerbaijan both as a historically-important partner in a broader regional policy and as a transit hub for its cross-regional trading policy.

Azerbaijan became involved in Afghanistan's post-Taliban affairs as an active and pragmatic actor in the fight against extremism and the promotion of development.

Azerbaijan regained its independence as the Soviet Union was collapsing. Since that time, it has developed an independent foreign policy and established relations with virtually the entire world. Among the countries in the Silk Road region, the Islamic State of Afghanistan was one of the first countries to recognize the independence of Azerbaijan in 1992. Kabul's newly formed regime recognized Baku and expressed support for its policy regarding the conflict over Karabakh.

With the first rise of the Taliban to power in Afghanistan (1996-2001), countries in the region—including Central Asian countries—became increasingly exposed and vulnerable to the resulting security threats. For a time, Azerbaijan was a country that was severely affected by the drug trafficking and religious extremism activities of movements like Jay'sh al-Islam and al-Qaeda. Following the 2001 fall of the Taliban regime in Kabul and the involvement of international forces in the comprehensive reconstruction of Afghanistan, Baku wasted no time in joining that grand coalition.

Azerbaijan became involved in Afghanistan's post-Taliban affairs as an active and pragmatic actor in the fight against extremism and the promotion of development. Although Baku was not initially a member of the "Heart of Asia-Istanbul Process"—a platform jointly launched by Afghanistan and Türkiye in 2011 for promoting regional security as well as economic and political cooperation centered on Afghanistan, through the fulfillment of a set of "confidence building measures"—it firmly and immediately supported the initiative as soon as it joined it. A clear example of this support can be seen in Baku

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having co-led the implementation of both the counter-narcotics and the regional infrastructure "measures" on behalf of the aforementioned Process.

A Historical Bird's-Eye View

There is no book in any language devoted to the history Afghanistan-Azerbaijan bilateral relations, notwithstanding the fact that the peoples inhabiting the two countries have a long and deeply-rooted record of ties based on mutual respect and other traditional values of international relations.

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Thus, a common moral-traditional approach has heavily influenced the foreign policy doctrine of both countries. For example, in the doctrine developed by Heydar Aliyev during his years as President of the Republic of Azerbaijan, forming and deepening ties with different countries and blocks constituted an essential component of Baku's foreign policy (this vector has remained a constant under his successor, Ilham Aliyev). Meanwhile, Afghanistan's foreign policy also traditionally emphasizes cooperation with a plethora of regional actors and stakeholders. Both countries, in other words, are attuned to the advantages of multi-vectoralism.

Relations between Afghanistan and Azerbaijan can be divided into seven periods, based on Afghanistan's historical ups and downs: the ancient/medieval period; the pre-Soviet period; the Soviet period; the post-Soviet period; the first Taliban period; the 2001 to 2021 period; and the present Taliban-dominated period. In this essay, I discuss all but the first period (i.e., I do not discuss in detail the Aryavrata-Aropatene period, notwithstanding the fact that the legacy of Zoroaster of Balkh is held in common among the peoples of Azerbaijan and Afghanistan). Still, it is at least worth mentioning here briefly that

in medieval Islamic records, Hatim bin Harthama ibn A'yan of Balkh, who was born on the territory of present-day Afghanistan and died in 826 AD, was the first ruler on the territory of present-day Azerbaijan who established an independent government (820 AD) during the reign of the Abbasid Caliph al Ma'mun, following his father's assassination.

Both Afghanistan and Azerbaijan were attuned to the advantages of multi-vectoralism and shared a commitment to fighting terrorism and other forms of radical extremism.

Pre-Soviet Period

Before the establishment of the short-lived Azerbaijani Democratic Republic during the Russian civil war period at the turn of the twentieth century, there had been people-to-people contacts between the nations of Afghanistan and Azerbaijan going back centuries. Historical records show that the earliest direct contact between the people of Afghanistan and Azerbaijan took place during the Ghaznavids' rule at the end of the eleventh century. At that time, Sultan Mahmud of Ghazni made great efforts to support the Oghuz Turks around Khorasan—a historical territory situated mostly in present-day northeast Iran—whose presence was also felt on the other side of the Caspian in present-day Azerbaijan. This led to various exchanges with the Ghaznavids. Of course, these first relations ended with the fall of the Ghaznavid Empire in 1186. After that, the Khorasan region (parts of which had been a part of medieval Afghanistan) experienced various sorts of tumults, due to the internal power displacement from the Ghaznavids to the Ghorids as well as invasions by the Seljuks and Timurids, both of which unified the territories of present-day Afghanistan and Azerbaijan during their respective apogees.

Hotaki is the second dynasty in Afghanistan's history that retains a footprint in the history of earlier contacts between the two peoples. Shah Ashraf Hotaki (1725-1730) attacked the Azerbaijani (Oghuz) Turks by launching a campaign in the western part of Iran from Tabriz to Azerbaijan. This clash lasted throughout much of the eighteenth century. Interestingly, notwithstanding these political-military clashes, there is scant evidence of any sort of substantive contact between the two peoples.

There is quite a bit more evidence of elite-level contact from the post-Hotaki period to the start of the Soviet Union's invasion of Afghanistan (1738-1979). Various records indicate that at different stages of history, the various rulers of Afghanistan took quite an interest in Azerbaijanis. On the other hand, not much archival research has been undertaken on the people-to-people side of the ledger—so we just don't know yet. But we should mention that diplomatic contact between Afghanistan and the Azerbaijani Democratic Republic did take place during the latter's few years of existence.

Soviet Period

Following the Soviet Union's occupation of Central Asia and the South Caucasus after the Russian civil war, the USSR became Afghanistan's neighbor. During this period, there was significant contact. Obviously, Azerbaijan was not an independent actor during this time, but Moscow did rely on diplomats originating from that part of the USSR to advance its interests in Afghanistan, sending a number of Azerbaijanis to Kabul as Muslim agents.

The Soviet invasion of Afghanistan in 1979 precipitated a new era of relations among the people of Central Asia. A document refers to Heydar Aliyev from that era (he was then a candidate member of the country's Politburo). In it, he indicates support for the Soviet Fortieth Army's arrival in Afghanistan, adding that henceforth the country would be included in the development plans of the socialist countries, and that the people of Afghanistan would soon be prosperous.

Perhaps as many as 10,000 Soviet soldiers from Azerbaijan—spread out over a decade's time—took part in the Soviet invasion and occupation of Afghanistan. Unintentionally, the presence of so many Azerbaijani military personnel had the effect of increasing the level of people-to-people contacts between the two nations: many contemporaneous reports indicate that the people of Afghanistan, including men in uniform fighting for all sides, recorded these encounters in various forms, which helped deepen knowledge of each other's cultures.

Post-Soviet Period

The fall of the Soviet Union in 1991, on the one hand, resulted in the victory of Mujahideen in Afghanistan, and, on the other hand, the emergence of Central Asian and South Caucasus independent states, including Azerbaijan. After establishing the Mujahedeen government in Kabul, the Islamic State of Afghanistan pursued a policy of supporting the Muslim nations of Central Asia. The government declared its support for the rule of law in Azerbaijan, which included recognizing the former Nagorno-Karabakh Autonomous Oblast as an integral part of the country's territory—notwithstanding the fact that the First Karabakh War was reaching its peak.

Burhanuddin Rabbani, the then president of the Islamic State of Afghanistan, sent a force of around 1,000 Afghans to assist the Azerbaijani war effort in the period prior to the return of Heydar Aliyev to power. Approximately 300 of them remained in Azerbaijan, with some marrying local women and starting families (these households assimilated so thoroughly into the fabric of Azerbaijan that in many cases the resulting children do not speak the language of their fathers). The rest returned to Afghanistan by war's end. I have met some of these veterans, who shared their memories of life in Azerbaijan in the early 1990s.

The first Taliban period (1996-2001) is characterized by the absence of diplomatic ties between Kabul and Baku, which was consistent with the Taliban government's rejection of the legitimacy of secular governments, including Azerbaijan's. The government and people of Azerbaijan would have hardly had contact with Afghan issues. Baku did not have an active policy towards Afghanistan during this period, although it was concerned about the Taliban's support of Islamists movements beyond the country's borders; the Taliban Islamic Emirates had announced the recognition of Chechnya as an independent state one week after its forces entered Kabul and even allowed a Chechnyan embassy to open up in Wazir Akbar Khan, the diplomatic enclave in Kabul. All this was an alert to Baku, which took all necessary preventive steps.

More Recent Bilateral Relations

The contemporary relations between Afghanistan and Azerbaijan began after the invasion of the U.S.-led forces to support the United Islamic National Front for the Salvation of Afghanistan (i.e., the Northern Alliance) and remove the Taliban from power. Since then, relations between the two countries entered into a new phase.

This next section will cover the period 2001-2021: the collapse of the first Taliban regime with the cooperation of international forces and the establishment of a new government in Afghanistan was one evident turning point (another, obviously, was the return of Taliban rule in summer 2021). Within this 20-year period, we will begin by discussing the place of Azerbaijan in Afghanistan's foreign policy and then the place of Afghanistan in Azerbaijan's foreign policy.

Although Azerbaijan's pragmatic foreign policy in Afghanistan is quite noticeable, diplomatic relations between Baku and Kabul had been limited at the start to sending and receiving congratulatory and condolence notes, with the two countries first covering each other on non-residential bases before opening embassies in each other's capitals.

After the fall of the Taliban and the establishment of an interim administration in Afghanistan, the government in Kabul sought to redefine foreign policy and drew the lines of this policy in three concentric circles consisting of relations with neighbors, the region, and the world. As a Silk Road region country (albeit located in its South Caucasus portion), Azerbaijan was given serious attention by Afghan policymakers within the context of Afghanistan's second concentric circle (regional policy). This was because the Azerbaijani government became interested in Afghanistan and took an active part in the security and reconstruction of the country. "In the most difficult circumstances, Azerbaijan and Afghanistan have supported each other, and there has been a very close relationship between the two countries," Afghan Foreign Minister Zalmai Rassoul said in a 2012 interview with an Azerbaijani newspaper.

From Kabul's perspective at the time, the most critical factor in developing good relations between the two countries was the explicit opposition of Azerbaijani policymakers to any extremist and terrorist activities in the Silk Road region, especially Afghanistan. Azerbaijan became a strong partner of the international community in helping to stem the tide of this devastating phenomenon through its active presence in Afghanistan. Moreover, Azerbaijan worked with the United States and its Western partners in various areas and was also present in the framework of NATO forces in Afghanistan.

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Afghan policymakers considered the role of Azerbaijan important not only in furthering postwar reconstruction efforts but also in the modernization of the country's infrastructure. The assistance of the Azerbaijan National Agency for Mine Action (ANAMA) in 2008, which entered Afghanistan actively and worked closely with the Afghanistan Natural Disaster Management Authority, also strengthened Afghanistan's trust in Baku.

In addition, other issues were instrumental in strengthening relations between the two countries. For instance, starting in 2010, the Azerbaijan Diplomatic Academy (the forerunner of ADA University) began conducting specialized training courses for Afghan civil servants and diplomats. The country also donated hundreds of thousands of books to Afghanistan more than a decade ago now, with several high-level and high-profile ministerial visits taking place over the years. Azerbaijan also contributed to Afghanistan's technological modernization through various programs. Moreover, Baku became a significant logistics hub for American and Western civilian and military aid programs, as hundreds of thousands of NATO flights bound for Afghanistan passed through the country. Lastly, a contingent of Azerbaijani troops helped to provide security to the country's main international airport in Kabul.

At the same time, Afghanistan assumed importance in Azerbaijan's diplomatic conception and posture from the early days of its renewed independence. In fact, since the 1990s, Azerbaijan has considered Afghanistan to be essential to the region's stability and security as well as an influential variable in its political-security and economic equation.

This role was highlighted when Türkiye—a close partner to both Afghanistan and Azerbaijan—got Azerbaijan involved in Afghanistan's reconstruction. Ankara's catalytic role led Baku to support Afghanistan's post-Taliban playmaking process, which eventually resulted in Azerbaijanis coming to Afghanistan to stand alongside their Western colleagues.

As noted above, Baku welcomed a Turkish-led initiative to address Afghanistan's challenges through trust-building measures within the Istanbul Process, taking a leadership role in two pillars and actively participating in others.

In short, Azerbaijan held to the view that reducing threats in Afghanistan and creating promising opportunities in the country would contribute greatly to stability throughout Central Asia, the rest of the Silk Road region, and even farther afield, which would in turn pave the way for sustainable economic growth and development in the region.

Determining Constants

But that trajectory is no longer the main one. It is hard to forecast how long the Taliban will rule the country this time around. In many ways, however, its return to Kabul has not deconstructed the underlying constants that can still serve as a foundation for continuity in relations between Azerbaijan and Afghanistan. These may become inactive or even dormant in the short run, but briefly enumerating them can help both sides understand why maintain a modicum of relations in the interim may be beneficial—both at the decisionmaking and people-to-people levels. After such a survey, we can discuss aspects of the present Taliban period and how these impact upon the bilateral relationship.

Both countries stand to benefit from cultivating predictable ties with regional actors like China, India, Iran, Pakistan, Russia, Türkiye, and the United States. With the exception of the latter, all fall within the geographic purview of the Silk Road region—whether in whole or in part. Whether Baku or Kabul like this or not, in one way or another all the enumerated actors have assumed foreign policy postures that result in each of them showing geopolitical and geo-economic interest in both Afghanistan and Azerbaijan (and the countries in between). A sophisticated approach to foreign policymaking by the two countries may therefore produce numerous advantages not only to the actors enumerated above but also to the two countries at issue in this essay. Azerbaijan has demonstrated an ability to conduct such a multi-vector foreign policy to a much greater extent than has Afghanistan. Thus, Afghanistan can and should engage more actively with Azerbaijan when its domestic circumstances allow for such overtures. In doing so, Baku could provide knowhow and guidance for how Kabul ought

to enhance its diplomatic standing and maneuverability, given its particular constraints.

In addition, the peoples of Afghanistan and Azerbaijan have historical, linguistic, religious, and ethnic ties and commonalities, which points the way towards the possibility of the cultivation of stronger and deeper cultural opportunities between them. Four can be highlighted here. *First*, the presence of Turkic ethnic groups in Afghanistan, which can bridge the physical distance between the two states. *Second*, Afghans maintain deep respect for the Persian literary achievements of various Azerbaijani writers and poets, in particular Nizami Ganjavi and Khagani Shirvani. *Third*, both countries are Muslim. Azerbaijan is majority Shia and contains a sizeable Sunni minority; Afghanistan is the opposite. Azerbaijan's tradition of peaceful coexistence, which to some extent existed and may still exist in some Afghan cities, is a model that could be emulated. *Fourth*, the presence of a growing number of Afghan students (and alumni) in Azerbaijani universities, assuming they return to their home country upon the completion of their studies or subsequently, could be of great benefit for cementing future ties.

Lastly, Afghanistan and Azerbaijan have a number of converging interests and shared threats that will remain constant in the time ahead. *One*, the fight against terrorism, religious extremism, and the trafficking in illicit drugs. The networks engaged in these activities are transnational by design and ideology, and enhanced cooperation between Baku and Kabul would be mutually beneficial. This is particularly the case given the likelihood that a number of radicalized Azerbaijani citizens have found refuge in or near Afghanistan. Ironically but not surprisingly (given current domestic political dynamics), it may be in the interest of both the National Resistance Front as well as the Taliban to work discretely with Baku to counter the threat posed by terrorist groups operating within the country (whose members may include Azerbaijani citizens). Moreover, a post-Taliban Afghanistan ought to have at least an equal interest to work with countries like Azerbaijan in eradicating such groups.

Two, Afghanistan and Azerbaijan share trilateral or multilateral platforms. Regarding the former, we can mention the Afghanistan-Azerbaijan-Türkiye trilateral format. Ankara's reliability and support has been vital to both countries. The fact that Hamid Karzai's successor as president, Ashraf Ghani, had purposefully deteriorated Afghanistan's relations with Türkiye because Ankara had supported rivals Abdullah Abdullah and Abdul Rashid Dostum, has made it easier for the Taliban to reach various understandings with that country. This in turn could be useful for Azerbaijan.

> *Baku's victory in the Second Karabakh War demonstrates what a relatively small army can achieve on the battlefield if trained and equipped properly for its own needs. The rapid collapse of the Afghan Army, which had been generously financed by the West, demonstrates what can happen if local conditions and priorities are not taken into account.*

Regarding the latter, we can mention the Organization of Islamic Cooperation (OIC) and the Economic Cooperation Organization (ECO). Under both Karzai and Ghani, Afghanistan overemphasized relations with neighbors as well as regional arrangements that were championed by its Western allies. The potential benefits for Afghanistan of greater engagement with OIC and ECO were relegated to the sidelines without any systemic examination of how these could benefit the country's development. Opportunities were missed to engage countries like Azerbaijan, which is a member of both OIC and ECO, within these and similar multilateral platforms. I should add that ECO was formally central to Afghanistan's development plans during this period, but the country's leadership did not take full advantage. For example, the signing of an investment support agreement between Afghanistan, Azerbaijan, Tajikistan, and Türkiye did not live up to its potential; neither did Azerbaijan's support and assistance to the Special Fund for Afghanistan Reconstruction within the framework of ECO—in part because building the TAPI pipeline, which could have been leveraged to finance ECO projects, was not prioritized enough.

Three, Afghanistan and Azerbaijan have a converging interest in enhancing their respective military capabilities. Baku's victory in the Second Karabakh War demonstrates what a relatively

small army can achieve on the battlefield if trained and equipped properly for its own needs. The rapid collapse of the Afghan Army, which had been generously financed by the West, demonstrates what can happen if local conditions and priorities are not taken into account. In this sense, Azerbaijan is a role model that Afghanistan could emulate in the time ahead. Moreover, Baku has developed a security apparatus that could be of interest to Afghanistan down the road. In short, Azerbaijan could easily be in a position to transfer its military and security experience and knowhow to a post-Taliban Afghanistan.

The Taliban Challenge

Obviously, the unpredictable variable in any discussion of Afghanistan-Azerbaijan relations is the effect of the return of the Taliban to power, which happened in August 2021. During the period when it first ruled the country, this radical organization sheltered radical Muslim citizens of Azerbaijan—and there is no guarantee that it is not doing so again. This may in fact include ISIS members with Azerbaijani citizenship. The geographic linkages between these groups is a related threat.

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This is just one reason why, to date, Baku has greatly hedged its engagement with the Taliban. This has severely constricted the overall development of relations between the two countries—again, for perfectly understandable reasons. Reviving TAPI might be one way forward—and the conflict over Ukraine has made the project even more attractive than it was when it was first serious put forward, in the 1990s. This is, of course, far from likely: both foreign investors and most foreign governments still consider the Taliban as being too radical—and for good reason.

But the bottom line is that Afghanistan and Azerbaijan have—at least in the longer term—multiple political, economic, and security interests in common. The most critical alignment of these interests is in regional cooperation, where the two countries may again work together to undermine the significant threats posed by extremism.

The internal dynamism of power shifts and government change within Afghanistan is indisputable. Still, there are constant determining factors in the history of two states and people-to-people relations, leading to future references. The fact is that Afghanistan and Azerbaijan are two core states of the Silk Road region. The multifaceted potentials in the bilateral relations between Kabul and Baku are the long-term driving factors that define state-to-state ties, at least in the abstract. For better or worse, and notwithstanding geographical distance, the two countries will remain locked in what may again amount to a strategic gaze at one another. BD

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