Russie.Nei.Visions n°8

Russia and Turkey in the Caucasus: Moving Together to Preserve the Status Quo?



Fiona Hill Omer Taspinar

January 2006



IFRI is a research center and a forum for debate on the major international political and economic issues. Headed by Thierry de Montbrial since its founding in 1979, IFRI is a state-approved organization.

The opinions expressed in this text are the responsibility of the authors alone.

Research Programme Russia/CIS
©Ifri, 2006 – www.ifri.org
Institut Français des Relations Internationales
27 rue de la Procession – 75740 Paris cedex 15 – France
tél.: 33 (0)1 40 61 60 00 – Fax: 33 (0)1 40 61 60 60

Russie.Nei.Visions

"Russie.Nei.Visions" is an electronic collection dedicated to Russia and new independent states (Belarus, Ukraine, Moldova, Armenia, Georgia, Azerbaijan, Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan and lastly Kyrgyzstan). Written up in a brief format by key experts, these policy oriented papers deal with strategic and political issues as well as economic issues.

This collection guarantees Ifri's Quality standards (editing and anonymous peer-review).

If you want to be informed concerning forthcoming publications, please e-mail the following address: info.russie.nei@ifri.org

Fiona Hill is a Senior Fellow in the Foreign Policy Studies Program at the Brookings Institution. She has published extensively on issues related to Russia, relations among the states of the former Soviet Union, the Caucasus region, Central Asia, and energy and strategic issues. Her most recent books include, *The Siberian Curse: How Communist Planners Left Russia Out in the Cold* (with Clifford Gaddy) in 2003, and *Energy Empire: Oil, Gas, and Russia's Revival* in 2004. Prior to joining Brookings, Hill was Director of Strategic Planning at the Eurasia Foundation; Associate Director of the Strengthening Democratic Institutions Project at the Kennedy School of Government; Director of Harvard University's project on Ethnic Conflict in the former Soviet Union; and a Research Associate at the Kennedy School of Government. She received her M.A. from St. Andrews University in Scotland, and Ph.D. from Harvard University.

Omer Taspinar is the Director of the Turkey Program at the Brookings Institution, Adjunct Professor at the Johns Hopkins University, School of Advanced International Studies (SAIS), and a columnist for the Turkish Daily Radikal and the Pakistan Daily Times. He is the author of two books: Political Islam and Kurdish Nationalism in Turkey in 2005, and Fighting Radicalism with Human Development: Education and Growth in the Islamic World (forthcoming); and numerous articles on Turkey's political development, Turks and Muslims in Europe, U.S.-Turkish relations, political Islam, and Kurdish nationalism. Prior to joining Brookings, Taspinar was an Assistant Professor at SAIS in Bologna, Italy. He received his B.A. from Turkey's Middle East Technical University and his Ph.D. from SAIS.

Contents

Contents	2
Abstract	3
Introduction	4
Factors for Rapprochement	6
Shared Frictions with the U.S. and the EU	9
Moscow and Ankara: Moving Together in the Caucasus	11
Russian Foreign Policy Attitudes and the Caucasus	13
The Caucasus From Turkey's Perspective	15
The Abkhazian Issue	17
Conclusion	19

Abstract

Since 2003 and after centuries of geopolitical competition, Russia and Turkey have drawn together in a new bilateral relationship. Expanding trade has been a major driving force behind this, but shared disillusionment with United States and European policies and attitudes, as well as increasing common ground on issues in the broader Black Sea region and further afield in the Middle East, have all played a role. At this juncture, the main impact of this new relationship is in Russia and Turkey's joint border area of the South Caucasus—with potentially negative implications for the fragile state of Georgia and for the European Union's new "Neighborhood Policy" in the region.

Introduction

Relations between Russia and Turkey have changed dramatically over the last decade. In fact, in 2005, relations between the two states were probably better than at any point over the last several centuries—given a history of imperial competition and frequent wars between the Russian and Ottoman Empires since the 18th Century as well as the rivalry of the Cold War. Since 2003, President Putin and Prime Minister Erdogan have held multiple meetings, and Russia and Turkey seem to have found common ground on once contentious issues.

This is in stark contrast to the immediate post-Cold War era, when Russia viewed Turkey as a proxy for the United States and as a strategic competitor in post-Soviet Eurasia. In the 1990s, Russia and Turkey found themselves in diametrically opposed camps on a number of crucial issues such as Bosnia, Kosovo, and Chechnya-due to Turkey's close historic association with the Muslim peoples of the region, and to the presence of significant Balkan and Caucasus diasporas on Turkish territory. Turkey's position in NATO, and the threat of NATO enlargement beyond Eastern Europe to former Soviet republics, further rankled Russia. This all combined to produce a consistently tense bilateral relationship. Russia focused on its relations with the United States, Europe, and the immediate neighboring states of the Commonwealth of Independent States (CIS); while Turkey was preoccupied with its strategic partnership with the United States, the management of its volatile relationships with Greece and Cyprus, and its efforts to become a member of the European Union (EU). For most of the 1990s, Russia and Turkey neglected each other politically, while trade relations largely developed behind the scenes.

So why have things changed? The most visible drivers have been energy relations, and increasing trade and tourism between the two countries. As far as the geostrategic dimension of the Turco-Russian rapprochement is concerned, the main motivation seems to be a shared sense of frustration with the West. Especially since 2003, shared disillusionment with the United States and Europe, and an increasing common desire to head off U.S. and European activity in their joint border area in the Caucasus, as well as a desire to challenge U.S. policy in the Middle East, have drawn Russia and Turkey together.

The Caucasus in particular—an area of overt competition between Russia and Turkey for several centuries, extending from the imperial through the Cold War periods and into the 1990s—is emerging as a region, in which Russian and Turkish interests have begun to converge. This is not a

development that could have been foreseen in the initial period after the collapse of the Soviet Union. And, it has significant implications for the European Union, which—as it expands eastwards to the Black Sea—now has to craft a new policy toward the Caucasus region and its individual states of Georgia, Armenia, and Azerbaijan that lie in the geopolitical space between Russia and Turkey.

Factors for Rapprochement

Several factors have encouraged a sea change in Russo-Turkish relations since 2000, when Russian President Vladimir Putin came into power. In this timeframe, Russia and Turkey have increasingly found themselves on the same page in economic affairs and foreign policy. Russia, for example, now accounts for more than 70% of Turkish gas imports. There is a dedicated gas export pipeline—Blue Stream—between the two countries, running under the Black Sea. And Russia and Turkey have just signed additional deals to expand their energy trade, which may turn Turkey into a key transit country for Russian gas to the rest of Europe, as well as potentially to the Middle East. Overall trade between the two countries is at an all-time high, rising from \$10 billion in 2004, to an estimated \$15 billion this year, and projected to increase to \$25 billion in 2007.

While energy accounts for the largest portion of this bilateral trade, the economic relationship has considerable depth in other areas. Turkish construction companies have established themselves in Russia, winning highprofile contracts in Moscow as well as in other major cities. Turkey was the top destination for Russian vacationers in 2004, with some 1.7 million Russians visiting and competing with Germans as the largest group of foreign tourists in the country. And Turkey has long been a favored destination of Russian "economic tourists," who, since the mid-1990s, have used special charter flights for quick trips to Istanbul to purchase Turkish goods for resale at home. Commonly called "shuttle trade" in Russia and "luggage tourism" in Turkey, such informal trade is believed to add \$2 to 3 billion to the existing official trade volume between Russia and Turkey. Interestingly, there is also an anti-EU political and economic lobby within Turkey, which, on the basis of this kind of trade, argues that the Turkish economy would be better off pursuing free trade agreements with countries such as Russia, Iran, China, and India, instead of indexing all its trade policy to the existing customs union with the EU.²

Such calls for improved economic relations with eastern and northern neighbors from within Turkey's more nationalist circles reflect a sense of growing frustration with what is perceived to be constant European meddling in

See "Turkey-Russia Relations" online review material on trade and tourism at www.euractiv.com/Article?tcmuri=tcm:29-134083-16&type=LinksDossier.

² Authors' interviews in Ankara with Turkish officials, analysts, and journalists, in August, September, and October 2005. For an outspoken and articulate presentation of this view by a leading Turkish commentator, see Hasan Unal, "Turkey would be better off outside the EU," *Financial Times*, December 17, 2004.

Turkish domestic politics. Making things worse on Turkey's "Western front" is the fact that Ankara's relations with the United States have been badly strained because of Iraq. This complex interplay of different political and economic dynamics has significantly changed the way an important segment of Turkish society now looks at Russia—as a potential partner rather than a historic enemy.

On the security front, several bones of contention between the two countries have been removed, thus paving the way for further rapprochement. The creation of the NATO-Russian Council has taken the sting out of NATO enlargement for Russia; and Turkey's refusal in March 2003 to allow U.S. troops to use Turkish territory as a launching pad for a northern front in the war in Iraq has demonstrated that it is no longer a "proxy" for the United States in the region. And Russia and Turkey have also found common ground in the Middle East, often in open opposition to U.S. regional policy. Thanks to their respective geographical locations and strong energy and trade interests with Iraq and Iran, Russia and Turkey have both tried to maintain economic relations with these two states in spite of pressure from the U.S. to sever ties. Both opposed the U.S. war in Iraq—although for different reasons—and both oppose a possible U.S. intervention in Iran.

Turkey's interests and concerns in Iraq are fairly clear. Prior to the U.S. invasion of Iraq in March 2003, Turkey feared that the result would be the disintegration of Iraq and the creation of an independent Kurdish state in the country's north, as well as major disruption in cross-border trade and mass refugee flows. Turkey's southeastern region is heavily dependent on trade with Iraq, and Ankara had already foregone an estimated \$30 billion in revenues from U.S. sanctions imposed on trade with Iraq after the Gulf War and from the disruption of Iraqi oil exports through Turkey's Mediterranean port of Ceyhan. Russia's concerns were less acute, and centred on an outstanding Soviet-era debt from Baghdad to Moscow, estimated at around \$8 billion, as well as on preferential contracts for the eventual (post-sanctions) refurbishment of Iraqi oilfields held by the Russian oil company, LUKoil. Russia anticipated that its economic stakes in Iraq would be completely negated by a U.S. invasion.

With Iran, Turkey and Russia both have strong trade interests—Turkey in purchasing Iranian gas, and Russia in selling civilian nuclear technology to Iran. Russia also sees Iran as one of its strategic allies in the Middle East. Although Moscow and Tehran have had some recent differences over the division of the energy resources of the Caspian Sea, Tehran has always supported Moscow's position in the war on Chechnya and been unwilling to support any of the radical Islamic groups operating there or elsewhere in the Russian Federation. Turkey is more circumspect about its political relations with Iran, given evidence of Tehran's past support for marginal Islamic and terrorist groups in Turkey, which has cast a shadow over the more positive bilateral trade relationship. But Turkey also sees Iran as a potentially important stabilizing force in the region, not as the outright rogue state depicted by the U.S. Bush Administration since 2000. Though a nuclear Iran is not welcomed by the Turkish military, it is also important to note that the last war between Turks and Iranians dates back to the 17th Century. In that sense the Turkish

public at large does not consider Iran to represent a security threat. In fact, there is a stronger sense that a pre-emptive U.S strike against Iran would be more destabilizing.³

In addition to having broadly similar views on Iraq and Iran, Turkey and Russia have both forged increasingly close links with Israel. All three states, Turkey, Russia, and Israel, share the same interest in containing radical Islamic movements that either originate in, or have links to, the Middle East. Turkey concluded a security alliance with Israel in the 1990s; while Moscow's relations with Jerusalem developed over time through Jewish immigration from the Soviet Union to Israel, which has created a huge (almost one millionstrong) Russian-speaking population in Israel. Russian-speaking Israelis have become an important cultural and political force in the country, and they now facilitate an expanding trade relationship between Russia and Israel that could soon directly include Turkey. During the official opening ceremony for the Blue Stream gas pipeline in Turkey in November 2005, the Russian energy and industry minister, Viktor Khristenko, spoke of the future construction of another undersea pipeline, this time under the Mediterranean, that would carry Russian gas exports from Turkey to Israel.

_

³ Authors' interviews in Ankara with Turkish officials, analysts, and journalists, in August, September, and October 2005.

Shared Frictions with the U.S. and the EU

All of these developing relationships, and shared frictions with the U.S., have brought a new and very different dimension to Russian-Turkish relations. Apart from their concerns about U.S. action in Iraq, and American policy toward Iran, Russia and Turkey have both been concerned by the seeming U.S. policy to encourage "colored revolutions" and regime change in Georgia, Ukraine, and Kyrgyzstan, and potentially elsewhere in Eurasia. Moscow sees every U.S. action in support of free and fair elections in Eurasia as somehow aimed against Russia—a determination to pull Russia's allies away from it by installing Western friends and allies (such as Mikheil Saakashvili in Georgia and Viktor Yushchenko in Ukraine) as new regional presidents.

While Ankara, on the surface, pays lip service to the U.S. policy of democratization in the broader Middle East and Eurasia, there is an underlying concern that the Bush Administration's march for "freedom and selfdetermination" will unavoidably lead to the independence of Iraqi Kurdistan.4 Since Turkey has about 15 million citizens of Kurdish origins—versus Irag's 5 million Kurds—the prospect of Kurdish independence is a "nightmare scenario" for Turkey. Ankara also sees Georgia and Ukraine under new management as potential competitors for EU membership-or at least as another set of excuses to be used by the EU to stall its accession negotiations with Turkey. The fact that German Christian Democrats and the French body politic in general are far from enthusiastic about Turkish EU membership only adds to Turkey's feelings of insecurity on this issue. A significant segment of Turkish society already considers the EU to be a "Christian club". 5 It should therefore not be surprising that, in their eyes, traditionally (and ancient) Christian countries such as Ukraine and Georgia are likely to get more favorable treatment in Europe, particularly from the European Christian Democrats.

More broadly, as far as the EU is concerned, Russia and Turkey's separate set of complex negotiations with Brussels have critical implications not only for the development of their economies but for their future political and cultural identities as European countries. Both feel increasingly rejected or snubbed by the EU, with their concerns not fully taken into account. Public sentiment in Turkey seems to be shifting away from the idea that Turkey will

⁴ *Ibid*.

⁵ *Ibid*.

become (or maybe even wants to become) an EU member. In late September 2005, for example, on the eve of the decision on the beginning of accession talks on October 3, a major public opinion poll showed a sharp decline in support for the EU from 85% to 65%. In Russia, both the public and political elites know that Russia will not become a EU member; and political observers in Moscow are watching Turkey's negotiations with the EU very closely. Although there is no great desire in Moscow to see the EU continue to expand eastwards along Russia's borders—and there would be some degree of satisfaction in seeing Turkey rejected as a full-fledged member and a multitrack EU emerging as a result—there is also a general understanding in Russia that Turkey's failure to find a mutually acceptable accommodation with the EU would also make Russia's relationship with the EU even more difficult.

In both countries there are now commentators, including in high level political circles, who talk openly of the importance of the two states reestablishing themselves as major regional powers, and of forming a closer alliance if neither gets what it wants from the EU (or the U.S. for that matter).6 In Turkey, Russia seems to provide a better strategic alternative particularly for Kemalist hardliners within the Turkish military, who are concerned about European demands for Kurdish political rights and American sympathy for Kurds. Such negative feelings regarding the United States, combined with an increasingly positive vision of Russia, also explain why—in certain political and analytical circles in Ankara—any issue associated with the expression of an American national interest in the Black Sea and Caucasus region is perceived as potentially politically destabilizing for Turkey. Underscoring this issue, in 2005, Russia blocked a U.S. request to obtain observer status in the Istanbulbased Black Sea Economic Cooperation organization (BSEC), and Turkey made no effort to push the issue forward in spite of being the United States' NATO ally in the region and the host of the organization. Other BSEC members had to lobby for the U.S. candidacy to be accepted.

_

⁶ *Ibid.* In 2002, one of Turkey's most prominent Generals, Major General Tuncer Kilinc, the Secretary of the National Security Council, was one of the first to suggest in a public presentation that Turkey should perhaps abandon its efforts to secure EU membership and seek out alternative alliances with other neighbors such as Russia or Iran, see Owen Matthews, "Europe's Orphan: A Showdown is Brewing Between Turkey and the EU," *Newsweek International*, April 22, 2002.

Moscow and Ankara: Moving Together in the Caucasus

In short, in their immediate neighborhood in the Caucasus, Turkey's and Russia's mutual perceptions of competition have been dispelled. In the 1990's, Turkey never really managed to penetrate the region economically and politically even as Russia's position declined there, and both have had their own difficult and contentious relationships with individual regional states (for example, Russia-Georgia and Turkey-Armenia) that have complicated their policymaking. Now, even previously divisive issues such as Chechnya and the Kurds have begun to retreat as major flash points in Russo-Turkish relations in the Caucasus.

During the first war in Chechnya, Chechen and other North Caucasus diaspora groups in Turkey, including Abkhaz and Cherkess, were active in their support for the Chechen cause. The Turkish government did not take particularly aggressive action in response. Likewise, Russia turned a blind eye to the activities of Kurdish associations with links to the PKK based in Moscow (Russia and the Caucasus states have their own small indigenous Kurdish populations). However, since the beginning of the second round of war in Chechnya, Turkey's anxiety with regard to Islamic fundamentalism and the radicalization of its own Islamic groups, as well as fears of the emergence of an independent Kurdistan as a result of U.S. policy in Iraq, have tempered domestic sympathy for the Chechen cause. In one of their most recent bilateral meetings in the Russian Black Sea resort of Sochi in July 2005, Putin and Erdogan reportedly reached an agreement to support each other's positions on Chechnya and the Kurds—expressing similar fears of terrorism and separatism.

With frictions over Chechnya dissipating, an end to the perceived bilateral competition, and such a huge overall improvement in the Russian-Turkish relationship, there should now (theoretically) be major, positive benefits for the political and economic situation in the Caucasus. As a bridge between two great trading partners, more prospects for economic development and regional integration in the Caucasus should have opened up. So far, however, they have not.

Why? Partly because of Russia's hostility toward Georgia, and its obsession with the perceived role of the U.S. there, which complicates Russia's relations with all the Caucasus states at this point. And partly because of inertia in Turkey's relations with the Caucasus countries. There is currently little incentive

for either Russia or Turkey to engage in a bilateral strategic dialogue about the region. $^{\rm 7}$

.

⁷ Authors' interviews in Moscow in September 2005, and in Ankara in August, September, and October 2005, with Russian and Turkish politicians and government officials.

Russian Foreign Policy Attitudes and the Caucasus

Russia's current foreign policy outlook—overall, as well as in the Caucasus—is quite negative. This is in spite of the fact that Russia's relationships with all of its historic enemies, including Turkey, China, Japan, Germany, France, Iran, and even the U.S., are arguably better than ever; and that Russia remains a major international player in a host of prestigious institutions including the G8 (which it chairs in 2006) and the UN Security Council. However, the rapid decline of Russia's conventional military prowess after 1991; the entry of former satellites into NATO and the EU; the generally poor image, which Russia enjoys abroad, and the seeming absence of any close ally apart from Belarus, have compounded a deep sense of humiliation. The idea that Russia is friendless, or generally viewed, as an "Upper Volta with missiles" or "Upper Volta with a lot of oil and gas" does not sit well with the Russian political and foreign policy elite and the Kremlin.

As a result, Russia has become a paranoid power in the international arena—increasingly concerned about preventing the erosion of its regional and global position; and about heading off the further expansion of the European Union, and the penetration of U.S. and other Western companies and interests into Eurasian markets. Moscow has pursued the creation of its own single economic space in Eurasia focused on major regional trading partners like Ukraine and Kazakhstan. And Moscow has also taken steps to counter "Western-sponsored" regional alliances with perceived anti-Russian tendencies—from NATO to GUAM and the OSCE—by insisting on special arrangements (like the NATO-Russian Council), by promoting its own alternative structures, or by deliberately undermining institutions (through, for example, its efforts to block the budget of the OSCE in 2005).

Against this backdrop, a particularly old-style, "zero-sum" approach tends to dominate Moscow's thinking about relations with its Eurasian neighbors—especially the Caucasus, the Baltic States, and Ukraine. Moscow wants the decisive say in its neighbors' foreign policy decisions as well as in their economic investment decisions (a new form of Soviet-era "Finlandization"), and has heavily invested in maintaining the status quo. Russia is not quite so keen on, for example, taking the lead in resolving regional problems, like territorial conflicts in the Caucasus in Abkhazia, South Ossetia, and Nagorno-Karabakh—especially if a long-term settlement might forfeit a current Russian interest. Relations with Georgia, in particular, and the resolution of the secessionist conflicts of Abkhazia and South Ossetia are seen

through this prism in Moscow. Indeed, the bilateral relationship with Georgia is perhaps the most contentious of Russia's relations with its neighbours today.

A serious clash between Russia and Georgia, provoked by Russia's pursuit of the war in Chechnya, for example, was barely avoided in 2002. In this period, refugees and fighters from Chechnya moved into Georgia's Pankisi Gorge, an isolated area with an indigenous Chechen population. Georgia initially did little to address the problem in spite of considerable pressure from Russia. The Georgian government was consumed with internal squabbles, the increasing unpopularity of (now former) President Eduard Shevardnadze, social unrest, entrenched corruption, widespread criminality, and the challenges of dealing with Abkhazia and South Ossetia. External observers, especially in Moscow, began to refer to Georgia as a "failed state." After a tense period of mutual recriminations, covert Russian bombing raids inside the Gorge, Russian threats to send troops into Georgian territory, and the introduction of a U.S. program to train the Georgian military, the Georgian government finally launched its own counter-terrorism operation. This operation and a Russo-Georgian agreement to carry out joint border patrols provided a temporary solution to the problem, but Russian politicians, including President Putin and Defense Minister Sergei Ivanov, make it clear that they still view Georgia as a failed state. And the confrontation between Russia and Georgia is as acute under new President Mikheil Saakashvili as it was under President Shevardnadze because of Moscow's suspicions that the United States orchestrated the November 2003 "Rose Revolution" that brought him to power to bolster American interests in the Black Sea and the Caucasus.

The Caucasus From Turkey's Perspective

Turkey's relations with the Caucasus states are by no means as negative as the Russian-Georgian relationship, but they are stagnant at best. Beyond a handful of people in the Foreign Ministry, Ankara has not thought a great deal about the Caucasus in a strategic sense since the death in 1993 of President Turgut Ozal, who had spearheaded a new approach to the region. The situation is not one way, however. None of the three Caucasus states have paid any particular attention either to their southern neighbor in recent years, apart from going through the motions of relations (or "non-relations" in the case of Armenia).

Overall, the position of Turkey and its foreign policy concerns are poorly understood by the Caucasus states. Georgia, Armenia, and Azerbaijan are far more preoccupied with their own domestic politics, bilateral relationships with each other, and relations with Russia than with Turkey. This is in spite of the fact that Turkey is a major trading partner of all three—even for Armenia—and there are ongoing discussions about upgrading and expanding railway links between Azerbaijan, Georgia, and Turkey to increase cross-regional trade. This is also in spite of the fact that the leaderships of all three states generally support Turkey's accession to the EU, and recognize that Turkey's failure to enter the EU would run counter to their own interests. They all aspire to EU membership over the longer term and if Turkey is ultimately rejected then it will be clear that the expansion of the EU will have ground to a halt and that their chances of entry would be slim or even nil. Plus having a EU member state right on their borders, and not simply across the Black Sea, would be a huge boost to their economic and political development. However, even in the case of Turkey's seemingly closest regional ally, Azerbaijan, there has been little strategic thinking concerning the potential parameters of Turkey's new role in the Caucasus as a prospective candidate for EU accession.

Indeed, in many respects there is a great deal of inertia in relations between Turkey and Azerbaijan. Both countries think they know each other on the basis of their cultural and linguistic ties, as well as on the basis of the close economic and political relations they established in the early 1990s. But there is increasingly a divergence of interests between the two: on issues like the role of Islam in society and politics, where the Azeri government is becoming more and more uncomfortable with the AKP's brand of political Islam in Turkey⁸; the question of Iran, where a border conflict on land or in the Caspian between Iran

⁸ AKP—Justice and Development Party.

and Azerbaijan over the long-term is a real possibility, which could easily pull in Turkey as well; the issue of relations with the U.S., where the Azeri government is seen as increasingly pro-U.S. just as anti-American sentiments are running high in Turkey; and even with regard to Armenia and Nagorno-Karabakh, where the Turkish government feels increasingly hamstrung in its own bilateral relations with Armenia because of its support for Azerbaijan over Nagorno-Karabakh.

Likewise, relations between Turkey and Armenia have become stuck on the question of the recognition of the 1915 genocide, the restoration of diplomatic relations, and the opening of the joint border. Armenia still sees Turkey as its primary security threat. And Turkey increasingly sees Armenia as another obstacle to EU accession, along with Cyprus-in large part because of the intervention of several EU states on the Armenian issue in pushing for the recognition of genocide by the Turkish government as a precondition for full membership. Armenians (in accordance with meetings we conducted during a visit to the Caucasus in July 2005) no longer see the urgency of opening the border and normalizing relations with Turkey. Armenia is experiencing an economic upsurge, and bilateral Armenian-Turkish trade runs at (at least) \$100 million annually in spite of the closed border. Goods come in by land through Georgia, or by air from direct charter flights between Yerevan and Istanbul. Many Armenian businessmen, especially those in retail, services, and the import business, and those engaged in trade with neighboring Iran, Russia, and the global Armenian diaspora, have done very well in blockaded Armenia. The country is increasingly operating like a mini-Cyprus, a land-locked island and "offshore" zone that can sustain itself for some time. In a general sense, Armenia may on such a basis actually be doing better than both Azerbaijan and Georgia at this juncture—even though it has sacrificed the future growth of export-oriented industries in the manufacturing sector, as well as forfeited a larger economic and political role in the region.

The Abkhazian Issue

While Turkey's relations with Azerbaijan and Armenia may be somewhat stagnant, the most worrying development currently in the Caucasus—in the context of the new Turkish-Russian relationship—is the deterioration of relations between Georgia and Turkey. In part this is because President Mikheil Saakashvili's new Georgian government had virtually no experience in managing relations with Turkey when it came into office in January 2004 and was simultaneously fixated on relations with the U.S., Russia and Europe. But, it is also the result of mutual misunderstandings on issues like Abkhazia.

There are more ethnic Abkhaz (often under the broader grouping of Cherkess) living in Turkey than in Abkhazia itself, thanks to the exodus of North Caucasian ethnic groups from the Russian to the Ottoman Empire in the 1860s. Many in Turkey misinterpret the conflict in Abkhazia as that of a Muslim minority persecuted by Christian Georgians—entirely missing the complexity of the issue, and in particular the existence of an ethnic mix in Abkhazia that includes a large number of Armenians and Russian-speakers. It is the "Russian element" in Abkhazia that gives the ongoing conflict between Abkhazia and Georgia its special complexity. Having played a role in Abkhazia's secession, Russian armed forces man the cease-fire line. Russia functions as Abkhazia's only link with the outside world. The Russian ruble circulates as the official currency, and the majority of the population now has travel documents issued by Moscow to replace expired Soviet-era passports. These documents only allow travel to Russia, and over the last decade Abkhazia's de facto dependence on Russia has gradually become quasi-de jure. Moscow has repeatedly signaled the clear desire, if not the outright intent, to make Abkhazia a full de jure region of Russia-most recently suggesting that it will use the precedent of Kosovo's independence (if it is recognized in the coming months) to press for Abkhazia's official separation from Georgia and its prospective inclusion in the Russian Federation. As a result of these developments and continued U.S. support for Saakashvili's government, Georgia is also now one of the main flashpoints in U.S.-Russian relations.

Turkey has now become a new complicating element in the conflict. Over the last decade trade and business relations between Turkey and Abkhazia have grown. The new Georgian government has recently tried to stop this trade by intercepting Turkish vessels sailing from the Turkish ports of Samsun and Trabzon to Abkhazia's Black Sea port of Sukhumi. Their captains and crews have been arrested, fined, and even imprisoned. Georgian-Turkish discussions on jointly patrolling the maritime border between Turkey and Georgia have made little progress. The Georgians suspect that this is because

of a condominium between Russia and Turkey over the issue of Abkhazia. Any of these Georgian-Turkish incidents on the maritime border could easily develop into something more serious given the antagonism that persists between Georgia on the one side, and Russia and Abkhazia on the other—especially if Turkey is currently viewed by the Georgians as sympathetic to the latter camp. It remains to be seen how Ankara would react to the prospect of Moscow using the precedent of Kosovo to formalize Abkhazia's independence, given its own fears of the loss of its Kurdish territories—but, in the final analysis, Georgia certainly needs Turkey's cooperation in resolving and improving its relations with Abkhazia at this juncture.

In sum, it is the Georgian-Turkish relationship that may be in the most urgent need of repair in the Caucasus—not, paradoxically, the Turkish-Armenian relationship that gets so much scrutiny in Europe. And, there has been no major effort in Europe, or in the U.S., to encourage and help Turkey to play a more active role in Georgia and in conflict resolution in Abkhazia, even though Turkey has traditionally played a positive role in Georgia—supporting initial Georgian independence after the collapse of the USSR, helping to broker a ceasefire in South Ossetia in 1992, and intervening in Adjara immediately after the 2003 Rose Revolution to facilitate the "resignation" and removal of regional strongman Aslan Abashidze who stood in open confrontation with Tbilisi. Instead, the rapprochement with Russia, antipathy towards the United States because of Iraq, and growing frustration with the EU, is shaping Turkey's relationship with Georgia by default.

Conclusion

he new Russian-Turkish relationship is certainly a development to be watched carefully in Europe—especially in the context of the EU's attempt to forge a new Neighborhood Policy toward the Caucasus, in which Turkey, as a candidate country and the region's closest neighbor, ought to be a playing a leading role. Turkish-Russian rapprochement is certainly better for Europe than having these two long-standing, and often bitter, geopolitical rivals engaged in territorial competition in the region. It is even plausible that a democratic and prosperous Turkey within the EU will influence Russia positively. But, it is also important at this juncture for the EU to realize that beyond some (albeit significant) common economic, political and security interests, the main driving factor in this Turkish-Russian rapprochement is a shared desire to maintain the status quo. While Turkey fears destabilization on its borders and the ramifications of this for its own territorial integrity, Russia is more concerned about American and European infiltration in its traditional sphere of imperial influence, and is trying to see what political and economic advantage it can exploit from Turkish fears and dissatisfaction with the U.S. and the EU. This is, therefore, a partnership that, for now, is more rooted in prevailing anxieties than in future hopes.

These anxieties need to be addressed on both sides of the Turkish-Russian relationship, with particular attention paid to the Turkish side by the EU. Although there may currently be no compelling strategic reasons for Turkey to give up its Western orientation for the sake of a full-fledged, alternative partnership with Russia—it is obvious that such reasons could arise in the near-term in Iraq. The EU needs to be especially vigilant on this issue. The emergence of an independent Kurdish state from the collapse of a unified Iraq could easily trigger a more authoritarian and nationalist turn in Turkish domestic and foreign policy, and rupture Turkey's moorings in the West. The prospect of membership in the European Union, in a reasonable period of time, seems the only likely deterrent to such a development in Turkey in the event of an independent Kurdistan, as Turkish-American relations would suffer a further major blow. A clear articulation of the EU's strategic vision for Turkey and an embrace of its broader regional role-in the Caucasus as well as the Black Sea and the Middle East—is thus crucial at an early stage in the accession process to try to head off the potential alienation of Turkey over the next 10 years of talks, and to give Turkey a strong incentive to remain firmly on the European track no matter what may happen in Iraq.