

The Growing Role of Türkiye in the South Caucasus

Possible Scenarios

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The ongoing geopolitical struggle among regional and non-regional powers in the Caucasus evolved to a new stage with the end of the Second Karabakh War. The European Union, Türkiye, Iran, and Russia seem to be the main actors with the potential of changing the balance of power in the region. Meanwhile, the states of the region itself—Armenia, Azerbaijan, and Georgia—each adopted various versions of strategies that scholars call “balancing” or “bandwagoning,” depending on the geopolitical processes and their particular foreign policy interests. Yet, these processes are very dynamic and the balance of power in the region is poised for further change and challenge.

In this context, the Second Karabakh War and its results brought significant developments in regard to geopolitical rebalancing more than two years ago. To this can be added the new situation that has arisen since the onset of the latest stage in the Russia-Ukraine war, one consequence of which is the weakening of Russia’s position in the South Caucasus.

As a result of the Second Karabakh War, Azerbaijan elevated relations with Türkiye to the alliance level, culminating with the signing of the Shusha Declaration on 15 June 2021 and its subsequent ratification by both states. The presence of Turkish military servicemen in the Joint Peacekeeping Monitoring Center, established days after the trilateral statement that ended the war, further strengthened Türkiye’s position in the region: its symbolic presence on the ground illustrates its rising influence in the region, which is helping to stabilize the overall security situation on the ground. Currently, Türkiye has positioned itself as a regional actor with a ‘new’ political perspective and has

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responded to all stability and security developments in the region—usually in accordance with Azerbaijan’s preferences. Türkiye’s ambitions to become an influential actor can also be observed in the context of its growing influence in the Silk Road region through different mechanisms, including the Organization of Turkic States.

As for Türkiye’s more detailed policy in the South Caucasus, the events of recent months indicate that Ankara is in the midst of helping to craft what amounts to a new geo-economic architecture in the region, which already includes Baku and Tbilisi. For instance, Türkiye now seems to be more actively synergizing with the Chinese-led Belt and Road Initiative and has put forward several initiatives of its own to become a more active participant in this project along with its allies (the latest is the initiative co-sponsored by Azerbaijan for Turkmenistan to supply gas via the Southern Gas Corridor). Türkiye is also eyeing positively the EU’s recently-launched Global Gateway initiative. Although Türkiye has succeeded in establishing wide-ranging cooperation with Azerbaijan and Georgia, it has so far failed in this regard with Armenia. Türkiye’s aspirations to become a strong neighbor to the region creates certain controversies and challenges, given new security configurations. Moreover, Türkiye’s initiatives could increase competition among regional players and have an impact on the way in which they interact and respond to developments in the region.

This IDD analytic policy brief will thus examine the main aspects of the role of the Türkiye in the South Caucasus in the post-Second Karabakh War period and analyze different possible scenarios with regards to the evolution of Türkiye’s foreign policy in the South Caucasus.

Ankara’s Foreign Policy Direction and Main Interests in the South Caucasus

Türkiye’s broader strategy in the South Caucasus serves the idea of expanding its position as an energy and transportation hub situated at the crossroads between Europe and the Silk Road region. This is reflected in the statement made by President Recep Tayyip Erdogan on 11 November 2022 during the summit of the Organization of Turkic States:

Our common geography is located at the crossroads of strategic energy corridors. Türkiye has been making uninterrupted moves for a long time, which will essentially support its and region’s energy supply security. The Baku-Tbilisi-Ceyhan Pipeline is among the most successful global energy projects. The Southern Gas Corridor is designed as the fourth artery to transport gas to Europe. This corridor, of which the Trans-Anatolian Natural Gas Pipeline forms the backbone, can be further developed with additional gas supply. The Caspian Basin is the first source that comes to mind for this.

Yet, Türkiye’s foreign policy strategy depends on several factors in the South Caucasus. These include its NATO commitments and Russia’s traditional aspirations to keep the South Caucasus under its sphere of influence.

Türkiye in many ways is interested in leading the region's political and economic integration, which would allow Ankara to be fully connected with the entire South Caucasus. Through the actualization of the Trans-Caspian Corridor, Türkiye and Azerbaijan could come to serve as important transit hubs and connect Central Asia to Europe. But to fully integrate the South Caucasus into its plans, Ankara believes a peace agreement between Baku and Yerevan needs to be forged: Türkiye sees this as an important piece of the regional puzzle that would serve its overall foreign policy strategy. In this context, Türkiye supports and promotes the establishment of the Zangezur Corridor (as a part of Middle Corridor) that, should it become operational, would most directly connect Türkiye with mainland Azerbaijan by both road and rail across the sliver of Armenian territory bordering Iran along the Aras River. This would further open opportunities for economic cooperation in the South Caucasus and decrease landlocked Armenia's economic dependence on Russia. In this context, the initiation of the 3+3 platform, which envisages the involvement of Turkey, Russia, Iran together with the region's three states (Armenia, Azerbaijan, and Georgia) to discuss regional issues and to contribute to economic cooperation in the region, was an important step. It is unclear whether 3+3 will come into being, however, in part due to the war in Ukraine and, of course, Georgia's reluctance to enter into any new arrangement that involves Russia but not the West.

Still, Erdogan has not given up: at a press conference following the G20 Leaders' Summit in Rome on 31 October 2021, the Turkish president said that his proposed six-party platform is an important step in the achievement of regional peace. With this initiative, Türkiye aims to exclude the Minsk Group format and center important decisions in the region on the roles of Türkiye and Russia. Iran sees this idea as an opportunity to gain influence in regional issues, as does Russia. Both are attracted to the idea of excluding the participation of the West.

With regards to Baku-Ankara relations, a strong Turkish presence in the South Caucasus is absolutely vital for Azerbaijan in order to balance against Russia, especially in light of the Kremlin's renewed presence on the ground in Azerbaijan through its peacekeeping contingent. With the signing of the Shusha Declaration, a new era of partnership opened between Baku and Ankara. This is reflected in the statement made by President Ilham Aliyev on 25 November 2022: "The Turkish army is not only Türkiye's army. It is also our army. Our army is not only our army, it is also Türkiye's army."

Baku is an important partner for Ankara in terms of decreasing its energy dependence on Moscow: notwithstanding recent gains in market share, Azerbaijan remains quite behind Russia in terms of supplying gas to Türkiye. Crucial to this ambition is the planned doubling of the Southern Gas Corridor's capacity by 2027. The actualization of these plans would effectively serve Türkiye's goal to further diversify gas import sources and routes.

When it comes to the relations with Armenia, the likelihood of further efforts to normalize relations between Ankara and Yerevan has increased since the Second

Karabakh War. Ankara and Yerevan have shown some signs of a shared readiness to do so. The normalization process was officially launched on 14 January 2022 when their respective special representatives—Deputy Speaker of the Armenian Parliament Ruben Rubinyan and Ambassador Serdar Kılıç—met in Moscow for the first time. The last public meeting between parties was held in Vienna on 3 May 2022, with the sides issuing identical statements in its aftermath that reaffirmed the declared goal of achieving full normalization and reiterated their agreement to continue the process without preconditions.

After the Second Karabakh War, Baku's attitude to the normalization process between Ankara and Yerevan has not changed. Armenia wants faster normalization with Türkiye, beginning with the establishment of diplomatic relations and the opening of borders as soon as possible. Türkiye has made it clear that this will not happen without the completion of a parallel normalization process between Armenia and Azerbaijan. This Turkish posture, which represents a reversal of the one it took more than a decade ago, can be said to represent a critical achievement of Azerbaijani foreign policy towards Türkiye.

Yet, the opening of the Zangezur Corridor is a requirement for the normalization of relations with Armenia; and Türkiye, like Azerbaijan, considers it as a matter of strategic importance. The restoration of transport communications with Armenia could transform the area into a grand crossroads. Notwithstanding the commitment it made in the 10 November 2020 trilateral statement, Armenia remains opposed to its establishment: Yerevan considers the Zangezur Corridor as a threat to its sovereignty. The corridor question is one of the biggest issues impeding the completion of the Armenia-Türkiye reconciliation process (as well as the parallel Armenia-Azerbaijan one). Without a breakthrough, Armenia will remain isolated whilst Ankara, Baku, and other stakeholders in the Middle Corridor, including the European Union, will continue to rely on the slightly longer route that passes through Georgia or Iran. This is suboptimal but manageable.

Although Georgia was never directly involved in the conflict over Karabakh, its geographic location means it plays an important role in furthering the Ankara-Baku alliance. Oil and gas pipelines leading from Azerbaijan to Türkiye pass through Georgian territory, as does a strategic railway line. Türkiye's growing influence in the Caucasus can be seen through its development into a regional energy hub. In general, Georgia's desire to pursue more integration with the West (it seeks both EU and NATO membership) has been reflected in its bilateral relations with Türkiye. Ankara is a major economic partner and a substantial source of foreign investment, which strengthens its influence in the South Caucasus. Ankara has long supported Georgia's membership in NATO and has been giving the country's armed forces military support to bring them up to par with the requirements of the Transatlantic Alliance.

It is worst mentioning that nearly 10 percent of Georgia's population is Muslim and that since the start of the 2000s Turkish organizations have been actively involved in the construction of mosques and missionary activities. In this regard, Western initiatives at the civil society level could collide somewhat with Turkish aspirations in the region.

The Other Side of the River

Iranian worries over Turkish efforts to increase its influence in the South Caucasus is a source of new regional tensions. Considering the recent protests in Iran (still ongoing, as of this writing), Tehran is concerned with Ankara's plan to further strengthen its ties with Baku by championing the idea of institutionalizing the strength of the Organization of Turkic States. Another of Iran's concerns, which flames its perception of rivalry, is the ongoing Turkish-Israel reconciliation, a development in which Azerbaijan played a not-insignificant role. Iran does not yet know how to effectively counter the geopolitical triangle that exists between Azerbaijan, Israel, and Türkiye.

The second important development in the South Caucasus that emerged after the war is that the West, which had been criticized for its passivity in the region's geopolitical struggles, started to follow a more active policy in the region. This was particularly noticeable in the case of Georgia through mechanisms such as NATO and the EU, but also in the roles the EU ("facilitator") and the U.S. ("supporter") have assumed in the ongoing Armenia-Azerbaijan peace process. The West foresees that a peace agreement between Baku and Yerevan, coupled with a parallel deal on Armenia-Türkiye normalization, would reduce Russia's influence in the South Caucasus. Besides, the West considers that Russia's decreased influence in the region would also negatively affect Russia's chances to achieve its objectives in the conflict over Ukraine. To this end, the West supports any configuration that challenge Russia's perceived dominance.

Russia thus faces a difficult situation: to give up its own maximalist ambitions in the South Caucasus and move towards a new geo-economic future that will be created with the participation of Türkiye. Due to lack of resources, Russia has already comprised on some issues in the region in favor of Türkiye (a lesser evil in its eyes than the West). It seems that Moscow and Ankara have found a way to extend to the South Caucasus theater their semi-cooperation arrangement in the Middle East. Although they have somewhat competing interests in the South Caucasus, Russia and Türkiye are exploiting the effectiveness of their overall bilateral engagement in ways that will inevitably impact upon developments in this part of the world. This was reflected in the statement made by Erdogan during his meeting with journalists in New York on the last day of his visit to the United Nations on 22 September 2021:

When we look at the trade volume, we are in a good position and there is a constantly improving trade volume. We are experiencing some difficulties from time to time in terms of moving the developments in Syria to a better position. [...] For instance, if Mr. Putin had not fully demonstrated his statesmanship in Azerbaijan, we would not have left Azerbaijan in this way. Now, together with these positive signals, we will take some steps in this regard. In other words, I hope we will have the opportunity to move the region to a good position in terms of peace. At the end of

the month, in our meeting with Mr. Putin, these will of course be included in the subject. In this way, I hope we will enter a much stronger and different period in Türkiye-Russia relations.

However, the contradiction is that Russia's traditional ambitions might push it against Türkiye, which in turn may result in Moscow's attempts to contain Ankara in trying to manage its strategic issues in the region.

Different Future Scenarios, Different Future Outcomes

If we closely analyze recent geopolitical configurations and current dynamics, different scenarios can be projected regarding Turkish foreign policy and its future role in the South Caucasus. Drawing on recent analyses of the developments in the South Caucasus regarding the role of Türkiye, two types of possible future scenarios with the involvement of major parties can be considered in this IDD analytic policy brief.

In the first possible future scenario, regardless of the state of competing interests in the South Caucasus, a de facto Russian and Turkish alliance will continue to develop in the Middle East (centered on the Syrian theater). As long as the concerted engagement by Ankara and Moscow in the Middle East serves to advance their respective core survival interests, the current configuration in the neighboring South Caucasus theater will remain. In this scenario, Russia will continue semi-welcoming Turkish efforts to shape new geo-economic realities by ensuring the influence of the West in the region is minimized. Russia understands that, due to the situation in Ukraine, reliance on its own resources is not enough to keep the region away-ish from the West. Thus, Russia faces the choice to allow the West to maximize its influence in the region or to accommodate Turkish inroads in the region. In this scenario, Türkiye would cement its influence in the region through a more active projection of its soft power. In this first scenario, Türkiye's position in the larger Western system will be further questioned, due to its increasingly close ties with Russia (i.e., expanding to encompass the South Caucasus, not just the Middle East). When it comes to Tehran, under these circumstances, the Islamic Republic would find it difficult to reclaim its position as a significant regional power, even if sanctions are eventually eased. With a stronger Turkish presence in the South Caucasus, Israel-Türkiye reconciliation, and the spread of Pan-Turkism among its own ethnic-Azerbaijani population would become Tehran's main concerns. And it would seek ways to counter all this.

In the second possible future scenario, Türkiye's increasingly assertive engagement in the South Caucasus will place the country in heightened geopolitical conflict with Russia, whereby the Kremlin would take active measures to counter Ankara's growing influence. So far, Russian actions are indicative of a passive policy (a combination of permissiveness and defensiveness) with regards to growing Turkish influence in the South Caucasus. One basis of this second scenario coming to fruition is the fact that the Moscow-Ankara arrangement does not have an institutional foundation: it is not solidified by any formal military or political alliance, and it also does not have

the highest public support at the domestic level. As a result, current Ankara-Moscow relations are mostly determined by the relationship between the leaders of the two states and tactical (as opposed to strategic) geopolitical needs.

If we analyze the current state of Moscow-Ankara relations, we see that the two states depend on each other, both geopolitically and in the context of energy issues. However, with its military base in Gyumri (and elsewhere in Armenia) and a peacekeeping presence in a part of Karabakh, the power balance still seems to favor Russia. To this can be added Türkiye's energy dependence on Russia. Obviously, the current status quo seems fragile. The terms of the relationship are in a flux today. One of the aforementioned scenarios is likely to become the reality of tomorrow.