

# The Caucasian Energy Circle

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Articles & Testimony

**T**urkey and Armenia are getting closer, and that's great news. Washington has long wanted the two countries to get over their differences, open their closed border, and establish diplomatic ties. If all that happened, it would be wonderful news. But euphoria over Turkish-Armenian rapprochement should not, however, obfuscate the big, strategic picture in the Caucasian energy circle. The thaw in Turkish-Armenian relations should not come at the expense of the East-West energy corridor, i.e. cooperation over pipelines running from Azerbaijan to Turkey, a crucial strategic tool for Washington to decrease the West's dependence on Middle East oil and gas.

The Caucasian energy circle starts in the oil and gas-rich countries on the Caspian Sea, namely Azerbaijan, Turkmenistan, and Kazakhstan. Azerbaijan, lying to the west of the Caspian Sea, is the origin of any energy lines emanating from the basin. Russia to the north wants to be the only buyer of these resources, so it can monopolize the sales to Western markets. So far, however, Azerbaijan has worked with the West and Turkey to build the pipelines, instead of with Russia. Turkey, which lies to the West, closes the energy circle as the terminus of pipelines. In the 1990s, the United States joined the Caucasian circle, supporting construction of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline that extends from Azerbaijan to Turkey, successfully bypassing Russia.

The BTC is anathema to Russia. Built when Russia was weak and ruled by politically impotent Yeltsin, the BTC is one of only two pipelines that run from the Caspian basin to the West without going through Russia. Today, Russia is a muscular country and ruled by politically-savvy Putin. If Putin had a magic wand; the first thing he would do would be to make BTC disappear.

Washington, for its part, wants the BTC to flourish and extend new pipeline projects, both eastwards to Kazakhstan and Turkmenistan and westwards towards Europe in new pipeline projects, including the Nabucco gas pipeline to Western Europe. In this endeavor, Turkey is a crucial transit country, but Azerbaijan is still key since it is where the pipelines emanate. Without Azerbaijan, there could be no BTC or Nabucco, and then, the East-West corridor would be a pipedream.

Enter the Turkish-Armenian rapprochement. Azerbaijan has a dispute with Armenia over the latter's occupation of Azeri territory, including the Nagorno-Karabakh enclave since the early 1990s. Turkey has long supported Azerbaijan, a fellow Turkic country, against Armenian occupation, keeping its border with Yerevan closed to force Armenia to pull out. This stance bonded Turkey and Azerbaijan in the 1990s, allowing the United States to work with both nations to build the BTC. However, if Turkish-Armenian relations warmed sans Armenian guarantees to end occupation, Azerbaijan would feel rejected by Turkey. Azerbaijan already feels abandoned by the West, following the lack of criticism to Russia's summer 2008 invasion of Georgia, another country in the Caucasian circle. Forsaken by the West and now by Turkey and increasingly intimidated by the region's new bully, Azerbaijan would certainly turn towards Russia as its new patron. That would be the death knoll of the East-West corridor. In fact, in anticipation of rapprochement between Turkey and Armenia, Azerbaijan has already hinted that it wants to give its gas and oil to Moscow to make nice with Russia.

The United States can have its cake and eat it, too. The trick is to normalize Turkish-Armenian ties, but to

accomplish that while keeping Turkey and Azerbaijan aligned. An Azerbaijani-Armenian-Turkish axis would be Washington's lynchpin in the Caucasian circle, but it would only be possible if the ongoing Turkish-Armenian rapprochement was accompanied by a guarantee from Armenia that it is ready to settle the Nagorno-Karabakh conflict with Azerbaijan. Washington and Ankara should join the Caucasian circle to achieve this strategic end.

Turkey and Armenia have to move ahead, and Washington should support this process. However, it would be sad if the United States won over Armenia but lost Azerbaijan. Breaking the Caucasian energy circle would dead-end U.S. efforts in the Caucasus and cede the entire region and its energy resources to the circle's new owner, Russia.

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