

Conclusion

As we have seen, the nature of the relationship between Armenia and the USA has been quite complex. Armenia has managed to combine an alliance with Russia and good relations with Iran with a close partnership with the USA and a drive to participate in European integration. Global and regional trends, as well as internal developments might influence Armenia's policy, pushing it from one side of this spectrum to the other. The current trend of "reset" in the relations between the USA and Russia offers certain hopes that Armenia's "complementarism" policy might bear fruit. Normalization of Turkish-Armenian relations is one of those issues, in which

the positions of the American and Russian governments largely coincide, at least at this point. Armenia's "complementarism" policy is also dependent on the future of Iranian-American relations: the fate of the Obama administration's initiatives on Iran and the outcome of the post-election struggle in Iran will certainly influence Armenia's position between Iran and the West. However, even taking into account all these factors, the long term foreign policy strategy of Armenian elites is unlikely to change. Armenia's history, geopolitics and current situation suggest that for years to come Armenian foreign policy will be dominated by the need to find a balance between stronger neighbors and global powers.

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Recommended Reading:

Alexander Iskandaryan, "NATO and Armenia: A Long Game of Complementarism," *Caucasus Analytical Digest*, no. 5, April 16, 2009.

US Policy towards the South Caucasus: How To Move Forward*

By Fariz Ismailzade, Baku

Abstract

Since the election of Barack Obama as president of the United States, many in the South Caucasus, as in the rest of the world, wonder what the new administration's vision and policy toward their respective region will be. The reset of US-Russian relations and the seemingly soft foreign policy of President Obama raise concerns among South Caucasus citizens that the United States is gradually distancing itself from this strategically important region. Although the US legitimately has other foreign policy priorities, such as Afghanistan, Iraq and Iran, disengagement from the South Caucasus/Caspian region would offset the geopolitical, economic and energy gains made in the past decade as well as leave the South Caucasus nations in a security vacuum.

Evolution of US Policy towards the South Caucasus

Warm relations with Russia characterized the early years of post-Cold War US Presidents. Both President Bill Clinton and George W. Bush embraced their Russian counterparts and genuinely attempted to find a common language of cooperation with the Russian Federation. During the early Clinton years, a "Russia First" policy, actively pursued by Deputy Secretary of State

Strobe Talbott, even prevailed in the foreign policy agenda towards the post-Soviet space.

Yet, as the Caspian region emerged as a strategically important region with vast energy resources, the US administration began to become actively engaged in this area, working with the newly independent states of the Former USSR in pursuit of regional development, economic growth and political stability. During those times, the US government was instrumental in helping the South Caucasus countries to strengthen their independence, halt regional conflicts, revive their economies and integrate into Euro-Atlantic political

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and economic structures. Significant US help ensured that the Baku-Tbilisi-Ceyhan and Baku-Supsa pipelines and many other regional transport and energy projects were implemented and that the vast hydrocarbon resources of the Caspian were opened to Western markets. US oil companies were among the first to enter the region, bringing much needed investment and political clout.

After the terror attacks on September 11, 2001, cooperation between the US and South Caucasus nations further expanded, particularly in terms of bilateral and multilateral partnerships in the fields of security, fighting terrorism, conducting peacekeeping operations in Afghanistan and Iraq, and sharing intelligence. Military training received special attention, especially in Georgia and Azerbaijan. Section 907 of the Freedom Support Act, which prohibited US government aid to the government of Azerbaijan was frozen. President Bush became the first US President to visit the South Caucasus region and the region was subsequently declared to be of strategic importance for US national interests.

Areas of Common Interest

The US's active engagement in the South Caucasus/Caspian region gradually, but steadily, increased over time for a number of reasons. Foremost was the important geographic location of the South Caucasus, at the crossroads of Europe, Asia and Middle East, between Iran and Russia. Having a firm stronghold in this vital region was, and remains, an important goal for the overall US Foreign Policy agenda. It is through the South Caucasus that access to Southern Russia, the Middle East, Iran, Central Asia and Afghanistan widens.

Second, the rich hydrocarbon resources of the region attracted US investments and thus political interest to the region. The Caspian region plays a very important role in diversifying world energy supplies as well as ensuring the energy security of Europe and Israel. Oil and gas projects have brought in significant US investments to other sectors of the South Caucasus economy, such as services, construction, IT, transport and communications.

Finally, US interest in this region, as in other regions of the post-Soviet space, was driven by the shared values of democracy, a market economy and strengthening the sovereignty and independence of the post-Soviet republics. US politicians were convinced that by helping these newly independent countries, they were helping to establish long-lasting peace and stability in the region and preventing the emergence of another USSR.

The Current Situation

The last few years, however, have seen decreasing US interest in the region. This is evident in many areas, starting with the Georgian-Russian conflict, in which the US took a very passive stance and failed to protect its proclaimed ally Georgia, and finishing with the lack of a coherent vision for this region by the Obama Administration. The US Government, in contrast to the 1990s, distanced itself from the construction of the Baku-Tbilisi-Kars railway, a major regional transportation project which is being built with the support of the Turkish and Azerbaijani governments and is planned to connect the railway systems of greater Eurasia, so that goods and people can pass all the way from London to China and back. The US Congress, influenced by the Armenian lobby, passed a bill to prohibit US funding for this project.

In another case, the US administration still shows weakness and passivity in lobbying for the Nabucco pipeline, which is important for the transportation of Caspian gas to EU markets. US Special Envoy for Caspian Energy Ambassador Richard Morningstar has even welcomed Russian participation in Nabucco, thus further showing signs of weakness on the part of the US in supporting this project. Without strong political backing from Washington and Brussels, it will be very hard to overcome the Russian opposition and build this pipeline.

Finally, on the issue of regional conflicts, the US administration, despite being involved in both the Azerbaijan-Armenia conflict over Nagorno-Karabakh and Georgia's conflicts in Abkhazia and South Ossetia, has failed to achieve a major breakthrough in their resolution. Moreover, analysts in the region believe that the US, bogged down in economic and security problems of its own, pays less and less attention to these conflicts and further opens the door for the Russian Federation to take the initiative in the field of conflict resolution. When in March 2008 the US voted against the UN General Assembly resolution on the territorial integrity of Azerbaijan, many in the Azerbaijani capital took it as a stab in the back and insult after all the assistance that Azerbaijan has been providing in support of US national interests, including sending peacekeeping troops to Kosovo, Afghanistan and Iraq and sharing intelligence information on counterterrorism.

Moreover, President Obama's push for the opening of the Armenian-Turkish border without the consideration of Azerbaijan's national interests and the liberation of occupied Azerbaijani territories by Armenia caused a major backlash in Azerbaijan and seriously damaged bilateral Turkish-Azerbaijani relations, the backbone of

the strategic partnership between the West and Azerbaijan. In many ways, this policy by the US Administration was poorly designed, rushed and brought more divisive lines to the region instead of trying to unite it. Suspicion towards this policy in Azerbaijan remains high and much of the blame goes to the US, co-chair of the Minsk group, which is perceived to be behind the initiative, in order to please the Armenian lobby in that country.

Analysts in Georgia are increasingly talking about the decreasing amount of attention paid to this country by the new US Administration. It is true that Vice President Biden visited Tbilisi in an effort to assure Georgians that the US is still behind their country. But the visit had more of a consoling purpose than signaling a strategic commitment to this country.

Recommendations for US Policy Makers

Although understandably Washington has other priorities in the world, the South Caucasus remains a strategically important region, where constant geopolitical power games are taking place and competition for energy resources and strategic influence are never ending. Under these circumstances, ignoring the region, putting it on the backburner or sacrificing it for the sake of better US-Russian relations will not serve US national interests. In many cases, the South Caucasus and the strength of US influence here also directly affect the success of US policies in other priority zones, such as Afghanistan, Iraq, Iran and Central Asia.

Good, understandable and stable US-Russian relations are important for the South Caucasus. They will bring less competition and more cooperation in the area of conflict resolution and reduce the overall level of tension in the region. The South Caucasus needs a strong reset in US-Russian relations, but Washington must make sure that this reset does not turn into another “Russia First” policy in which it sacrifices the interests of the small Caucasus nations. Instead, healthy dialogue and support for the sovereignty, territorial integrity and independence of Armenia, Azerbaijan and Georgia should always be a priority in US-Russian relations.

In terms of domestic developments, the US, after the vivid failure of the color revolutions, should be less supportive of rapid, street-led revolutionary changes and focus more on long-term, institutional development and grassroots democracy. Education, public awareness and institutional capacity building are key for sustainable political and economic reforms in these countries. Pushy policies and harsh dictates on the issues of governance, democratization and internal reform will provoke a stubborn reaction on the part of South Caucasus

nations and further antagonize the pro-reform segments of these societies. It is important in Washington to realize that nation- and state-building processes require a long, painful path, that demands significant risks and long-term investment.

A strong focus should remain on the conflict resolution efforts. Both in the case of the Georgian and Armenia-Azerbaijan conflicts, the role of US can be huge and even a minor success could significantly bolster the US image in the region. Minor, but achievable success could be in the area of liberating a few Azerbaijani regions from Armenian occupation, repealing Section 907 of the Freedom Support Act, arranging direct dialogue between Russia and Georgia and finally, clearly pushing for the parallel opening of the Turkish-Armenian border and the de-occupation of Nagorno-Karabakh. Repealing Section 907 will have significant moral and political implications rather than financial consequences for Azerbaijan, a country that is rich in cash these days.

President Obama, despite his love for green energy, should not give up on major regional energy projects and must actively push for Nabucco, as a way to get Caspian gas to European markets. Only with the help of US lobbying and political support can the countries of the Caspian commit to this project. Otherwise, they are more likely to sell their gas to Russia and thus avoid confrontation with this powerful neighbor.

Washington should commit itself to the on-going regional transportation and infrastructure projects, providing know-how and bolstering the regional integration of the South Caucasus and Central Asian countries. These countries need help in integrating into the world economy, European and Euro-Atlantic economic and political institutions, and the World Trade Organization. The US's help in this regard could be enormous. Turning the Caspian region into the hub for Eurasian transport and communication projects would benefit both the US national interests and strengthen the independence and sovereignty of these countries. Such goals can be achieved in partnership with the European Union. Strong US support for the East-West transportation, energy and communication corridor is necessary in order to sustain the high level interest of these countries in this project. Otherwise, insecurity and lack of attention from Washington will push them in another direction.

Finally, the United States should seriously invest in public diplomacy efforts in this region, in order to prevent its image from spiraling downward. High level visits by US officials, especially from Congress, quick appointment for the empty ambassadorial positions, and regu-

lar media and civil society programs are a must in sustaining the positive image of the US.

Finally, more important than all of these actions, the US must develop a coherent, long-term and clear vision

for its policies in the South Caucasus and thus commit to this region in a sustainable manner.

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Obama and Georgia: A Year-Long Awkward Silence

By George Khelashvili, Oxford

Abstract

The Obama administration is struggling to make sense of Georgia's place in US foreign policy. So far, this has turned out to be a rather uneasy task as it is difficult for Washington to explicitly admit that Georgia only has a limited strategic value for US interests, especially after years of massive political and economic assistance to Tbilisi under the Bush administration. Georgia is important only in the regional context of Caspian energy and security in the Caucasus. Therefore, Washington's strategic activity in Georgia has been rather low-key and is likely to remain such for the foreseeable future. The US might consider strengthening its role in the region either because of energy security considerations or some large-scale disturbance caused by aggressive Russian actions, aimed at enhancing Moscow's influence in the post-Soviet space.

Introduction: Setting the Scene

After the rather dynamic development of the US-Georgia relationship under the Bush presidency, current relations seem to be stagnating as the Obama administration is quite cautious in providing explicit political support to the Georgian government. The question is whether the toning down of the rhetoric also means a real change in the substance of cooperation.

Since Obama took office a year ago, the two sides continued to implement the existing agreements that had been in place under the previous US administration. The last most significant agreement signed under Bush was the "Charter on Strategic Partnership". Despite the grand title, the charter is anything but "strategic" as it does not go beyond a mere declaration of the readiness to cooperate in various fields of mutual interest. The latest meeting under the auspices of this charter, in January 2010, envisaged the encouragement of "people-to-people and cultural exchange programs", ostensibly leaving aside any questions pertaining to the most vital of Georgian national interests – security and territorial integrity.

Moreover, official meetings between the Georgian president and US diplomats and politicians have been largely devoid of any strategic sense and could be said

to have been meetings for the sake of meetings. Secretary of State Hilary Clinton in September 2009 and Vice-President Joe Biden in July 2009 reiterated US support for Georgia's independence and territorial integrity, but things have not really moved further than this.

Putting the "Chill" in Context

There are a few possible answers as to why Washington is keeping relations with Georgia on a backburner. The most obvious pertains to the US economic crisis and the stretching of US political and military resources, which apparently also prompted Washington to "reset" relations with Moscow. Indeed, the harsh and Cold-War like rhetoric sometimes applied by the Bush administration vis-à-vis Russia now seems a thing of the past. This attitude towards Moscow in fact follows a policy line as proposed by Henry Kissinger already in Summer 2008, just before the outbreak of hostilities between Russia and Georgia, who strongly advocated a US rapprochement with Russia against the background of the leadership change in Moscow.

Alternatively, US caution could have been caused by a more prudent approach towards Georgian president Mikheil Saakashvili, whose credentials have been