

SECTION 2. WORLD HISTORY

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TÜRKIYE ECONOMIC AND ENERGY RELATIONS WITH THE SOUTH CAUCASUS COUNTRIES

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In the early 1990s, significant global changes, including the collapse of the USSR and the global socialist system, the emergence of numerous independent states, and the end of the Cold War, led to the formation of a “new world order.” The emerging situation provided favorable conditions for the South Caucasus republics, which occupy a strategic geopolitical position, to actively participate in the international relations system and global integration processes.

In 1991, the dissolution of the Soviet Union and the attainment of state independence by the South Caucasus republics led to fundamental changes in the global economy and the social and political development of the region. Simultaneously, conditions were established for major powers to exert political, economic, and cultural influence in the region.

The South Caucasus is situated in a favorable position along the shortest routes from Europe to the countries of Central Asia. The region's location between two seas, its abundant energy resources, strategic position, and role as an energy corridor expand its international relations. Today, a significant portion of the increasing freight traffic between Central Asia and European countries, along with the renewed Silk Road, passes through this region.

In terms of language, religion, and culture, the country closest to this region is undoubtedly the Republic of Türkiye. Since the early 1990s, Türkiye policy in the region has been based on peace, friendly neighborliness, and economic advancement in its relations with the South Caucasus countries. It is shall be noted that Türkiye was among the first states to recognize the independence of Azerbaijan, Georgia, and Armenia following the dissolution of the USSR.

Türkiye economic cooperation and reciprocal investments with countries such as Azerbaijan and Georgia, which are among the most developed in the Caucasus, have significantly strengthened their close relations.

Relations among these countries encompass not only political and cultural ties but also close cooperation in energy, trade, transportation, and infrastructure sectors.

The first major manifestation of strategic cooperation between Türkiye and Azerbaijan was the participation of the Turkish Petroleum Corporation in the consortium of foreign oil companies during the signing of the “Contract of the Century” on September 20, 1994.

Türkiye economic policy in the South Caucasus plays a crucial role not only in the development of the regional economy but also in facilitating the integration of the region’s economies into the global economic system.

One of the most important factors in Türkiye relations with the South Caucasus republics is cooperation in the energy sector. The energy factor has become a central element of Türkiye regional policy. In terms of diversifying energy resources in the South Caucasus, Türkiye has achieved significant success by implementing pipeline projects that traverse its territory. This successful beginning in the energy sector was marked by the construction of the Baku–Tbilisi–Ceyhan (BTC) pipeline and the delivery of Azerbaijani oil to global markets via the port of Ceyhan. The BTC pipeline starts in Azerbaijan (from the Sangachal terminal), passes through Georgia and Türkiye, and extends to the Ceyhan marine terminal on Türkiye Mediterranean coast.

Azerbaijani oil transported via the BTC pipeline reached Türkiye Ceyhan terminal on May 28, 2006, and on June 4, the first tanker loaded with Caspian oil departed from the Ceyhan terminal to global markets [2, s. 5; 8]. The passage of the pipeline through Georgian territory has made the country an integral part of the regional energy infrastructure.

It is well known that the Central Asian region also attracts the geopolitical and strategic interests of the United States and Türkiye. For the implementation of this strategy, Azerbaijan serves as an “open door” and a transit hub due to its geographic position, while Georgia functions solely as a transit route in economic terms [1, s. 165]. For many years, Türkiye has been Georgia’s primary strategic and trade partner. In addition, close cooperation has been established between the countries in the fields of energy, economy, education, and culture.

Following the collapse of the USSR, Georgia’s independence began amidst conflict. As a result of the war between Russia and Georgia in August 2008, Russia recognized the independence of Abkhazia and South Ossetia. Türkiye supported Georgia’s territorial integrity and did not recognize the independence of Abkhazia and South Ossetia.

However, Türkiye focus on the Nagorno-Karabakh issues in its South Caucasus policy prevented it from risking direct confrontation with Russia over problems in Georgian territories. With the support of Azerbaijan,

Türkiye, the United States, and other partner states, conditions were created for the oil pipeline to pass through Georgian territory [3].

The opening of the Çıldır-Aktaş border, the construction of the Kars – Tbilisi – Baku railway, and the modernization of Batumi airport, among similar projects, provide significant contributions to the development of economic relations among these countries [4. s. 149]. This bilateral cooperation has gradually evolved into a trilateral economic and energy partnership that also includes Azerbaijan.

Currently, energy and transportation infrastructure projects jointly implemented by Azerbaijan, Türkiye, and Georgia – including the Baku – Tbilisi – Ceyhan, Baku – Tbilisi – Erzurum, Baku – Tbilisi – Kars pipelines, as well as the TAP and TANAP oil and gas pipelines – hold strategic and economic significance for European Union countries. Within the framework of the Middle Corridor, the Lapis Lazuli transit route also plays an important role in driving the economic progress of regional states. On November 15, 2017, in Turkmenistan, the governments of Türkiye, Georgia, Azerbaijan, Turkmenistan, and Afghanistan signed an agreement on the Lapis Lazuli (Lazurite Route) International Transit Corridor. The corridor aims to reduce regional dependencies and establish an alternative transportation route.

Another project connected to the Middle Corridor is the Zangezur corridor. The Zangezur corridor project has entered a new phase within the context of normalizing diplomatic relations between Türkiye and Armenia. Although Türkiye officially recognized Armenia's independence on December 16, 1991, following the dissolution of the USSR, Armenia began presenting “territorial” and “genocide” claims against Türkiye. Due to these claims, as well as the occupation of Azerbaijani territories, the establishment of diplomatic and economic relations between the two countries was not possible.

Diplomatic relations between the two countries have been effectively suspended since 1993. Although the Zurich Protocols signed in 2009 were considered an important step towards normalization, the documents could not advance to the ratification stage. In light of new regional realities emerging after 2020, the parties appointed special representatives to resume dialogue. This process is considered significant for strengthening regional stability, reopening borders, and expanding economic cooperation.

The conclusion of the Second Nagorno-Karabakh War in 2020 made the opening of communications in the region one of the primary priorities on the international agenda. In this context, the Zangezur corridor holds strategic importance for expanding transit potential in the South Caucasus and is regarded as a transportation link capable of significantly increasing trade turnover and deepening regional economic integration.

Participation in this initiative holds particular significance for Armenia. The long-standing closure of its borders with Türkiye and Azerbaijan has left the country excluded from the region's major transportation and energy projects, consequently limiting its opportunities for integration into regional economic processes [5].

The political and economic strength of the Caucasus region is also important for Türkiye. Türkiye geoeconomic and energy policies in the South Caucasus positively influence both the growth of its economic power and the strengthening of its position in international relations.

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