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Germany's Perceptions of Turkey's Policy in the South Caucasus

From Coexistence to Cooperation?

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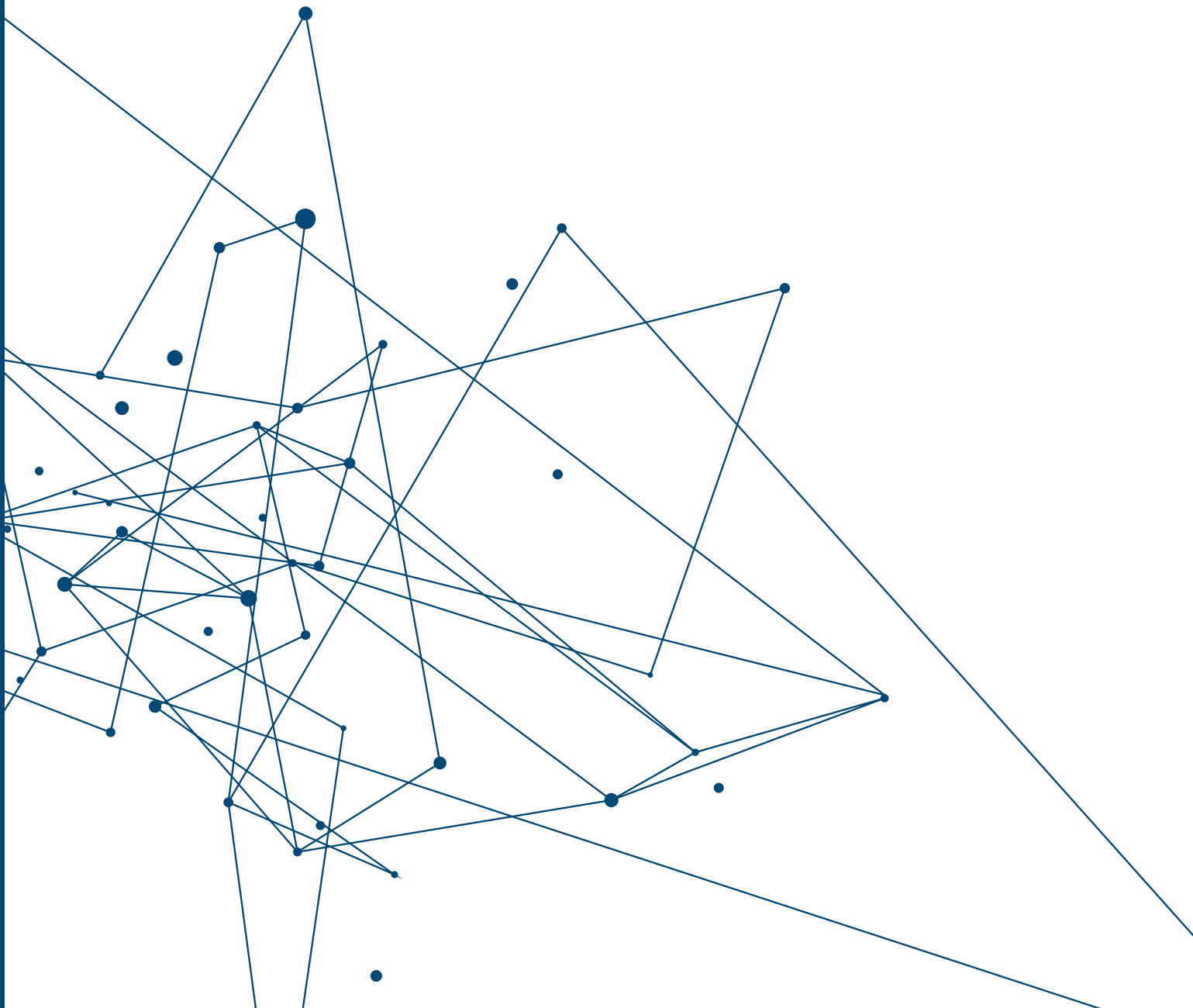

Turkey is a NATO ally, an EU membership candidate and a confident geopolitical actor. The latter aspect is uppermost in Berlin's assessment of Ankara's policy in the South Caucasus, where Turkey's growing influence is recognised. If they are to make the most of the potential for cooperation, Ankara and Berlin each need to acknowledge the other's foreign policy framework and find ways to reconcile Turkey's autonomous line with Germany's EU-oriented and often normative approach.

This paper is part of a series of CATS Network Papers that aim to assess Turkey's South Caucasus policy from the perspective of different actors.

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1.

Ankara's Multiple Roles

NATO, in the words of its then Special Representative for the South Caucasus Javier Colomina, sees Turkey as "a very important ally [...] the only ally that has borders in the region and therefore is a key actor in the region".[1] Berlin's view of Turkey's policy in the South Caucasus is less straightforward.[2] Germany's expectations are informed by Turkey's membership of NATO and by its status as a candidate for accession to the EU. Berlin therefore regards the low rate of foreign and security policy alignment between Turkey and the EU as an important yardstick: the preliminary figure for 2024 is just 5 percent.[3] Ankara's democratic backsliding also limits Germany's cooperation with Turkey, significantly shaping German public opinion and thus creating the domestic context for Berlin's policies towards Ankara. As the German Federal Foreign Office notes, "bilateral relations are strained against the background of Turkey's repressive domestic policies, especially in light of the increasing numbers of German nationals being arbitrarily detained or prevented from leaving Turkey since 2017".[4]

On the other hand, there are close people-to-people ties and extensive economic relations, and Germany is interested in expanding cooperation. This study considers whether the South Caucasus offers opportunities for Berlin and Ankara to find common ground and cooperate.

The South Caucasus has less bearing on German domestic policies than other regions where German and Turkish interests intersect, such as Syria. Turkey is not directly involved in contentious issues (as is the case in the Eastern Mediterranean where conflicts affect Ankara's relations with the EU). Nor are Berlin and Ankara pursuing diametrically opposed policies (as in the case of the Gaza war). In the South Caucasus the interests of Ankara and Berlin are not necessarily at odds. Indeed, there is convergence on the need to conclude the peace process between Armenia and

[1] Lilit Gasparyan, "Principles agreed upon between Armenia and Azerbaijan until present should not be changed, says Javier Colomina", *Armenpress* (online), 31 January 2024, https://armenpress.am/en/article/1129201 (accessed 28 November 2024).

[2] This analysis draws on interviews and background discussions with a variety of stakeholders in Germany including policymakers, government officials, business leaders and NGOs.

[3] European Commission (EC), *Commission Staff Working Document. Türkiye 2024 Report,* SWD (2024) 696 final (Brussels, 30 October 2024): 82, https://neighbourhood-enlargement.ec.europa.eu/document/download/8010c4db-6ef8-4c85-aa06-814408921c89_en?filename=T%C3%BCrkiye%20Report%202024.pdf (accessed 20 January 2025).

[4] Federal Foreign Office, *Germany and Turkey: Bilateral Relations* (Berlin, 26 February 2024), https://www.auswaertiges-amt.de/en/aussenpolitik/laenderinformationen/tuerkei-node/turkey/228290 (accessed 28 November 2024).

Azerbaijan – which Berlin expects to pave the way for a normalisation of relations between Armenia and Turkey and subsequently for Armenia's integration in regional projects. The need for cooperation on connectivity is also present in the background.

Until recently Turkey has been peripheral to German policy debates on the South Caucasus, especially compared to Russia. This may reflect a vestige of Germany's traditional approach to its eastern neighbourhood, which prioritised Russia. Today Berlin recognises Turkey's growing influence in the South Caucasus. Turkey is a NATO ally, an EU membership candidate and a confident geopolitical actor. The latter aspect is uppermost in Berlin's assessment of Ankara's policy in the region. If they are to make the most of the potential for cooperation, Ankara and Berlin each need to acknowledge the other's foreign policy framework and to find ways to reconcile Turkey's autonomous line with Germany's EU-oriented and often normative approach.

2.

Germany's Engagement in the South Caucasus

The European Union regards the South Caucasus (Armenia, Azerbaijan and Georgia) as part of its eastern neighbourhood, and the region has been included in multiple EU programmes and policies: the Eastern Neighbourhood Policy, the Eastern Partnership and bilateral cooperation agreements including the Association Agreement with Georgia and the Comprehensive and Enhanced Partnership Agreement (CEPA) with Armenia. Most recently, Georgia was granted candidate status, although the process was paused after the Georgian parliament adopted controversial legislation incompatible with EU integration and subsequently suspended by Tbilisi.

Berlin's political engagement is deeply embedded in the EU context and the EU's policies towards the region. Brussels and EU policy are central touchstones for the German policy debate. All the same, Germany's own engagement has been meaningful (as a provider of financial support) and not entirely defined by the EU framework.[5] Germany is a partner in the economic dimension and a key player in the field of development cooperation. Germany's growing foreign policy engagement in the South Caucasus and visibility as a political actor are much more recent developments.[6] Notably, Russia's invasion of Ukraine in February 2022 heightened awareness of the Eastern Partnership countries' vulnerabilities and fostered an understanding in Berlin about the need to improve their resilience against Russian neo-imperial power projection. This shift reflects a rethinking in Germany's policy towards the Eastern Partnership region, which has traditionally been Russia-centred and thus

[5] The EU's level of engagement has been criticised as insufficient. See for example, Narine Ghazaryan, "The EU and the Nagorno-Karabakh Conflict: The Forty-Four-Day War and Its Aftermath", *European Foreign Affairs Review* 28, no. 1 (2023): 53-71.
On the lack of EU foreign policy actorness, see also Annegret Bendiek, Minna Ålander and Paul Bochtler, *CFSP: The Capability-Expectations Gap Revisited: A Data-based Analysis*, SWP Comment 48 (Berlin: Stiftung Wissenschaft und Politik [SWP], November 2020).

[6] Various studies have demonstrated that Germany's actorness in the South Caucasus – as elsewhere – has relied largely on its financial contributions, which have not matched its political influence and visibility: Sebastian Relitz et al., *Germany's Contribution to Civilian Conflict Management and Peacebuilding in the EU's Eastern Neighbourhood: Past Experiences and Future Prospects* (Berlin: Advisory Board to the Federal Government for Civilian Crisis Prevention and Peacebuilding, Study no. 6, 2023); Sonja Katharina Schiffers, *Germany's Feminist Foreign and Development Policy: Need for Changes in Relations with the South Caucasus* (Tbilisi: Heinrich Böll Foundation, February 2023), https://www.boell.de/en/2023/02/27/germanys-feminist-foreign-and-development-policy-need-for-changes-in-relations-with-south-caucasus (accessed 19 December 2024).

insufficiently sensitive to the security concerns of the Eastern Partnership countries themselves, as well as those of Germany's eastern neighbours within the EU. In this context, Berlin is now showing a greater understanding of the particular challenges facing the countries of the South Caucasus and is supporting EU policies that cater to the changed conditions. However, this does not amount to a strategic approach, as elaborated below.

Judging by the lack of references to the region in Germany's policy and strategy documents, one could conclude that the South Caucasus hardly figures at all in Berlin's official foreign policy thinking.[7] The coalition agreement for 2021–2025 makes no explicit mention of the region as such, although Georgia is referenced in the short paragraph on the Eastern Partnership.[8] The same can be said of Germany's first National Security Strategy, which was published in June 2023 – after Russia's full-scale invasion of Ukraine and the declaration of a "Zeitenwende".[9] Again, only Georgia is mentioned – in the context of German support for EU enlargement – as a country that has prospects of joining the EU.[10] No mention is made of the South Caucasus as part of the Eastern Neighbourhood (or in any other context), Armenia and Azerbaijan, or the regional framework of the Eastern Partnership. This also reflects the three countries' different policies and objectives towards the EU.

Chancellor Olaf Scholz spelled out Berlin's change in attitude towards EU enlargement – which Germany now embraces as a stabilising factor – in a programmatic speech on the future of Europe delivered in Prague in August 2022.[11] However, although Scholz spoke at length about "Europe", he was actually referring – as so often in the general German discourse – to the European Union. By implication, this excluded those parts of Europe that are neither part of the EU nor currently seeking membership.

[7] Mikheil Sarjveladze, *More responsibility or lack of interest? German Perspective on the South Caucasus after the Second Nagorno-Karabakh War*, Policy Paper No. 25 (Tbilisi: Georgian Institute of Politics [GIP], December 2021), https://gip.ge/wp-content/uploads/2021/12/GIP-Policy-Paper-25-1.pdf (accessed 19 December 2024).

[8] Sozialdemokratische Partei Deutschlands (SPD), Bündnis 90/Die Grünen und Freie Demokraten (FDP), *Koalitionsvertrag 2021–2025. Mehr Fortschritt wagen. Bündnis für Freiheit, Gerechtigkeit und Nachhaltigkeit*, https://www.spd.de/fileadmin/Dokumente/Koalitionsvertrag/Koalitionsvertrag_2021-2025.pdf (accessed 19 December 2024).

[9] The Federal Government, "Policy Statement by Olaf Scholz, Chancellor of the Federal Republic of Germany and Member of the German Bundestag, 27 February 2022 in Berlin" (Berlin, 27 February 2022), https://www.bundesregierung.de/breg-en/news/policy-statement-by-olaf-scholz-chancellor-of-the-federal-republic-of-germany-and-member-of-the-german-bundestag-27-february-2022-in-berlin-2008378 (accessed 19 December 2024).

[10] Germany's National Security Strategy was published after Georgia had been given a European perspective but before it was granted EU candidate status in late 2023. The Federal Government, *Robust – Resilient – Sustainable: Integrated Security for Germany. National Security Strategy* (Berlin, June 2023), https://www.nationalesicherheitsstrategie.de/National-Security-Strategy-EN.pdf (accessed 19 December 2024).

[11] Der Bundeskanzler, "Rede von Bundeskanzler Scholz an der Karls-Universität am 29. August 2022 in Prag" (Prague, 29 August 2022), https://www.bundeskanzler.de/bk-de/suche/rede-von-bundeskanzler-scholz-an-der-karls-universitaet-am-29-august-2022-in-prag-2079534 (accessed 19 December 2024).

2.1
Foreign Policy Engagement

Germany is fundamentally interested in regional stability in the South Caucasus. In his "Zeitenwende" speech, Chancellor Scholz underlined the need for "peaceful resolution of conflicts" in Europe[12] – despite (or perhaps because of) his strong focus on expanding military capabilities and deterrence. Peace is regarded as a prerequisite for regional prosperity and a driver of transnational economic exchange. Germany has engaged in conflict resolution in the Georgian-South Ossetian and Georgian-Abkhazian conflicts and supplies a significant proportion of the personnel of the EU Monitoring Mission to Georgia (EUMM), which was established after the Russo-Georgian war of 2008.

While such engagement has remained modest overall, the Armenian-Azerbaijani conflict has only comparatively recently become a topic in German foreign policy debate.[13] Shortly after the Second Karabakh War in 2020 the German Bundestag adopted a motion calling for Germany to play a stronger role in developing "a lasting and peaceful solution to the Nagorno-Karabakh issue and thus contributing in the long term to the establishment of a stable security and peace order in the South Caucasus".[14] It was some time, however, before such engagement became visible. In this regard, Berlin was among the supporters of expanding the presence of the EU's civilian missions in the South Caucasus beyond Georgia and endorsed the launch of an EU monitoring mission in Armenia. The European Union Mission in Armenia (EUMA) has been headed by a German national since its deployment in early 2023, and Germany is a major provider of mission staff.[15]

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[12] The Federal Government, 2024.

[13] Sebastian Relitz et al., 2023.
One exception occurred in April 2016, when the so-called four-day war coincided with Germany's chairing of the OSCE, which until 2020 was the main mediating institution in the Armenian-Azerbaijani conflict over Nagorno-Karabakh.

[14] Deutscher Bundestag, *Antrag der Fraktionen der CDU/CSU und SPD: Unterstützung der Entwicklung einer langfristigen Friedenslösung in Bergkarabach*, Drucksache 19/24646 (Berlin, 24 November 2020): 1, https://dserver.bundestag.de/btd/19/246/1924646.pdf (accessed 19 December 2024) (authors' translation).

[15] The EUMA, established in response to a request from the Armenian side, was preceded by the roughly two-month EU Monitoring Capacity to Armenia (EUMCAP). EUMCAP was established under a four-party understanding (between the Armenian prime minister, the Azerbaijani and French presidents, and the EU Council President), reached at the first summit of the European Political Community (EPC) in Prague in October 2022. The EUMM initially served to quickly staff the monitoring capacity. Berlin was not able to provide staff for rapid deployment to Armenia, as this was not covered by the German cabinet's decision on the EUMM. Germany was, however, among the EU member states that supported the EUMA and its extension.
Deutscher Bundestag, *Unterrichtung durch die Bundesregierung: Bericht über das deutsche Engagement beim Einsatz von Polizistinnen und Polizisten in internationalen Polizeimissionen 2022*, Drucksache 20/9868 (Berlin, 15 December 2023): 14, https://dserver.bundestag.de/btd/20/098/2009868.pdf (accessed 19 December 2024);

Germany has also assumed a more active role in the Armenian-Azerbaijani peace process. Chancellor Scholz participated in two meetings facilitated by then EU Council President Charles Michel in 2023,[16] and hosted a meeting between Azerbaijan's President Ilham Aliyev and Armenia's Prime Minister Nikol Pashinyan in February 2024 during the Munich Security Conference. The latter was the first EU-facilitated meeting since July 2023, and the first since Azerbaijan re-established full control over its breakaway region in September 2023. The meeting was swiftly followed-up some ten days later with two days of talks between the two countries' foreign ministers in Berlin. This represented a significant step up from Berlin's prior focus on providing humanitarian aid and verbal support for multilateral efforts.[17] That said, this detour to Germany is unlikely to amount to more than a footnote in the peace process.[18] On the one hand, recent months have seen the negotiations shift to a bilateral track, with the issue of third-party involvement emerging as an additional source of controversy; on the other, among the EU member states Germany appeared to lack the political will to take on the leadership role expected of it.

The biggest change in Germany's foreign policy towards the South Caucasus has been on EU enlargement, where Berlin has dropped its resistance to offering an EU membership perspective to Georgia. It is no coincidence that Georgia is the only South Caucasus country explicitly mentioned in the German National Security Strategy. Until recently Georgia's EU membership bid was discussed on a par with the other EU candidate countries in the Eastern neighbourhood, namely Ukraine and Moldova. Currently, however, relations between Georgia and the EU are gravely strained. Initially, the biggest bone of contention was Tbilisi's adoption of legislation on foreign influence, along with the ruling Georgian Dream party's anti-liberal and

"Außenministerin im Südkaukasus: Baerbocks Mission in Minenfeldern", *Tagesschau* (online), 05 November 2023, https://www.tagesschau.de/ausland/aserbaidschan-armenien-baerbock-100.html (accessed 02 February 2024).

[16] During the EPC summit in the Moldovan Chisinau in June 2023, Chancellor Scholz participated in a meeting with the European Council President, the Armenian prime minister, and the Azerbaijani and French presidents. He also took part in a four-party meeting during the EPC's Granada summit in October 2023. The latter was initially planned as a five-party format, but Azerbaijan's President Aliyev ultimately refused to participate, considering the French position as being inconsistent with the role of a mediator or facilitator.

[17] Government sources note the provision of €17.5 million in humanitarian aid since 2021.
Deutscher Bundestag, *Antwort der Bundesregierung auf die Kleine Anfrage der Abgeordneten Sevim Dağdelen, Andrej Hunko, Żaklin Nastić und der Fraktion DIE LINKE*, Drucksache 20/8748 (Berlin, 11 October 2023): 3, https://dserver.bundestag.de/btd/20/087/2008748.pdf (accessed 09 February 2024).
According to data from the United Nations Financial Tracking Service, German donations made up 9.3 percent of all humanitarian funding in 2023, coming third after France and the United States. It should be noted, however, that donor rankings vary quite substantially over time and there may be delays before committed aid enters official statistics.
United Nations Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (fts), *Armenia* 2023 (Geneva/New York, data as of 20 December 2024), https://fts.unocha.org/countries/12/summary/2023 (accessed 20 December 2024).

[18] "Armenian and Azerbaijani Foreign Ministers Meet in Berlin as German Diplomacy Emerges out of the Shadows to Save the Day for Europe", *commonspace.eu* (online), 29 February 2024, https://www.commonspace.eu/news/armenian-and-azerbaijani-foreign-ministers-meet-berlin-german-diplomacy-emerges-out-shadows (accessed 19 December 2024).

authoritarian drift and sharp anti-Western rhetoric. While Moldova and Ukraine have opened accession negotiations with the EU, these developments have led Brussels to view Georgia's accession process as "frozen", as the EU's ambassador to Georgia put it.[19] Reports of irregularities in the parliamentary elections of 26 October 2024 have only exacerbated the impasse in EU-Georgia relations. The crisis has been further deepened by Tbilisi's announcement in December 2024 that it would be suspending the EU accession process, which sparked massive protests throughout the country. The EU's critical assessment is shared in Berlin, which is also undertaking a comprehensive review of the bilateral relationship.[20]

As well as seeking to join the EU, Georgia's constitution also enshrines membership of NATO as an objective. However, Germany did not support granting Georgia a Membership Action Plan (MAP) at NATO's Bucharest Summit in 2008 and the Alliance has remained divided on this question, with Berlin in the camp of the sceptics. While Germany has assumed a leading role in providing assistance to Georgia within the NATO framework – but below the threshold of MAP and membership – Germany's approach, which has been widely perceived as granting a de facto veto to Russia, has long been a cause of frustration in Tbilisi.[21] Georgia was granted the status of an Enhanced Opportunities Partner at the NATO Summit in Wales in 2014, alongside Australia, Finland, Jordan and Sweden. Cooperation between NATO and Georgia is essentially defined by the Substantial NATO Georgia Package (SNGP). This is a multi-pronged programme designed to strengthen Georgia's defence and security capabilities and improve interoperability with NATO. Here, Germany has played a leading role in providing financial resources and personnel.[22] Berlin also pursues bilateral security cooperation, for example in the context of Germany's Enable and Enhance Initiative, which Georgia joined in 2019.[23] Germany's bilateral, NATO and EU engagement is – or might become – subject to major change, however, depending on the political course adopted by the Georgian ruling party.[24]

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[19] "Paweł Herczyński: Adoption of Foreign Agents Law Has Frozen Georgia's EU Integration", *Civil.ge* (online), 19 June 2024, https://civil.ge/archives/613381 (accessed 19 December 2024).

[20] "German Ambassador: Relations with Georgia Under Review", *Georgian News* (online), 10 July 2024, https://sakartvelosambebi.ge/en/news/german-ambassador-relations-with-georgia-under-review (accessed 19 December 2024).

[21] Mikheil Sarjveladze, *Georgia and Germany in the Euro-Atlantic Space: Between Expectations and Reality* (Tbilisi: Georgian Institute of Politics [GIP], 20 February 2017), https://gip.ge/georgia-and-germany-in-the-euro-atlantic-space-between-expectations-and-reality/ (accessed 19 December 2024).

[22] Three of the sixteen initiatives under the SNGP are headed by German nationals. Botschaft der Bundesrepublik Deutschland Tiflis, *Deutschland und Georgien: 30 Jahre Diplomatische Beziehungen* (Tbilisi: 2022): 58, https://tiflis.diplo.de/resource/blob/2521292/34ff5ac3f72ed2bed201eb4288e8437d/broschuere-30-jahre-diplomatische-beziehungen-data.pdf (accessed 01 February 2024).

[23] This initiative also aims to strengthen partner countries' defence capabilities. Lara Finke and Thomas Bippes, *Schnell und bedarfsorientiert: Material und Gerät für Georgien* (Berlin: Bundesministerium der Verteidigung [BMVg], 01 November 2023), https://www.bmvg.de/de/aktuelles/schnell-und-bedarfsorientiert-material-und-geraet-fuer-georgien-5685210 (accessed 19 December 2024).

[24] "HR/VP Borrell Warns EU Door Will Close for Georgia if Government Continues Its Course", *Civil.ge* (online), 24 June 2024, https://civil.ge/archives/613852 (accessed 19 December 2024).

Armenia recently communicated its desire to further expand relations with the EU in particular, but also with NATO.[25] This comes against a backdrop of mounting tensions and disappointment with its traditional security partner Russia.[26] Members of the German Bundestag have called for the German government to embrace Armenia's advances towards the EU, also pointing to the country's democratic transformation following the "Velvet Revolution" of 2018. When Armenian Prime Minister Nikol Pashinyan visited Berlin in March 2023, Chancellor Scholz pledged to support Armenia on its reform path.[27] While Germany supported implementation of the CEPA between Yerevan and Brussels (which came into force fully in March 2021 after provisional implementation began in June 2018[28]), and generally advocates human rights, democratisation, and rule of law reforms in its foreign policy, it appears that Armenia's political trajectory has only received greater attention in the context of a more geopolitical outlook towards the region. However, it is still unclear how Berlin (and Brussels) would respond if Yerevan were to pursue more ambitious objectives regarding closer EU-Armenian relations.[29]

2.2
Development Cooperation

Germany has long played a leading role in development cooperation in the region. It is a key donor, having provided close to €1.4 billion in bilateral state development aid to Georgia since the early 1990s, €943 million to Armenia and €523 million to Azerbaijan, as well as €405 million for regional programmes and projects.[30] Until 2020 German state development cooperation was organised through the Caucasus Initiative, which was geared towards supporting the political and economic transformation in the three countries. In the context of a general overhaul of German

[25] Arshaluys Barseghyan, "NATO and Armenia to Finalise New Agreement as Stoltenberg Tours South Caucasus", *OC Media* (online), 20 March 2024, https://oc-media.org/nato-and-armenia-to-finalise-new-agreement-as-stoltenberg-tours-south-caucasus/ (accessed 19 December 2024).

[26] Ana Avetisyan, "Armenia Scouts Path toward EU Accession", *Eurasianet.org* (online), 19 March 2024, https://eurasianet.org/armenia-scouts-path-toward-eu-accession (accessed 19 December 2024).

[27] Die Bundesregierung, "Pressekonferenz von Bundeskanzler Scholz und Ministerpräsident Paschinjan zum Besuch des Ministerpräsidenten der Republik Armenien in Berlin am 2. März 2023", press release (Berlin, 02 March 2023), https://www.bundesregierung.de/breg-de/suche/pressekonferenz-von-bundeskanzler-scholz-und-ministerpraesident-paschinjan-zum-besuch-des-ministerpraesidenten-der-republik-armenien-in-berlin-am-2-maerz-2023-2169186 (accessed 19 December 2024).

[28] CEPA was signed in November 2017 and partially applied from June 2018 during the subsequent ratification process.

[29] "Armenia Discusses Plans for Holding a Referendum on EU Accession", *JAMnews* (online), 02 June 2024, https://jam-news.net/referendum-on-armenias-eu-accession/ (accessed 19 December 2024).

[30] Figures from Sonja Katharina Schiffers, 2023, where they are based on direct communication with the respective ministries. This data and the discussion here pertain to state bilateral development cooperation only.

development cooperation and the three countries' increasingly diverging socio-economic conditions and political trajectories, this regional approach was abandoned in favour of tailored bilateral initiatives.

Initially only Georgia – which has been a focus of German state development cooperation since the 1990s[31] – was to benefit from bilateral state development aid as a "transformation partner" under the 2020 overhaul of development cooperation. Armenia was granted "transformation partner" status in mid-2022, in recognition of its reform course and with the objective of "actively supporting" closer relations with the European Union.[32] Niels Annen, Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development, is quoted saying that this sent "a clear message to the whole world that Germany and Armenia are opening a new way [*sic*] of cooperation".[33]

The status of "transformation partner" has been granted to selected countries in the Eastern Partnership region and the Western Balkans with a view to supporting their democratic and economic transformations, governance reforms, and closer relations with the EU. Against the backdrop of Russia's invasion of Ukraine, development cooperation is also seen as a way to help partner countries reduce their dependency on Russia. In the sphere of energy, for example, Berlin has supported investment in renewables and efforts to improve energy efficiency.[34] Concerning Georgia, the key current areas of cooperation include public administration reform, support for media freedom and energy reform.[35] However, in the context of the ongoing comprehensive review of bilateral relations in response to the crisis between Tbilisi and its Western partners, Berlin has announced that it will not initiate any new projects or loan agreements until further notice, will stop several cooperation projects worth over €230 million and reserves the right to take further measures.[36] German bilateral state development cooperation in Armenia is focused on developing renewable energy

[31] Botschaft der Bundesrepublik Deutschland Tiflis, 2022: 22.

[32] Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ), *Armenien* (Berlin, 29 December 2023a), https://www.bmz.de/de/laender/armenien (accessed 20 December 2024).

[33] "Germany Announces Aid to Armenia", *Azatutyun* (online), 22 November 2023, https://www.azatutyun.am/a/32695343.html (accessed 20 December 2024); "Wie wir Armenien bei der Transformation unterstützen: Meine Dienstreise in den Südkaukasus", *Nielsannen.de* (online), 27 November 2023, https://www.nielsannen.de/de/article/427750.wie-wir-armenien-bei-seiner-ann%C3%A4herung-an-die-eu-unterst%C3%BCtzen.html (accessed 20 December 2024).

[34] Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ), *Konzept zur Entwicklungszusammenarbeit mit den Transformationspartnern in Südosteuropa, Osteuropa und Südkaukasus* (Berlin, 2023b): 3-4, https://www.bmz.de/resource/blob/195868/bmz-transformationspartnerkonzept.pdf (accessed 01 February 2024).

[35] Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ), "Entwicklungsministerin Schulze vereinbart Unterstützung Georgiens für EU-Annäherung", press release (Berlin, 30 June 2022a), https://www.bmz.de/de/aktuelles/aktuelle-meldungen/schulze-vereinbart-unterstuetzung-georgiens-fuer-eu-annaeherung-116020 (accessed 19 December 2024).

[36] Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ), "German stops cooperation projects with Georgian government", statement (Berlin, 30 December 2024), https://www.bmz.de/de/laender/georgien (accessed 12 February 2024).

sources, supporting SMEs, public administration capacity-building for rural communities, and supporting integration of the large number of ethnic Armenians who fled the Second Karabakh War and subsequently in September 2023.[37] Azerbaijan is not a transformation partner, and after the phasing out of projects under the terminated Caucasus Initiative will only qualify for regional development cooperation in multilateral frameworks such as the EU's Eastern Partnership.

2.3
Economic Ties

Germany's economic ties to the states of the South Caucasus are diverse, reflecting first of all their different market sizes and endowments of natural resources. Azerbaijan is Germany's biggest trading partner of the three, with the most important import being oil and oil products. Baku is also the only South Caucasus capital to host a bilateral chamber of foreign trade (Deutsch-Aserbaidschanische Außenhandelskammer). Overall, though, trade with the South Caucasus is marginal to Germany, accounting for just over 1 percent of total German trade in 2023. In 2023, Azerbaijan ranked 77th (imports) and 86th (exports) among 239 German trade partners. Georgia was 115th (imports) and 80th (exports), while Armenia ranked 104th (imports) and 90th (exports).[38]

According to the Federal Statistical Office of Germany, Azerbaijan accounted for 1.65 percent of Germany's imports of crude oil in 2023, down from 4.61 percent in 2014.[39] Moreover, as Germany's Federal Network Agency reports, Azerbaijan plays no role as a source of natural gas imports to Germany: Norway, the Netherlands and Belgium have become by far the most important suppliers of natural gas to Germany since its turn away from Russia after the latter's invasion of Ukraine.[40] At the EU level, too,

[37] Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ), 2023a; Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ), "Neue Partnerschaft. Deutschland und Armenien vereinbaren bilaterale Entwicklungszusammenarbeit", press release (Berlin, 01 July 2022b), https://www.bmz.de/de/aktuelles/aktuelle-meldungen/deutschland-armenien-vereinbaren-entwicklungszusammenarbeit-116228 (accessed 19 December 2024).

[38] Statistisches Bundesamt (Destatis), *Außenhandel: Rangfolge der Handelspartner im Außenhandel der Bundesrepublik Deutschland (endgültige Ergebnisse)* (Wiesbaden, 30 October 2024), https://www.destatis.de/DE/Themen/Wirtschaft/Aussenhandel/Tabellen/rangfolge-handelspartner.pdf?__blob=publicationFile (accessed 20 December 2024).

[39] Percentages based on own calculation with data from the Federal Statistical Office of Germany: Statistisches Bundesamt (Destatis), *Aus- und Einfuhr (Außenhandel): Deutschland, Jahre, Ware (4-/6-Steller), Länder*, https://www-genesis.destatis.de/datenbank/online/url/7d60f22b (accessed 20 January 2025).

[40] Ibid.
Bundesnetzagentur, *Rückblick: Gasversorgung im Jahr 2024* (Bonn), https://www.bundesnetzagentur.de/DE/Gasversorgung/a_Gasversorgung_2024/start.html (accessed 20 January 2024).

natural gas imports from Azerbaijan remain modest, accounting for 6.7 per cent of total EU imports in the third quarter of 2024 (although the figures are higher for EU member states that are closer to the respective pipelines).[41] While European Commission President Ursula von der Leyen in July 2022 signed a "Memorandum of Understanding on a Strategic Partnership in the Field of Energy" with Baku to significantly increase supplies to the EU by 2027, questions remain about its feasibility, specifically concerning the volume of investment required and the expectation of declining demand in the EU.[42]

On the one hand, Germany's abrupt change in its energy policy after Russia's 2022 invasion of Ukraine and the related search for alternative oil and gas suppliers (as well as more broadly diversified energy relations) has directed attention to Azerbaijan as an oil and gas producer. On the other, Germany's "Zeitenwende" is associated with a more critical take on the nexus between economic ties and foreign policy interests. In the South Caucasus context, this has been reflected in public statements by members of the German Bundestag about the Armenian-Azerbaijani conflict and in particular the events of September 2023. Bundestag deputies from various parties alluded to Azerbaijan's authoritarian regime and floated the possibility of sanctions, in particular in the event of any military violation of Armenian territorial integrity.[43] More generally, while the South Caucasus attracts growing attention in the parliamentary sphere, there is no consensus on whether foreign policy should focus on economic and energy relations or concentrate more strictly on values and human rights, or how best to reconcile the two. For now, the German government appears to

[41] Eurostat, *EU imports of energy products – latest developments* (Brussels, December 2024), https://ec.europa.eu/eurostat/statistics-explained/index.php?title=EU_imports_of_energy_products_-_latest_developments#Overview (accessed 20 December 2024). The data refers to pipeline imports, not Liquefied Natural Gas (LNG) (which Azerbaijan does not supply).
Yana Zabanova, *The EU and Azerbaijan as energy partners: short-term benefits, uncertain futures* (Brussels: Heinrich Böll Foundation, 2024), https://eu.boell.org/en/2024/11/05/eu-and-azerbaijan-energy-partners-short-term-benefits-uncertain-future (accessed 19 December 2024);
Shujaat Ahmadzada, *Can Energy Ties Prevent an Azerbaijan-EU Rift?*, commentary (Carnegie politika, 2024), https://carnegieendowment.org/russia-eurasia/politika/2024/04/can-energy-ties-prevent-an-azerbaijan-eu-rift?lang=en (accessed 19 December 2024).
Germany was involved in the development of the pipeline insofar as it provided federal guarantees. "Bund gibt Milliardengarantie für Pipeline aus Aserbaidschan", *Handelsblatt* (online), 06 March2018, https://www.handelsblatt.com/politik/international/gaslieferungen-bund-gibt-milliardengarantie-fuer-pipeline-aus-aserbaidschan/21037550.html (accessed 19 December 2024).

[42] Yana Zabanova, 2024.

[43] Daniela Vates, "CDU-Außenpolitiker Hardt: Entscheidung über Gasimport aus Aserbaidschan auf Eis legen", *RedaktionsNetzwerk Deutschland* (online), 20 September 2023, https://www.rnd.de/politik/cdu-aussenpolitiker-hardt-entscheidung-ueber-eu-gasimport-aus-aserbaidschan-auf-eis-legen-SM2K7VDRQJHGZEWKG63VKPKAZM.html (accessed 19 December 2024);
"Reaktionen zu Bergkarabach: 'Es darf keine ethnische Säuberung durch die Hintertür geben'", *t-online* (online), 19 September 2023, https://www.t-online.de/nachrichten/deutschland/aussenpolitik/id_100246188/reaktionen-zu-bergkarabach-trittin-und-baerbock-verurteilen-verhalten-von-aserbaidschan.html (accessed 19 December 2024);
Eva Spiegel, "Das Ende von Bergkarabach: Ein Desaster für die EU'", *Der Tagesspiegel*, 30 September 2023.

prioritise safeguarding its position and perception – not least in Baku – as a neutral broker in the peace process and its reliance on Azerbaijan for (limited) energy diversification.[44]

Another issue ensuing from the Ukraine war is the question of curbing efforts to circumvent Western sanctions against Russia. One route for evading sanctions and parallel imports that has made headlines in the media (and has also been mentioned in German and EU policy circles when pressed on the issue) involves Turkey, Georgia and Armenia. Neither Georgia nor Armenia has joined the EU's sanction regime and trade in (luxury) cars manufactured in the EU, UK or US, for instance, has soared, with media investigations suggesting their re-export to Russia, including through Azerbaijan.[45] Even though Armenia, as a member of the Eurasian Economic Union (EEU), faces comparatively few obstacles to trade with Russia, observers in Berlin note that Armenia's and Georgia's trade turnover is too small to seriously undermine the EU's sanctions regime, and that the particularly problematic trade in dual-use items has been curbed, satisfying EU and US concerns.[46]

German stakeholders, especially in the private sector, have expressed scepticism about the feasibility and profitability of the most prominent projects under discussion, such as the Middle Corridor (see below), a proposed electricity connector

[44] On Berlin's view on energy diversification see: Die Bundesregierung, "Pressekonferenz von Bundeskanzler Scholz und dem aserbaidschanischen Staatspräsidenten Ilham Aliyev am 14. März 2023 in Berlin", press release (Berlin, 14 March 2023), https://www.bundesregierung.de/breg-de/suche/pressekonferenz-von-bundeskanzler-scholz-und-dem-aserbaidschanischen-staatspraesidenten-ilham-aliyev-am-14-maerz-2023-in-berlin-2170994 (accessed 19 December 2024).

[45] Vakhtang Partsvaniya and Erekle Pirveli, "Georgia's Role in Sanctions Evasion: A Transit Hub for Russia?", *Forbes Georgia* (online), 24 October 2024, https://forbes.ge/en/georgia-s-role-in-sanctions-evasion-a-transit-hub-for-russia/ (accessed 20 December 2024);
Anna Pambukhchyan, "Armenia's Exports to Russia Raise Concerns over Sanctions Circumvention", *Euractiv* (online), 28 March 2024, https://www.euractiv.com/section/armenia/news/armenias-exports-to-russia-raise-concerns-over-sanctions-circumvention (accessed 20 December 2024);
Ed Conway, "Brand New Luxury British and European Cars are Entering Russia Despite Being Banned – Here's How", *Sky News* (online), 25 September 2024, https://news.sky.com/story/brand-new-luxury-british-and-european-cars-are-entering-russia-despite-being-banned-heres-how-13218444 (accessed 20 December 2024);
"How Azerbaijan is Exporting British Cars to Russia", *Sky News* (online), 25 April 2024, https://www.youtube.com/watch?v=ZCWLyL05MHo (accessed 20 December 20 2024).

[46] Hans-Jürgen Wittmann, "EU will Sanktionsumgehung unter Strafe stellen", *Gtai.de* (online), 24 February 2023, https://www.gtai.de/de/trade/russland/wirtschaftsumfeld/eu-will-sanktionsumgehung-unter-strafe-stellen-982348 (accessed 20 December 2024).
For example, Armenia's Central Bank quickly followed suit after Washington imposed sanctions on the Russian MIR payment system. Mark Dovich, "Armenian Banks Stop Accepting Russia's MIR Cards as US Sanctions Start to Bite", *Civilnet* (online), 20 March 2024, https://www.civilnet.am/en/news/768638/armenian-banks-stop-accepting-russias-mir-cards-as-us-sanctions-start-to-bite/ (accessed 19 December 2024).

across the Black Sea,[47] or green hydrogen production.[48] Such doubts are rooted in lingering regional instability and geopolitical uncertainty, but also a lack of scalability given the small size of the South Caucasus economies. From a German perspective, this aspect means that these supposedly economic projects – all ostensibly strengthening intra- and extra-regional connectivity – are ultimately (geo)political.[49] Put differently: German engagement in these projects – and economic ties more broadly – are driven more by foreign policy and geostrategic objectives than purely economic interests. From a purely business point of view, the region would only merit significant interest if the protracted conflicts were resolved – in particular the Armenian-Azerbaijani conflict that currently obstructs east-west-connections and intra-regional cooperation (and further limits scalability). Policy circles, by contrast, regard connectivity projects also as confidence-building measures that support the peace process and thus potentially contribute to regional stability. This also fits with Berlin's support for inclusive connectivity that avoids circumventing Armenia. Not least, Armenian-Turkish connectivity would also facilitate closer ties between Armenia and the EU.

[47] Rouven Stubbe, Sebastian Staske and Tommaso Ficara, *The Black Sea Submarine Cable Project: Economic Prospects and Challenges*, policy study (Berlin: German Economic Team [GET], December 2023), https://www.german-economic-team.com/wp-content/uploads/2024/02/GET_GEO_PS_04_2023_en.pdf (accessed 20 December 2024).

[48] Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ), "Regierungsverhandlungen: Deutschland unterstützt Aufbau einer grünen Wasserstoffwirtschaft in Georgien", press release (Berlin, 20 June 2023c), https://www.bmz.de/de/aktuelles/aktuelle-meldungen/deutschland-unterstuetzt-wasserstoffwirtschaft-in-georgien-157228 (accessed 19 December 2024).

[49] A similar assessment has been given for the Georgian-Turkish interconnector.

3.

Germany and Turkey: An Emotional Relationship

German Chancellor Olaf Scholz was "very irritated" when Turkish President Recep Tayyip Erdoğan attended the summit of the Shanghai Organisation for Cooperation (SCO) in Samarkand in 2022 and underlined Ankara's desire to join.[50] Indeed, Ankara's independent foreign policy is monitored much more closely in Berlin than in other Western capitals. One reason for this is that Germany is home to the world's largest Turkish diaspora, with over three million residents of Turkish origin. As German President Frank Walter Steinmeier noted during his visit to Turkey in April 2024, "Germany is a country with a migration background".[51] The legacy of the Turkish "guest workers" who came to Germany in the 1960s represents an important enabling – and constraining – factor in this relationship, due to the "numerous unresolved problems associated with integrating the population of Turkish and Kurdish origin in Germany".[52] In addition, during the Cold War period – but building on historical continuities since the nineteenth century – Germany assumed "a special role as Turkey's mentor in Europe".[53]

Turkey thus occupies a special place for Germany – in both domestic and foreign policy contexts. Developments in Turkey resonate with the German public: as one interlocutor put it, "everyone in Germany has an opinion about Turkey". The German public's perception of Turkey is heavily coloured by Erdoğan's centralisation of power in Turkey, in association with Ankara's increasingly strategic approach to the Turkish diaspora, its assertive foreign policy and its military operations abroad. As a result, it has become almost obligatory to reference the Turkish leader by name in German press headlines. A report on Deutsche Welle about joint military exercises held by

[50] "Scholz criticizes SCO ambitions of Turkey", *TableMedia* (online), 07 October 2022, https://table.media/en/china/news/scholz-criticizes-sco-ambitions-of-turkey/ (accessed 28 November 2024).

[51] Der Bundespräsident, "Besuch des Bahnhofs Sirkeci", press release (Istanbul, 22 April 2024), https://www.bundespraesident.de/SharedDocs/Reden/DE/Frank-Walter-Steinmeier/Reden/2024/04/240422-Reise-Tuerkei-Bahnhof.html?nn=291252 (accessed 28 November 2024).

[52] Heinz Kramer, "Türkei", in *Handbuch zur deutschen Außenpolitik*, eds. Siegmar Schmidt, Gunther Hellmann and Reinhard Wolf (Wiesbaden: VS Verlag für Sozialwissenschaften, 2007): 482.

[53] Ibid: 483.

Turkey and Azerbaijan in summer 2020 supplies a good example: "Erdoğan stirs up trouble in the South Caucasus".[54]

Inter-society relations between Germany and Turkey coexist with a mix of domestic and foreign policies that make it difficult to prioritise issues at the intergovernmental level. Ebru Turhan describes the resulting dynamic in Berlin-Ankara relations:

> One day, the governments of the two countries may be occupied with Turkey's EU accession process and shifts in official German position, while the next day issues such as the activities of PKK members and supporters in Germany, election campaigns of Turkish government representatives and politicians in German cities, bilateral cooperation in the field of energy or the implications of the economic turmoil in Turkey for German companies operating in Turkey and German foreign direct investments may dominate the agenda.[55]

As the German journalist Michael Thumann points out, German discussions about Turkey are also shaped by politicians of Turkish origin. As a consequence, "there is more discourse than politics, but they go hand in hand, debate becomes politics because Ankara reacts to it".[56] Despite grievances on both sides, Ankara and Berlin are keen to maintain their close partnership. At the EU level in particular, Germany has promoted a positive agenda towards Ankara and played a prominent role in mediating between fellow EU member states and Turkey in disputes in the Eastern Mediterranean.[57]

The extensive economic ties between Turkey and Germany are also significant. In 2023, the bilateral trade volume was US$49 billion, an increase of just over 10 percent compared to 2022.[58] There are also 7,000 German companies operating in Turkey, 327 of which are members of the German Chamber of Commerce Abroad (AHK).[59] For many German companies Turkey represents "a regional business hub" for their

[54] Daniel Derya Bellut, Deger Akal and Hilal Köylü, "Erdogan zündelt im Südkaukasus", *Deutsche Welle* (online), 31 July 2020, https://www.dw.com/de/t%C3%BCrkisches-gro%C3%9Fmachtstreben-erdogan-z%C3%BCndelt-im-s%C3%BCdkaukasus/a-54396286 (accessed 28 November 2024).

[55] Ebru Turhan, "German-Turkish Relations – Intermestic, Interdependent, Intricate", in *German-Turkish Relations Revisited: The European Dimension, Domestic and Foreign Politics and Transnational Dynamics*, ed. Ebru Turhan (Baden-Baden: Nomos, 2019): 21.

[56] Authors' interview with Michael Thumann.

[57] Günter Seufert, *Germany's New Government and Its Foreign Policy on Turkey: Lines of Conflict and Areas of Cooperation*, SWP Comment 2021/C55 (Berlin, Stiftung Wissenschaft und Politik [SWP], 25 October 2021), https://www.swp-berlin.org/10.18449/2021C55/ (accessed 28 November 2024).

[58] Republic of Türkiye Ministry of Foreign Affairs, *Commercial and Economic Relations between Türkiye and the Federal Republic of Germany* (Ankara, 2022), https://www.mfa.gov.tr/commercial-and-economic-relations-between-turkiye-and-the-federal-republic-of-germany.en.mfa (accessed 28 November 2024).

[59] Yunus Mazı, *Why German Companies Want to Invest More in Turkey* (Ankara: Foundation for Political, Economic and Social Research [SETA], 10 January 2022), https://www.setav.org/en/opinion/why-german-companies-want-to-invest-more-in-turkey (accessed 28 November 2024).

activities.[60] Turkey is also a popular holiday destination for German tourists, who represented the second-largest group in 2023, with almost 6 million (after 6.1 million Russians, with 3.7 million British visitors in third place).[61]

Apart from close ties between the two societies and deep and multifaceted economic relations, Ankara's EU candidate status also plays a central role in relations, with Berlin viewing the accession process as "open-ended".[62] In 2018 Johannes Hahn, then EU Commissioner for European Neighbourhood Policy and Enlargement Negotiations, criticised the accession framework as "an obstacle to a new, realistic form of strategic cooperation" with Turkey.[63] For Berlin, however, Ankara's accession process institutionalises the relationship and serves as a means "not to isolate Turkey" but "to keep Turkey as an important partner in geostrategic and economic terms".[64] As Dorothee Schlegel – SPD Bundestag member 2013-17 – pointed out, "the instrument of accession negotiations [...] is the EU's 'sharpest sword'".[65] Under Chancellor Angela Merkel Germany's approach towards Turkey became a "twin-tracked" process: interest-based cooperation without completely abandoning accession talks.[66]

It is Turkey's geostrategic location that makes interest-based cooperation important. In this context Berlin views Turkey primarily as a "buffer zone".[67] In the first place, this relates to Berlin's expectation that Turkey will continue to keep refugees away from the EU's external borders. Turkey and the EU negotiated a Joint Action Plan in November 2015 and issued the EU-Turkey Statement on Migration in March 2016, while Germany played a leading role in managing the refugee crisis.[68] Secondly, there is also an expectation that Turkey, as a NATO member, will defend the Alliance's south-eastern flank, act in unison with the West, and align its security policy – including vis-à-vis Russia.

In relation to Moscow, Berlin's expectations have been disappointed. This goes beyond Ankara's abstinence from Western-led sanctions. Berlin does not by and large perceive Turkey's engagement in the South Caucasus in the context of the latter's NATO membership, although Turkey's importance to the Alliance is generally recognised. Nor as linked to its status as an EU candidate. Instead, it is seen as a

[60] Ebru Turhan, 2019: 21.
[61] "Foreign Arrivals in Türkiye Hit Record 46.7 Million before Year-End", *Daily Sabah* (online), 22 December 2023, https://www.dailysabah.com/business/tourism/foreign-arrivals-in-turkiye-hit-record-467-million-before-year-end (accessed 28 November 2024).
[62] Federal Foreign Office, 2024.
[63] Helena Weise and Funda Tekin, "German Narratives, Strategies and Scenarios of EU-Turkey Relations 2002–2018: Towards a Unique Partnership – Yet to Be Defined", in *The EU-German-Turkish Triangle: Narratives, Perceptions and Discourse of a Unique Relationship*, eds. Funda Tekin and Anke Schönlau (Baden-Baden: Nomos, 2022): 79.
[64] Ibid: 10.
[65] Ibid: 98.
[66] Ibid: 96.
[67] Authors' interview with Michael Thumann.
[68] Ebru Turhan, "Turkey's EU Accession Process: Do Member States Matter?", *Journal of Contemporary European Studies* 24, no. 4 (2016): 463–477.

reflection of Turkey's self-confidence as a geopolitical actor, with Ankara's growing role in its neighbouring regions being a "natural development", as one interlocutor put it, since the end of the Cold War.

4.

Obstacles and Possibilities for Cooperation

To understand Berlin's view of Ankara's policy in the South Caucasus, it is important to identify the conceptual differences in their neighbourhood policies. The first concerns the normative dimension behind engagement. Even if it is not always pursued effectively in practice, Germany, like most other EU member states and the EU institutions themselves, frames its approach in normative terms with transformative goals of democratic reform, the rule of law, market-based economies and climate-friendly sustainable development, in particular in relation to countries that have opted for closer ties with or membership of the EU.[69] Turkey's approach in the South Caucasus, by contrast, can be characterised as "engagement without transformation". This implies a different perspective on political stability and its nexus with economic development. In a nutshell, Berlin seeks peace and democracy in the South Caucasus to pave the way for sustainable economic development and longer-term investment, while Ankara sees economic cooperation as a means to achieve regional stability and peace.[70]

Berlin's value-driven, interest-based approach – which is embedded in the EU framework – also leads to a different assessment of the South Caucasus countries. Georgia (along with Ukraine and Moldova) was an associated country and is now an EU membership candidate, and has thus enjoyed more attention and more financial assistance. However, the future of the bilateral relationship is currently uncertain, due to the recent political estrangement between the EU and Georgia, with all cooperation under review. Armenia is a special case for Berlin due to Germany's sense of historical responsibility. In 2016, the Bundestag adopted a motion on "Remembrance and commemoration of the genocide of Armenians and other Christian minorities in 1915 and 1916". It acknowledges the complicity of the German Empire, and goes on to state

[69] Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ), 2023b.

[70] This was the logic behind Turkey's initiative for the Organisation of the Black Sea Economic Cooperation in the 1990s. Daria Isachenko, *Turkey in the Black Sea Region: Ankara's Reactions to the War in Ukraine against the Background of Regional Dynamics and Global Confrontation*, SWP Research Paper 2023/RP 12 (Berlin: Stiftung Wissenschaft und Politik [SWP], 17 October 2023), https://www.swp-berlin.org/en/publication/turkey-in-the-black-sea-region (accessed 28 November 2024).

that "Germany should support Turks and Armenians in drawing closer to one another" and that "Germany sees itself as having a special responsibility within the framework of EU neighbourhood policy due to its historical role in German-Armenian-Turkish relations".[71] Moreover, Armenia's recent geopolitical reorientation has opened up new avenues for cooperation. Azerbaijan remains a challenging but important partner for Berlin. On the one hand, as a member of the Council of Europe Azerbaijan is "part of the European family", as one interlocutor put it. There is also an expectation in Berlin that the countries of the South Caucasus and Central Asia should "emancipate themselves from Russia". Berlin is thus interested in preventing Azerbaijan from aligning more closely with Russia. On the other hand, given Berlin's concern for human rights, democracy and the rule of law from Germany's perspective authoritarian Azerbaijan makes for a difficult relationship.

The second conceptual difference concerns the respective regional priorities. In Germany's political discourse, the South Caucasus is a "difficult region". The existence of protracted conflicts is further complicated by regional figurations with "different actors pursuing different interests", as one of our interlocutors put it. Moreover, the wider German public is unfamiliar with the South Caucasus. This "terra incognita" has featured in the political debate largely (if not exclusively) because of the Armenian-Azerbaijani conflict (and more recently on account of Georgia's democratic backsliding). Berlin seems to have no long-term vision or strategy for the region, which translates into a largely reactive policy with a lack of prioritisation between normative objectives and realpolitik. This seems to be reinforced by the close embedding of Berlin's policies in the EU framework, which likewise lacks a genuinely strategic approach. Furthermore, geographical distance and lack of economic interest mean the South Caucasus has remained peripheral in German policymaking circles.

For Turkey, on the other hand, the South Caucasus is important both domestically and strategically on account of its regional links with Central Asia. This is reflected in Ankara's growing involvement in the Organisation of Turkic States (OTS)[72] and connectivity projects like the Middle Corridor (see below). The South Caucasus also matters for Turkey in connection with the Balkans. Turkey is "a land of connectivity and integration between the East and the West with its two wings, one in the Balkans and the other in the Caucasus", as one Turkish diplomat put it.[73]

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[71] Deutscher Bundestag, *Antrag der Fraktionen CDU/CSU, SPD und Bündnis 90/Die Grünen: Erinnerung und Gedenken an den Völkermord an den Armeniern und anderen christlichen Minderheiten in den Jahren 1915 und 1916*, Drucksache 18/8613 (Berlin, 31 May 2016): 2, https://dserver.bundestag.de/btd/18/086/1808613.pdf (accessed 28 November 2024) (authors' translation).

[72] The foreign policy goals outlined by Turkish Foreign Minister Hakan Fidan include seeking to intensify institutional relations with organisations that are central to Ankara's foreign policy, such as NATO, the EU, the Organisation of Turkic States and the Organisation of Islamic Cooperation. Hakan Fidan, "Turkish Foreign Policy at the Turn of the 'Century of Türkiye': Challenges, Vision, Objectives and Transformation", *Insight Turkey* 25, no 3. (2023): 11-25.

[73] Ambassador Ret. Alev Kılıç, "Welcome Speech", in *EU-Türkiye Cooperation in Central Asia and South Caucasus: Towards Sustainable Engagement in Energy and Connectivity*, AVİM Conference Book (Ankara:

4.1
Impact of the Russia-West Confrontation

Berlin's view of the South Caucasus has become more geopolitical in response to the war in Ukraine and the associated shift in German political thinking. Berlin increasingly perceives the region through the prism of competing regional and external powers vying for influence, including Turkey, Iran and China (as well as Russia). When it comes to the role of Turkey, German officials have no clear concept of where Ankara stands. The overall view in Berlin is that Turkey is acting on its own in the South Caucasus rather than trying to align its interests with Western allies.

The 3+3 regional platform is a case in point. First announced by Azerbaijani President Ilham Aliyev and his Turkish counterpart Recep Tayyip Erdoğan at a joint press conference in December 2020, its purpose is to bring together the three South Caucasus countries and the regional neighbours Turkey, Russia and Iran, thereby gathering under one roof existing trilateral cooperation mechanisms (Turkey-Azerbaijan-Georgia; Azerbaijan-Russia-Iran, Turkey-Russia-Iran). By including Armenia, the platform hopes to address such regional tasks as "infrastructure, political, diplomatic and many other issues."[74] The current format is in practice 3+2, as Georgia refuses to participate if Russia is involved. The platform has held three meetings to date: at the level of deputy foreign ministers in December 2021 in Moscow and at the level of foreign ministers in October 2023 in Tehran and in October 2024 in Istanbul.

The platform does not address the peace process between Armenia and Azerbaijan, but Turkey's participation has been viewed with suspicion in Germany, as the platform was initially seen by Berlin as a competitor to the EU's format for peace negotiations. The perception of the platform as a rival to the West is reinforced by Iran's and Russia's support for it as a mechanism to exclude non-regional actors, something also echoed by Ankara and Baku. On the one hand, Turkey is the only NATO member state participating in the platform, thus "formally representing the West", as one of our interlocutors put it, which would provide a basis for Ankara to consult with its Western allies. On the other hand, there is scepticism in Berlin that Ankara would actually be willing to engage or even confer with its Western partners, given that Turkey has preferred to work with regional actors (not only in the South Caucasus but

Center for Eurasian Studies [AVİM] and Konrad Adenauer Stiftung [KAS], 22 February 2024), https://avim.org.tr/images/uploads/Rapor/AVIM-KAS-EU-Turkiye-Cooperation-in-Central-Asia-and-South-Caucasus-1.pdf (accessed 28 November 2024): 5.

[74] President of the Republic of Azerbaijan Ilham Aliyev, "Joint Press Statements of Presidents of Azerbaijan and Turkish [*sic*]" (Baku, 10 December 2020), https://president.az/en/articles/view/50868 (accessed 28 November 2024).

also in the Black Sea region and in the Middle East), since excluding non-regional actors strengthens Turkey's position and geopolitical influence. Berlin therefore doubts whether Turkey is really interested in helping Western partners secure a greater presence in the region, in other words, whether it is willing to "share the cake", as another interlocutor put it.

Berlin's attitude to Turkey's relationship with Russia is ambivalent. On the one hand, it presents a challenge, at least in part due to Berlin being apprehensive over the possible outcomes of bilateral meetings and negotiations between the Turkish and Russian presidents, both in the context of the South Caucasus and more broadly. Moreover, some officials with whom we spoke pointed out that Turkey's cooperation with Russia is predicated on its acknowledgement that the South Caucasus is still within Moscow's sphere of influence. On the other hand, Berlin believes that relations between Moscow and Ankara are fundamentally characterised by rivalry. There is also some acknowledgement that Turkey-Russia relations are not purely transactional. Instead, Turkey's own interests in containing Russia in the South Caucasus and elsewhere also play a role in its policy towards Moscow.

4.2
The Armenian-Azerbaijani Conflict

Germany considers the Armenian-Azerbaijani conflict to be one of the potential areas for cooperating with Turkey. Berlin's view of Turkey's role has become more positive after Baku's military operation of September 2023. Specifically, in the words of one interlocutor, the Armenian-Azerbaijani conflict represents "a lower hanging fruit" for Turkey compared to other areas of conflict such as the Eastern Mediterranean. Accordingly, Germany's key expectation is for Ankara to use the leverage it is assumed to have over Azerbaijan to bring the peace process between Baku and Yerevan to a conclusion, as Berlin tends to regard Azerbaijan, emboldened by its military successes, as stalling the process. The perceived benefits are gaining Ankara's support for conflict resolution between Baku and Yerevan and supporting normalisation between Armenia and Turkey. From Berlin's perspective, this holds potential for a triple win, where conflict resolution might be accompanied by expanding EU-Armenia relations (facilitated by a normalisation of Armenia-Turkey relations) and a diminishing Russian presence in the region.

However, while Ankara is assumed to have no interest in escalating or perpetuating regional conflicts, it is ultimately seen to be constrained by its close relationship and strategic alliance with Baku, whose interests take precedence over Turkey's (and Azerbaijan's own) normalisation process with Armenia. As a result, while Germany sees potential for Turkey to play a positive role in the Armenian-Azerbaijani peace

process, there appears to be some doubt as to whether Turkey would be willing (or able) to live up to those expectations.

Furthermore, although Turkey is a key NATO ally, Berlin regards Turkey's military engagement in the region – and especially its military cooperation with Azerbaijan – as largely bilateral: Ankara is pursuing its aspirations as a regional power rather than acting on behalf of NATO, notwithstanding the fact that the NATO framework was not unimportant in military relations between Ankara and Baku.[75] The Second Karabakh War of 2020 revealed the exceptionally close military ties. Berlin was particularly surprised by the extent of operational cooperation between the Turkish and Azerbaijani armies. As one interlocutor put it: "there is no daylight between them". The wider implications of use of armed drones attracted much attention in the German political debate. When then German Defence Minister Annegret Kramp-Karrenbauer described the Second Karabakh War as the "first real drone war", she was alluding to the lessons and implications for Germany's own defence capabilities.[76]

4.3
Connectivity Issues

While the Turkish side highlights connectivity as a potential area of cooperation, Berlin is more ambivalent. The Middle Corridor (Trans-Caspian International Transit Route) linking the EU, Turkey, Georgia, Azerbaijan, Central Asia and ultimately China is a case in point. Restrictions on EU trade via the northern land route through Russia and the southern alternative via Iran have boosted interest in alternative east-west links, not least in the countries along the route.[77]

While political and business circles in Berlin do see potential for boosting intra-regional trade in the South Caucasus and Central Asia, they do not regard the Middle Corridor as a viable alternative for transcontinental trade between Asia and Europe. This makes the Middle Corridor in economic terms rather a niche option: nice to have, but no substitute for other overland or maritime connections. Political actors in

[75] Haldun Yalçınkaya, *Turkey's Overlooked Role in the Second Nagorno-Karabakh War,* Insights on Turkey (Washington, DC: The German Marshall Fund of the United States [GMF], 21 January 2021), https://www.gmfus.org/news/turkeys-overlooked-role-second-nagorno-karabakh-war (accessed 28 November 2024).

[76] Franz-Stefan Gady, *Krieg um Berg-Karabach 2020: Implikationen für Streitkräftestruktur und Fähigkeiten der Bundeswehr*, BAKS-Arbeitspapiere 3/21 (Berlin: Bundesakademie für Sicherheitspolitik [BAKS], 2021), https://www.baks.bund.de/de/arbeitspapiere/2021/krieg-um-berg-karabach-2020-implikationen-fuer-streitkraeftestruktur-und (accessed 28 November 2024).

[77] Franziska Smolnik, *Dis/Connectivity in the South Caucasus: Imaginaries, the Effects of Power, Ambivalences*, SWP Research Paper 2023/09 (Berlin: Stiftung Wissenschaft und Politik [SWP], 29 August 2023), https://www.swp-berlin.org/10.18449/2023RP09/ (accessed 28 November 2024). Note, however, that while certain restrictions introduced under the EU's diverse sanction packages against Russia are in place, the northern route is still open for transit traffic, excluding dual-use items.

Germany tend to see regional instability as a threat to the route's viability, while German business representatives cite uncompetitive journey times, cumbersome bureaucracy, limited capacity and lack of predictability as reasons for their lack of interest. Furthermore, there is no consensus as to which regions the Middle Corridor actually intends to connect, and hence whose interests it might serve. Berlin's policymaking community is acutely aware that new trade routes in the Eastern Black Sea region and Central Asia could signal an eastward reorientation, rather than connecting the EU to the wider Eurasian region. In addition, stakeholders in Berlin tend to view the east-west routes in the context of pan-Turkic connectivity. However, despite the scepticism, for Berlin the Middle Corridor merits one central geopolitical advantage: that it bypasses Russia. For Germany, issues of connectivity in the South Caucasus are deeply embedded in the much larger issue of systemic rivalry with Russia.

Plans to restore the land route from Azerbaijan proper via southern Armenia to the Azerbaijani exclave of Nakhchivan and on to Turkey (which both Ankara and Baku refer to as the Zangezur Corridor) are also perceived differently by Ankara and Berlin. Germany welcomes the opening up of transport and communication links in the region, which from a business perspective could even signal a wider opening up of the region. However, Berlin feels Ankara is siding with Baku and supporting Baku's wishes for the route and its modalities. Statements such as Azerbaijani President Aliyev's assertion that "[t]he Zangezur Corridor will definitely be opened, whether Armenia wants it or not"[78] are particularly problematic for Berlin. They imply that Baku's – and by extension Ankara's – approach might not necessarily correspond to Berlin's understanding of a sustainable, negotiated peace that takes all interests into account, nor do they necessarily reflect businesses' interests in a stable and inclusive region.

In brief, while in the economic realm Turkish and German interests vis-à-vis the South Caucasus involving energy transit and related logistics seem to be largely aligned (for example concerning the TANAP and TAP pipelines), observers in Berlin see limited potential for significantly broadening cooperation, citing lack of convergence or compatibility in (transport) infrastructure and resource needs.[79]

[78] "President Aliyev Addresses People of Azerbaijan", *Report News Agency* (online), 01 January 2023, https://report.az/en/domestic-politics/president-ilham-aliyev-addresses-people-of-azerbaijan (accessed 19 December 2024).

[79] General alignment in the field of energy may not extend to the proposed Black Sea electricity connector between the EU and the South Caucasus: early planning suggests it would bypass Turkey.

5.

Conclusions and Recommendations

The current state of Turkish foreign policy towards the South Caucasus rather resembles the situation in the Balkans, where "Ankara pursues a parallel, as opposed to an adversarial, strategy to that of the West".[80] Given that the South Caucasus does not involve sensitive issues such as those that characterise Ankara's and Berlin's bilateral relations, nor flashpoints in the Middle East and the Eastern Mediterranean where their positions clearly diverge, it should theoretically be possible for Ankara and Berlin to start exploring areas of cooperation. If that is to happen, a middle ground will need to be found between Turkey's autonomous action and Germany's EU-embedded approach. Moreover, Berlin – and Brussels – will have to determine more clearly how to reconcile normative and geopolitical interests. One of the main challenges for Berlin and Ankara in the South Caucasus is the question of what containing Russia in the region means in practice and what the implications are. More generally, if Berlin is to engage in constructive dialogue with Ankara it needs to sharpen its own approach towards the South Caucasus, prioritise its foreign policy objectives, and provide the resources required to achieve them. A genuine strategy is more than a list of concerns and a mere presence.

One of the key questions for Berlin in the South Caucasus is therefore how to reconcile Germany's (and the EU's) normative agenda with their emerging geopolitical ambition, and what means would be required to do so. While the prism through which the South Caucasus is viewed in Berlin has become more geopolitical, the tools at hand have remained largely unchanged. The same applies to the EU and its tool kit.[81] Whilst Germany's transformative agenda aligns with the EU's self-perception as a normative actor, Berlin's commitment to put its political and economic weight behind

[80] Dimitar Bechev, "A Rival or an Awkward Partner? Turkey's Relationship with the West in the Balkans", *Southeast European and Black Sea Studies* 22, no. 1 (2022): 11–24.

[81] Annegret Bendiek, Minna Ålander and Paul Bochtler, 2020, demonstrate that the impediment to stronger EU foreign policy actorness is not lack of capability but lack of political will. Additionally, in the South Caucasus a technical-bureaucratic and regulatory approach took precedence over more geopolitical EU actorness. Bidzina Lebanidze, Ashot Aleksanyan and Irena Gonashvili, "The Resilience-Security Nexus in the South Caucasus: Can the EU Promote Resilience without Engaging in Geopolitics?", *Caucasus Analytical Digest*, no. 127 (May 2022): 19–25;
Mariam Dekanozishvili, "The European Union's Credibility-Expectations Gap in Its European Neighbourhood Policy: Perspectives from Georgia and Ukraine", *Southeast European and Black Sea Studies* 20, no. 2 (2020): 289-305.

effective implementation remains unclear. Moreover, Germany lacks a unified strategy prioritising – or at least weighing – the different objectives and policies including a more geopolitical approach. The effect of the lack of a coherent strategy is that inconsistencies of objectives are concealed and that the policies pursued are sometimes only selectively implemented. It arguably also hinders the identification of interactions (including counterproductive ones) between the different objectives. As a result, German policy towards the region is largely reactive. Moreover, the current approach often appears to fall short of the expectations of the intended recipients. This limits leverage and fosters disillusionment, particularly given the existence of potential alternative partners, norm entrepreneurs and security providers.[82]

What Berlin's recognition of Ankara's growing geopolitical importance means for Turkey-EU relations remains uncertain. Berlin certainly needs to rethink its approach towards Turkey, especially if there is serious concern that Ankara might be pivoting increasingly away from the West.[83] And the question of the ultimate compatibility of Germany's approach to the South Caucasus with Turkey's is integral to this rethink. Whereas Turkey's membership of NATO and the EU Customs Union remain the bedrock of Turkey-West relations, there is an increasing need for structured consultations on regional issues. This would mean, as recommended in November 2023 by the EU High Representative and the EU Commission, restarting the high-level political dialogue and high-level sectoral dialogues on economy, energy and transport that were suspended in July 2019.[84] Turkey's strategic importance is often stressed in all three capitals, Berlin, Brussels and Ankara. Yet, there is apparently a lack of consensus on its full implications. A shared understanding of Turkey's strategic importance – including in the South Caucasus – is required.

[82] That assessment of German engagement in the South Caucasus largely echoes broader judgement of European Union and Western engagement. Laurence Broers, "Western Engagement in the Region Still 'Diffuse, Tactical, Ad Hoc, and Reactive'", *Civilnet* (online), 20 March 2024, https://www.civilnet.am/en/news/768685/laurence-broers-western-engagement-in-the-region-still-diffuse-tactical-ad-hoc-and-reactive/ (accessed 20 December 2024);
Bob Deen, Wouter Zweers and Camille Linder, *The EU in the South Caucasus: Navigating a Geopolitical Labyrinth in Turmoil*, Clingendael Report (The Hague: The Clingendael Institute, March 2023), https://www.clingendael.org/sites/default/files/2023-03/the-eu-in-the-south-caucasus.pdf (accessed 20 December 2024).

[83] As the CDU/CSU defence spokesperson Roderich Kiesewetter pointed out, "the EU cannot afford to see Turkey drift towards the so-called CRINK alliance of China, Russia, Iran and North Korea". Quoted in Daniel Friedrich Sturm and Stefanie Witte, "'Schwieriger Spagat': Heikle Reise des Bundespräsidenten in die Türkei", *Der Tagesspiegel*, 22 April 2024 (authors' translation).

[84] European Commission and High Representative of the Union for Foreign Affairs and Security Policy, *Joint Communication to the European Council: State of play of EU-Türkiye Political, Economic and Trade Relations*, JOIN(2023) 50 final (Brussels, 29 November 2023), https://ec.europa.eu/commission/presscorner/detail/en/ip_23_6157 (accessed 28 November 2024).

Abbreviations

AHK	*German Chamber of Commerce Abroad*
CDU/CSU	*Christian Democratic Union/Christian Social Union of Germany*
CEPA	*Comprehensive and Enhanced Partnership Agreement between EU-Armenia*
EEU	*Eurasian Economic Union*
EPC	*European Political Community*
EUMA	*European Union Mission in Armenia*
EUMCAP	*EU Monitoring Capacity to Armenia*
EUMM	*EU Monitoring Mission to Georgia*
LNG	*Liquefied Natural Gas*
MAP	*Membership Action Plan*
NATO	*North Atlantic Treaty Organization*
OTS	*Organisation of Turkic States*
SCO	*Shanghai Organisation for Cooperation*
SNGP	*Substantial NATO Georgia Package*
SPD	*Social Democratic Party of Germany*
TANAP	*Trans-Anatolian Natural Gas Pipeline*
TAP	*Trans Adriatic Pipeline*

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