

ACADEMIA REGIONAL DEVELOPMENTS, REPORTS AND EVENTS

NOVEMBER 2008

By Richard Giragosian

1."CHRONOLOGICAL REVIEW"

28-29 November 2008: The presidents of Azerbaijan, Turkmenistan and Turkey met in the Turkmen Caspian port city of Turkmenbashi City to discuss further cooperation and possible involvement in the Nabucco natural gas pipeline project. All three countries are essential participants in the European Union-backed Nabucco gas pipeline project that aims to bring some 31 billion cubic meters of gas to Europe annually while skirting both Russia and Iran. Turkish President Abdullah Gül said on his return to Turkey that gas supplies to Europe were on the agenda but did not refer specifically to Nabucco or a Trans-Caspian pipeline. After a meeting between Azerbaijan's President İlham Aliyev and Turkmen President Gurbanguli Berdimukhammedov in the Turkmen capital, Ashgabat, the leaders pledged to step up effort to ensure energy supplies to world markets and stated that they will continue to work on resolving disputes over the Caspian Sea, and also signed a deal to create a sea-rail link meant to increase trade between the region and Europe. (Sources: AP, ITAR-TASS)

25 November 2008: Unidentified spokesmen for the Turkish Foreign Ministry announced that three Turkish engineers kidnapped in Afghanistan in October have been freed. The three men were kidnapped in the eastern province of Khost while working on a communications project. The foreign ministry statement failed to say how or whether any ransom was paid. (Sources: AP, AFP)

24-25 November 2008: After meeting with Turkish Foreign Minister Ali Babacan in Istanbul, Armenian Foreign Minister Eduard Nalbandian announced that a complete settlement of Armenian-Turkish relations is in the interest of both countries and stressed that he sees no obstacles to normalizing relations with Ankara. The dialogue between Ankara and Yerevan is aimed at establishing diplomatic relations and opening borders. (Sources: AFP, Hürriyet)

24 November 2008: Turkish Foreign Minister Babacan met in Baku with Azerbaijani President İlham Aliyev and his Azerbaijani counterpart Elmar Mammadyarov to discuss Turkey's proposal to establish a Caucasus Stability and Cooperation Platform. The new

Turkish diplomatic effort comes in the wake of brief war in August between Georgia and Russia and seeks to bring together Turkey, Russia, Armenia, Azerbaijan and Georgia in a new regional platform for discussion and the resolution of conflicts in the troubled Caucasus. The effort is also to be addressed in a technical-level meeting between these five countries during the 16th Ministerial Council of the Organization for Security and Cooperation in Europe (OSCE), set for Helsinki in early December 2008.

According to Babacan, the first meeting of the Caucasus platform will be held on the sidelines of the OSCE meeting in Helsinki and will consist of technical negotiations concerning the platform's goals, principles and mechanisms. The U.S. administration was skeptical about the platform at first, but after Turkish diplomats explained their aims and after a long telephone conversation between Babacan and U.S. Secretary of State Condoleezza Rice, the U.S. administration changed its stance and is now at least neutral toward the initiative, diplomatic sources noted. Babacan also confirmed that his Georgian counterpart, Ekaterine Tkeshelashvili, told him during a recent visit to Istanbul that Georgia would be part of the proposed Caucasus platform, despite earlier Georgian statements that the country would not sit at the same table with Russia unless it fully withdrew its troops from Georgia. (Sources: Today's Zaman, Hürriyet)

19 November 2008: Iraq , Turkey and the U.S. agreed to form a new joint committee to combat the Kurdistan Workers' Party (PKK), which Iraqi government spokesman Ali al-Dabbagh promised would, "track the threat represented by the Kurdish Workers' Party to the security and the stability of Turkey and Iraq." The announcement followed meeting in Baghdad to discuss the plan between U.S. Ambassador Ryan Crocker, visiting Turkish Interior Minister Beşir Atalay and Iraqi Prime Minister Nuri al-Maliki. (Sources: AFP, Reuters)

14-15 November 2008: Official delegations from Azerbaijan, Georgia, Lithuania, Poland, Turkey, and Ukraine gathered in Baku for an international energy summit in the Azerbaijani capital, Baku, aimed at promoting greater diversification of energy export routes from the Caspian. According to a joint statement issued at the end of the summit, the leaders agreed, "to continue efforts for coordinating activities... in the realization of joint projects directed to the strengthening of Europe's energy security." The head of the U.S. delegation to the meeting, Energy Secretary Samuel Bodman, had earlier criticized Russia's planned South Stream gas pipeline to Europe, which would pass under the Black Sea, saying it would be too expensive and difficult to build. The state-run energy companies of Kazakhstan and Azerbaijan, have agreed to set up an oil transport system across the Caspian Sea to help move Central Asia's energy reserves to Western markets. That system is based on a plan to use tankers and barges to bring oil from Kazakhstan to Azerbaijan. The starting point for the western-backed Baku-Tblisi-Ceyhan pipeline which bypasses Russia to deliver oil through Azerbaijan and Georgia to Turkey. (Sources: AFP, AP)

12 November 2008: Turkish Foreign Minister Ali Babacan says he and his counterparts from Armenia and Azerbaijan have agreed to a three-way meeting in an effort to settle long-standing disputes in the Caucasus. Azerbaijan and Armenia recently agreed to increase efforts to resolve their dispute over Nagorno-Karabakh. Babacan also announced that Turkey is ready to mediate between the incoming U.S. administration of Barack Obama and Iran, following Turkish Prime Minister Recep Tayyip Erdoğan's interview in which he noted that Turkey was helping in the talks between Iran and the six world power negotiating a settlement to standoff over Tehran's nuclear program. According to Erdoğan, as a NATO member and a candidate

for European Union membership, while at the same time having good ties with Iran, Turkey is well placed to help bridge the rift between the sides. (Sources: Reuters, AFP)

6 November 2008: An explosion targeting a strategic Iraqi-Turkish oil pipeline shut down supplies and triggered a large oil spill. The cause of the explosion was reportedly due to a sudden loss of pressure in the network, although the pipeline has been attacked by Kurdish rebels in the past. The 70 million-ton capacity pipeline connects the northern Iraqi city of Kirkuk to the Turkish Mediterranean port of Ceylan, but has been running at only about 70 percent of capacity. The incident disrupted a section of the twin pipeline through the predominantly Kurdish-populated province of Şanlıurfa in southeastern Turkey. (Sources: Anatolia News Agency, AFP)

5 November 2008: After the European Commission released an annual enlargement report arguing that Turkey could no longer cite political distractions as a reason for delaying reforms, the Turkish foreign ministry issued a statement saying that the EU would be short-sighted to reject a country pivotal to its energy security and foreign policy ambitions. But most significantly, Olli Rehn, the enlargement commissioner, reiterated that Turkey meets the accession criterion of being a “functioning market economy” and praised it for its active foreign policy stance in the Caucasus and Middle East. The Turkish foreign ministry statement also went on to stress that “the EU also has responsibilities,” and regarding the enlargement process, noted that, “it is essential that the EU acts not with a short-sighted perspective but rather focuses on its principle founding philosophy, in other words on peace, stability and attaining the status of a global power.” But he added, “there is no accession date and there are no milestones. Fundamentally, nobody really cares what’s in the progress report, because there are no consequences.” (Source: Financial Times)

5 November 2008: EU Energy Commissioner Andris Piebalgs traveled to Turkey and Azerbaijan in an attempt to demonstrate European commitment to the Nabucco pipeline, whose viability is threatened by energy deals that Russia is pursuing in the Caucasus. The 3,300-kilometer Nabucco pipeline runs from the Caspian Sea across Turkey, Bulgaria, Romania, and Hungary to Austria. Russia is backing the rival 13 billion dollar “South Stream” pipeline project. (Source: AP)

5 November 2008: Democratic Senator Barack Obama is elected U.S. president, defeating Republican John McCain. The 47-year old President-Elect becomes the 44th U.S. president, succeeding outgoing President George W. Bush when he is formally sworn in on 20 January 2009. (Sources: AP, AFP)

2 November 2008: In a meeting outside Moscow hosted by Russian President Dmitry Medvedev, Armenian President Serzh Sarkisian and Azerbaijani President İlham Aliyev agreed to intensify efforts toward resolving the Nagorno-Karabakh conflict. The tripartite document is the first such agreement signed by the two countries since the 1994 ceasefire agreement. The Azerbaijani and Armenian leaders agreed to continue further high-level talks and instructed their foreign ministers to “activate further steps in the negotiation process, in collaboration with the co-chairs of the OSCE’S Minsk Group.” (Sources: AP, AFP, Interfax, ITAR-TASS)

2. REPORTS OF INTEREST & NEWS FROM THE “ THINK THANK ” WORLD

New Report: “Global Trends 2025: A Transformed World.” The U.S. National Intelligence Council released a 120-page report authored by leading analysts from several U.S. intelligence agencies predicting that U.S. dominance around the globe will decline during the next two decades. The November 2008 report, prepared by the National Intelligence Council (NIC) to advise President-Elect Barack Obama about challenges most likely to face his incoming administration, added that the United States will remain “the single most powerful country” but will be significantly less dominant, with shrinking military and economic capabilities, while China, India, Indonesia, Iran and Turkey, will gain in strength. The report also notes that Russia’s future status was “too uncertain” accurately forecast.

*For a more in-depth examination of the report’s coverage of Turkey’s role, see the in-depth assessment following this section.

The complete report is available online at: www.dni.gov/nic/NIC_2025_project.html

New Report: International Crisis Group. The International Crisis Group issued a new report, “Azerbaijan’s Stalled Army Reform”, on 29 October 2008, noting that the “reform of Azerbaijan’s Stalled Army Reform”, on 29 October 2008, noting that the “reform of Azerbaijan’s controversial army is stalling for lack of political will.” The 20-page Policy Briefing report examined the difficulties Azerbaijan faces in upgrading its military despite an influx of oil wealth and a defense budget that has increased more than 10-fold in five years. The report further raises concerns that Azerbaijani President İlham Aliyev may “eventually choose war” with Armenia for control over Nagorno-Karabakh. But the report also stressed that military reforms could also “make the army more accountable, less corrupt and a contributor to democratization.” The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organization covering some 60 crisis-affected countries and territories across four continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

The report is available at: www.crisisgroup.org

3.”ACADEMIC NEWS”

YEREVAN, ARMENIA, 27 November 2008 : The Analytical Center for Globalization and Regional Cooperation (ACGRC) NGO Conference: “European Union and South Caucasus- A Security Partnership?”

Event Overview: The Yerevan-based NGO, Analytical Center for Globalization and Regional Cooperation (ACGRC), convened an international conference in the Armenian capital Yerevan on 27 November 2008. The conference was entitled “European Union and South Caucasus – A Security Partnership?” and was supported by the German Council on Foreign Relations (DGAP), the Black Sea Trust Fund, the German Marshall Fund of the U.S., and the Konrad-Adenauer and Robert-Bosch Foundations.

The conference featured presentations from international experts and analysts from Turkey, Azerbaijan, Georgia, Iran, the Russian Federation and Armenia, as well as members of the European Parliament from Germany and Poland. Keynote speakers included Armenian Deputy Foreign Minister Arman Kirakossian, Ambassador Raul de Luzenberger, Head of the European Commission Delegation to Armenia, and Diba Nigar Göksel, a Senior Analyst with

the European Stability Initiative (ESI) and the Editor-in Chief of the Turkish Policy Quarterly (TPQ).

New U.S. Intelligence Report Recognizes an Ascendant Turkey

By Richard Giragosian

According to a new report issued by the U.S National Intelligence Council, Turkey is defined as a strategic country that is “well-situated” for a growing and influential role on the international stage. The 120-page report, authored by leading analysts from several U.S. intelligence agencies for the National Intelligence Council (NIC), seeks to advise President-Elect Barack Obama on the most important challenges most likely to face his incoming administration.

The NIC report focuses on assessing several significant trends and presents a likely model of the international situation in the year 2025. Overall, the report predicts that U.S. dominance around the globe will decline during the next two decades, but notes that the United States will remain “the single most powerful country.” The U.S. will be significantly less dominant, with shrinking military and economic capabilities, while China, India, Indonesia, Iran and Turkey, will gain in strength. The report also notes that Russia’s future status is “too uncertain” to accurately forecast.

Although any prediction of future global challenges is inherently limited, this report utilizes an effective methodology based on modeling several scenarios driven by already existing global trends. In addressing the issue, the NIC offers a stated purpose of exploring “the forces and factors driving events” rather than to simply predict the destination, and stresses that all political leaders, and President elect Obama in particular, hold the capacity to “chart alternative paths”.

As explained in the opening introduction, the report was prepared “to stimulate strategic thinking about the future by identifying key trends, the factors that drive them, where they seem to be headed, and how they might interact” by relying on “scenarios to illustrate some of the many ways in which the drivers examined in the study (e.g., globalization, demography, the rise of new powers, the decay of international institutions, climate change, and the geopolitics of energy) may interact to generate challenges and opportunities for future decision-makers.” Moreover, as the report states, the study “is more a description of the factors likely to shape events than a prediction of what will actually happen,” and by “examining a small number of variables that we judge probably will have a disproportionate influence on future events and possibilities, the study seeks to help readers to recognize signposts indicating where events headed and to identify opportunities for policy intervention to change or lock in the trajectories of specific developments.”

In terms of Turkey’s places within the report’s modeling of the future, a rising Turkey is recognized as being a central player in a newly emerging multi-polar global system, and as a pivotal country endowed with even greater strategic significance. This view of an ascendant Turkey is most crucial as a message to the incoming U.S. administration, helping to reaffirm the promise of U.S.-Turkish relations and bolstering the need for even closer coordination between Washington and Ankara.

Yet the report also reviews the wide range of dynamic threats facing such a future world. And these new threats, including challenges from non-state actors, are also seen as tests for Turkey's state and stability. In addition, Turkey is also viewed as especially susceptible to an array of transnational trends, such as climate change and environmental security, terrorism, unconventional weapons proliferation, threats from demographic change and migration, as well as resource competition.

As a clear rising or ascendant power, Turkey is further seen as an essential partner in maintaining the global system of international security, as well as serving as an important contributor to global, and not just regional, security.

More specifically, the report identifies several factors benefiting Turkey. First, in terms of demographics, the analysis predicts that Turkey will garner new advantages from the "demographic bonus" of a vibrant and dynamic young workforce, interpreted as especially "advantageous" for Turkey due to its status as a country that "provides an educated work force and business-friendly environment for investment." In this context, Turkey is also highlighted as an "emerging center of industrialization," along with China, southern India and possibly Iran, capable of attracting new labor migration.

Second, the report provides a new, rather more accurate view of Turkey's potential EU membership, which is defined as "a test of Europe's outward focus between now and 2025." Especially due to the fact that "increasing doubts about Turkey's chances are likely to slow its implementation of political and human rights reforms." The report goes on to stress that in the event of "any outright rejection" (of Turkey's bid to join the EU), there will be a clear risk of "wider repercussions, reinforcing arguments in the Muslim world –including among Europe's Muslim minorities- about the incompatibility of the West and Islam."

The third factor that provides Turkey with significant benefits stems from the report's economic modeling, which notes "Turkey's recent economic track record of increased growth, the vitality of Turkey's emerging middle class and its geostrategic locale" as elements that only "raise the prospect of a growing regional role in the Middle East" for Turkey. Yet fundamental "economic weaknesses, such as its heavy dependence on external energy sources may help to spur it toward a greater international role as Turkish authorities seek to develop their ties with energy suppliers-including close neighbors Russia and Iran- and bolster its position as a transit hub." The report adds that "over the next 15 years, Turkey's most likely course involves a blending of Islamic and nationalist strains, which could serve as a model for other rapidly modernizing countries in the Middle East."

Thus, the new U.S. intelligence report will undoubtedly offer the new Obama administration considerable new insight into the scale and scope of the challenges facing the next American leader. While such a forward-looking study can not even claim to present an objective or accurate prediction of global conditions in the year 2025, it does present a useful analytical model and methodology for understanding key global trends that will only serve as the determinants of the nature of the world in the near-to-medium-term.

And with Turkey's place within this future bolstered by strategic ascendancy well beyond the confines of a regional actor, this report may also help Turkish strategic thinkers, political leaders and even Turkey's growing civil society sector to more effectively anticipate and prepare for the coming challenges of the future.

