
The EU and Isolating Armenia.

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Through which way the European Union (EU) and Armenian relations has recently proceeded is the European Neighborhood Policy (ENP). If requires to remind, the ENP signifies a newly-established approach of the EU which differs from the existing foreign relations of the Union. Instead, including the neighboring countries on the Eastern and Southern encompassing borders of new expanding the EU, the policy goes beyond the present relations with the intention of sharing the benefits of the EU enlargement with the interested neighbors by means of increase in security, stability and interests. In this sense, the ENP sets objectives based on commitments to shared values and effective implementation of political, economic and institutional reforms. The implementation of the ENP is to be supported with financial and technical assistance. For the benefited side, the prospect of this policy seems to create incentives for the promotion of comprehensive economic and political reforms.

However, the ENP is not just completely new approach of the EU in terms of financial and technical assistance so as to encourage the reforms in the neighboring countries. And Armenia is therefore the country which the EU has made contribution to its economic and democratic transformation in terms of the Caucasus policy for a long time. Since the beginning of 1990s, the EU has been trying to shape the transformation going on within the Caucasus republics through technical and financial aids. Programs such as TACIS, FEOGA, ECHO forms the main tools of this policy. TACIS, among them, is the well-known one due to its big budget. Under TACIS, the EU gave start to two different programs following the EU's strategic interests on the region. These are TRACECA (Transport Corridor Europe Caucasus Asia) and INOGATE (Interstate Oil and Gas Transport to Europe) programs. Including 13 countries, TRACECA is considered a project of Europe-Caucasus-Asia corridor aiming at regenerating the ancient Silk Road. The aim of the mentioned corridor, which forms the shortest, the fastest and the cheapest road route, was actually to break up Russian monopoly. Whereas on one hand the project is to reinforce both political and economic independence of the Caucasus republics, on the other hand it would enable the EU to access the Far East without being dependent to Russia. Therefore, it is possible for the project to be seemed as an infrastructure program which could possibly have contributed to the Armenian development in theory. But what about the practice?

Having contributed the reconstruction of Armenia, then, what is the problem with the EU policies towards Armenia? In fact, firstly what is the problem? Isolation, needless to say... One of the clear examples of this isolation is the TRACECA project. Although Armenia is mentioned within the project on the paper, it could not benefit from the project in practice. This is mainly because of the Azeri abstention to the project for Armenia. This therefore made Armenia to remain outside the EU project. Naturally, the long-lasting Nagorno-Karabakh issue lies behind the Azeri obstacle. In this sense, Azerbaijan seems to be so decisive not to allow Armenia to participate in this EU project. The EU has no way to deter Azerbaijan to take back its objection since it needs the project whether with or without Armenia for the benefit of its interests. It seems so that Armenia causes its isolation with its own policies. How the EU has

contributed indirectly to Armenia's isolation is that the EU does not make any pressure on Armenia in terms of a possible solution of the Nagorno-Karabakh issue to be reached a solution. Similarly, the EU does not also put pressure on Armenia about the so-called Armenian genocide issue lasting for long years between Turkey and Armenia as it does about the Cyprus issue towards Turkey. In result, the inertness of the EU on the Armenian politics in the region makes this country believe their policies right to be pursued. Then, such situation encourages Armenia to insist on the present policies which actually damage the Armenian both economic and political power in the region. As long as Armenia believes it could stand just with its own power in the region, it on the contrary contributes its own isolation gradually whereas the countries around it have steadily shown considerable increase in economic terms.

Moreover, although Armenia was the most convenient route for the Baku-Tbilisi-Ceyhan pipeline, Yerevan unfortunately remained outside of the project. Armenia was not only excluded from the Baku-Tbilisi-Ceyhan pipeline project but also there are many projects on the way in which Armenia can not be included. For instance, Azerbaijan-Georgia-Turkey natural gas pipeline which is about to be completed is one of them. Additionally, although there is an already-established railway via Armenia, Kars-Tbilisi-Baku railway line will bypass Armenia once more. New projects are also on the way, and it seems that Armenia will be outside in these coming regional co-operation projects.

What is more, the US, thanks to the strong Armenian diaspora lobbies in the Congress, has given generous aids to Armenia, yet the foreign aid creates not strong Armenian economy, but artificial growth and more dependency on foreign sources. Meanwhile, we should note that the US has been one of the most enthusiastic supporters in the regional cooperation projects which isolated Armenia.

If also estimated the Armenian domestic issues, as Armenia's power relatively decreases, the extremists in the country gain the power reversely and it is possible to claim that Armenia has gradually lost its independence. Therefore, there is an Armenia in the region which is gradually isolated itself without having realized the failure of its own policies towards the neighboring countries. And there is also an EU let Armenians to feel sufficient to carry out all problems themselves unnecessarily. In this circumstance, Armenia should be aware of its potential with its so small population and territory and of its small-scale economy. It therefore needs to be active in the region in collaboration with other actors in the region to survive. Needless to say that it takes great support of the Armenians in diaspora but to be an effective actor in the region necessitates its own power.

In such manner, it actually requires to appreciate the policies of the EU with the motivation of economic and technical aim to its neighboring countries including Armenia. There is no doubt that the EU has made key contributions to the transformation of Armenia. As mentioned above, the EU aid money is mostly channeled through the TACIS. Since 1994 Armenia has enjoyed consecutive economic growth, with a considerable high economic growth rate in 2002-2003 (13.2% and 13.9%), which was preserved in 2004 (10.1%). However, this is partly dependent on considerable flows of international aid and remittances from the Diaspora.

Furthermore, the European Union alone, during the period 1991-2002, has provided Armenia with national grants that amount to 318.36

million Euros and loans totaling 86 million Euros. In addition, EU Member States' total contributions during the same period were 282 million Euro, bringing total EU assistance to Armenia to approximately 686,3 million Euro.[1] Nevertheless, this would not prevent Armenia to play an aggressive role in its external relations which force it to be isolated. As it does in the US case, the EU aids mostly through the TACIS program made Armenian growth to be artificial. The foreign aids to Armenia could not make structural contribution; in contrast, it makes Armenian economy to be dependent on foreign investments.

In such an environment, what the EU might to do against the gradual isolation could be to encourage Armenia to pursue more moderate and collaborationist role in terms of the solution of its problems with neighbors. The EU might use its conditional aids as a trigger to persuade Armenia to agree with the parties of the problems as it does for the benefit of economic and political reforms in the country. Otherwise, Armenia would be obliged to withdraw its own shell with the risk of isolation gradually.

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[1] European Union Chamber of Commerce in Armenia, retrieved from:
<http://www.eucca.am/?page=content&parent=EU%20Armenia%20Relationship&link=EU%20Armenia%20Relationship>
, 22 March 2007.
