



RSC POLICY REPORT

MANAGEMENT AND MITIGATION: WEATHERING A VOLATILE AMERICAN FOREIGN POLICY

Background

Since the inauguration of U.S. President Donald Trump, there has been a flurry of moves to alter the strategic trajectory of US foreign policy, marked by a dangerous combination of disruption and divergence. In the context of the Trump Administration’s preference for “disruption,” it has been the volatility in Washington that has abruptly triggered a wave of uncertainty. And this degree of disruption was most evident in President Trump’s abrupt decision on his first day in office to impose a sweeping freeze of U.S. foreign assistance, including funds that were already appropriated by Congress.

The ninety-day “pause” in U.S. foreign assistance was defended as a decision to allow “for assessment of programmatic efficiencies and consistency with United States foreign policy,” immediately triggered a large number of lawsuits and court challenges. This blanket suspension of foreign aid also targeted the U.S. Agency for International Development (USAID), with a blatant disregard for the humanitarian and public health crises directly caused by the move. And following the signing of that Presidential Executive Order,¹ the White House’s Office of Management and Budget (OMB) went much further, with an expanded move ordering a “temporary pause” in “all federal financial assistance,” thereby paralyzing hundreds of domestic federal programs as well as the suspension of foreign aid.²

The Broader Shifts in U.S. Foreign Policy

Against that backdrop, that suspension of U.S. foreign aid reveals four significant factors that underscore the volatility and underpin the shifts in American foreign policy under President Trump.

1. **The Strategic Shift.** The first demonstrable element of the Trump Administration’s unprecedented reversal of American policies is the strategic shift now reshaping the role of the United States. This strategic shift is marked by the “geopolitical retreat” of the U.S., largely defined by isolation over engagement. In turn, this has triggered an unexpected “crisis of confidence” among traditional American allies and partners that even includes neighbors, such as Canada and Mexico.

¹ Reevaluating and Realigning United States Foreign Aid, Executive Order, The White House, 20 January 2025. <https://www.whitehouse.gov/presidential-actions/2025/01/reevaluating-and-realigning-united-states-foreign-aid/>

² Executive Office of the President, Office of Management and Budget (OMB) Memorandum, 27 January 2025. <https://static01.nyt.com/newsgraphics/documenttools/da3a3829590efbb7/b0c025ff-full.pdf>

2. ***Ideological Accommodation.*** A second notable component of President Trump’s policies is rooted in Washington’s ideological accommodation of authoritarian power. As evident in Trump’s affinity for “strongmen,” this accommodation is more than simply a preference for Russia or for his Russian counterpart Vladimir Putin. Rather, this is an embrace of authoritarian leaders, to the detriment of any respect for democratic credentials or recognition of human rights conformity. In this context, the targeting of foreign aid was matched by the Trump Administration’s cuts to democracy promotion programs that are separate from USAID proper.
3. ***Institutional Assault.*** Driven by an expansive assertion of broader executive power, a third element of this new trajectory stems from an institutional assault on Congress, through a disregard for the sanctity of Congressional appropriations, and a challenge to the judiciary, with a refusal to abide by Court rulings and injunctions challenging the legality of these decisions.
4. ***The Local Impact.*** A fourth factor in the implementation of these decision is the local impact. The immediate effect of the aid cutoff, for example, has been profound, as the “humanitarian shock” of an abrupt closure of public health and food security programs has hurt many aid recipients (both in terms of countries and local partners). Aside from the devastating human cost, the impact has also been unforeseen, as in the case of American farmers, whose agricultural exports were integral to many USAID and related foreign aid programs.

Implications for the South Caucasus

Amid this upheaval in Washington, the sudden halt to US aid projects and assistance programs has impacted the three countries of the South Caucasus - Armenia, Azerbaijan and Georgia – in very different ways. And each of these three countries hold wildly different expectations and have dramatically divergent strategies to deal with the shifts in U.S. policy.

While the impact was less for Azerbaijan, which has already banned the U.S. Agency for International Development (USAID) from working in the country, both Georgia and Armenia were victim to the move. The impact was especially profound, weakening an already hobbled civil society in Georgia and curtailing several programs in Armenia, including much needed aid for Armenians forcibly displaced from their homes in Nagorno Karabakh.

Nevertheless, the dramatic cutoff in U.S. assistance and funding to the region has only reinforced a notable pre-existing trend of Azerbaijan and Georgia favoring relations with Russia over any aspirations for deeper relations with the West. For these two authoritarian countries, neither the EU nor the U.S. is seen as an attractive partner. And with expectations of a more transactional Washington, even such a strategic embrace of Moscow seems to conform to U.S. eagerness to accommodate Russian interests. Therefore, for these two countries of the South Caucasus, the Trump victory is a welcome relief from US policy preferences and priorities for democracy and human rights. This is most evident in the gleeful reaction from authoritarian Azerbaijan, particularly as it remains intent on maintaining its latest wave of repression directed against the opposition, independent media and civil society.

Against that backdrop, Armenia, as the sole struggling democracy, remains as isolated and vulnerable as ever. For Armenia, nevertheless, the implications are more short-term than anything longer term, especially as Armenia's political influence in Washington has long rested in the Congress rather than the White House, and whose bipartisan influence remains unchanged and unchallenged. Another reason for Armenia's lesser concern over a Trump presidency is its confidence in the signing of a new "strategic partnership" with the United States. Signed on 14 January 2025, the new charter was timed to enter into force prior to the inauguration of Trump's second term. Although coordinated with incoming Secretary of State Marco Rubio, the signing was specifically designed to provide Armenia with a foundation for deeper relations with Washington that would define the Trump Administration's policy toward Armenia while preempting any radical shift or retreat from American support. Thus, for Armenia, it is the indirect impact that is more significant, but also likely to be profound, stemming from the "spillover" from changes in US policy toward Russia, Turkey and Iran.

Georgia's Relief at Trump's Election

And for Georgia, the Trump reelection is perceived in Tbilisi as a validation of the Georgian government's defiance of its own population in seeking accommodation of Russia and reversing traditional Georgian aspirations of joining the EU and NATO. The Georgian government's relief at Trump's election is also due to expectations in Tbilisi that the recent period of punitive measures and punishment from Washington has passed. In fact, under the Biden Administration, Georgia's long-standing strategic partnership agreement with the U.S. was invalidated following a flawed election that sparked a serious and violent crackdown by the Georgian government.

But it is Armenia where developments in Georgia have more direct and threatening repercussions. More specifically, now that the Georgian government has only accelerated its move away from Europe and closer to Russia, Armenia is faced with a new challenge. For the Armenian government, Georgia's turn against the West is a move that only promotes Armenia's position in the region as the only democracy. Yet the Armenian government is wary, seeing developments in an increasingly pro-Russian Georgia as a threat, risking a more isolated Armenia standing alone with the West and provoking a vengeful Russia.

The crisis in Georgia has also resulted in a Western shift of focus, with rewards for Armenia. The EU's policy response to developments in Georgia have already led to a more engaged and focused EU view of Armenia. This is most clearly demonstrated by two significant trends: the unprecedented deployment (and recent two-year extension) of an EU civilian monitoring mission to Armenia and, second, the first-ever crafting of new EU security assistance to Armenia.

Each of these developments is further significant as pioneering efforts of engagement with a country like Armenia, which is still host of a Russian military base and a member of both the Russian-dominated Collective Security Treaty Organization (CSTO) and the Eurasian Economic Union (EEU). From this perspective, as the EU moves to punish Georgia's flagrant disregard for democracy and retreat from democracy, the EU is expected to only increase its engagement in Armenia, focusing on efforts to reward Armenia's hard-won gains in democratization and to bolster resilience to preempt and prevent any possible regress.

An Emboldened Azerbaijan

But the Trump election was most welcome in Azerbaijan. Reflecting a near euphoria over dealing with a drastically new U.S. foreign policy, Azerbaijan's autocratic leader, President Ilham Aliyev, seemingly feels emboldened to continue with his concerted crackdown on civil society and persecution of both dissent and independent media.

And as Azerbaijan continues to be emboldened by the Trump Administration, with little expectation of response, there is a risk of yet another escalation and round of military assaults by Azerbaijan against southern Armenia. This is largely because Azerbaijan is emboldened and empowered by its recent military victory and remains encouraged by its perception of blind Turkish support, cunning Israeli backing and the lack of any Western leverage over Azerbaijan.

Against that backdrop, there is still no deterrence and little real incentive for Azerbaijan to moderate its maximalist position. Rather, there is a demonstrable danger that Azerbaijan will only continue to rely on the threat of force, going beyond its conquest of Nagorno-Karabakh conflict to move against Armenia proper.

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RSC Publications

To promote informed debate about issues related to Armenian public policy, particularly in the areas of security and foreign policy, and to promote critical thinking about Armenia's post-war strategy, the RSC publishes various analytical reports and assessments. This *RSC Policy Report*, in contrast to brief and concise *RSC Policy Notes*, offers an analysis of significant issues and developments effecting Armenia and the South Caucasus region.