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REP Seminar Summary

Turkish-Armenian Diplomacy: Bilateral and Regional Implications of Efforts to Normalize Relations

Held under the Chatham House Rule

3 March 2010

This seminar was held with the kind support of Research Analysts, DSPPA, and the Foreign and Commonwealth Office.

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Since this seminar took place the normalization process has been suspended following a statement of the Armenian President on 22 April that Armenia will suspend discussion of the protocols in the National Assembly. The thrust of the discussion at the Chatham House seminar on 3 March 2010 confirmed an impression that no early progress was likely and a significant number of intractable problems continued to block movement.

Session One: Armenia and Turkey's Moves towards Normalizing Relations

The moderator opened the discussion by arguing that Armenia is increasingly frustrated that Turkey is apparently seeking to link the normalization of bilateral relations to the Nagorno-Karabakh issue. At the same time, the decision of the Armenian Constitutional Court to confirm that the protocols were in line with the Armenian Constitution was interpreted in Turkey as an attempt to introduce recognition of the Armenian genocide as a precondition to normalization.

The first speaker explained that the driver of rapprochement, on the Turkish side, is fear that US-Turkey relations may suffer strategic damage. It is hard to detect signs of regret about the genocide amongst the political elite. Foreign Minister Ahmet Davutoğlu's principle that Turkey should seek to have zero problems with all its neighbours has also been influential. For the Armenians, the key motive is the dire economic situation, which an opening of the border may relieve.

The protocols themselves were a masterpiece of diplomatic language. They omit any reference to Nagorno-Karabakh and the Armenian genocide. No serious bureaucrat in Turkey believes that Nagorno-Karabakh will become de facto reintegrated into Azerbaijan. The issue, which was glossed over by the protocols and now has emerged, is the fate of the seven *raiony* currently occupied by Armenia.

Ratification of the protocols now looks unlikely. The process was first undermined when Prime Minister Tayyip Erdoğan spoke his mind in Baku and linked the ratification process to progress over the frozen conflict between Armenia and Azerbaijan. Instead of calming the situation, Davutoğlu repeated the same conditions in Baku himself. Azerbaijan also launched a campaign of political blackmail, sending MPs to Turkey who received wide coverage in the media. This gave the opposition an opening to attack the government's stance. Ratification has also been held up by the difficulties of the Turkish government. The process of de-militarisation, the Ergenekon investigation

and the Cyprus deadlock – which could grow worse in the next couple of months should the radical candidate win the elections in Northern Cyprus – are all issues which the opposition has used to attack the government, making progress on other foreign policy matters difficult.

The strong objections voiced by Azerbaijan suggested that Turkey did not inform its partners in Baku before opening negotiations on the protocols. The judgement of the Constitutional Court in Armenia complicated matters because its ruling referred to an article of the Armenian Constitution that relates to genocide. This was an unnecessary move which raised an issue that had been deliberately glossed over in the text of the protocols.

The judgement of the Constitutional Court was immediately seized upon by the Ministry of Foreign Affairs in Turkey, which argued that the ruling introduced preconditions which undermined the spirit of the protocols. This was not done by the Ministry of Foreign Affairs, but by the entourage of the Prime Minister. The damage has been done, and Turkey has thrown up another obstacle in the way of ratification.

Developments at the end of February 2010 were not positive. The Defence Minister of Azerbaijan has made some tough statements. On 25 February, Davutoğlu approached the Armenian President in Kyiv and expressed good will, but no substantive talks were held. Hillary Clinton subsequently reiterated the position of the US before the Foreign Affairs Committee that ratification should take place without preconditions. A couple of days later, Erdoğan linked the vote of the Committee regarding recognition of the genocide to the ratification process. A group of Turkish deputies in the US has been lobbying heavily against recognition. In early February, President Sargsyan sent a message to President Gül during a speech at Chatham House underlining the importance of fulfilling the commitments made in the protocols.

As long as the rationale of both sides in this situation remains power politics, the prospects for further development look bleak. If Turkey wants to be a real player in the region, it should open its borders unilaterally. The protocols were a unique opportunity which is fast slipping away. If the protocols fail, external observers will largely blame Turkey.

Sooner or later the borders are bound to be opened, largely through civilian diplomacy. Whilst Erdoğan continues to play power politics, civilian diplomacy is moving ahead. For years now there has been significant cultural, academic and economic exchange between the countries. There are some 12,000 Armenian workers in Turkey; other estimates put the figure far higher. Travel in both directions is substantial. People are not waiting for the elites to resolve

their differences. The secret services have been collaborating on forged passports.

In Turkey, there is a growing awareness of what happened in 1915. The g-word is no longer a taboo. There are no court cases over its use and the apology campaign has gathered over 30,000 signatures. The murder of Turkish-Armenian journalist Hrant Dink was an important moment; his funeral was attended by 100,000. There has been tremendous publishing activity, including uncensored versions of the 'blue book'. The restoration of historical Armenian sites in Turkey is on-going. The Armenian Church in Istanbul was restored with public money. Turkish-Armenian relations are too important, too emotionally-charged, to be abandoned to power politics. If anything can reenergize the process of reconciliation it is these civil society initiatives.

The second speaker turned to Armenia's interests in the normalization process. It was argued that the new rhetoric of rapprochement differs markedly from previous efforts to bring the countries together. Yerevan's statements are not a propaganda rebuttal of the view from Turkey. Both sides have moved on. The war in Georgia reconfigured the regional map in a negative way. Rapprochement between Turkey and Armenia can reconfigure it in a positive way. Although deferment now looks most likely, we should not forget that the process is not meant to be quick or easy. The fact that Swiss involvement was needed shows how difficult the process is.

Armenia's motivation differs from that of Turkey. The current Armenian government is less popular and enjoys less legitimacy than previous administrations. The current president inherited a weak mandate and is trying to build legitimacy through a foreign policy breakthrough. The Armenian position is thus partially rooted in weakness. The crucial g-word for Armenia, the speaker believed, is not genocide but governance. Armenia suffers from a lack of democracy.

Turkey wants to correct a failed policy and remove the veto that Azerbaijan has had on its foreign policy. Turkey feels it has been painted into a corner by Azerbaijan. However, Turkey made a strategic mistake by declining to inform Baku in advance, believing it could bully Azerbaijan into accepting the change without consultation. Azerbaijan is increasingly uncomfortable with being treated as a junior partner and has been angered by Turkey's condescending approach. The normalization process is nevertheless a stark recognition by Turkey that the previous approach had failed. Closed borders are not a policy; they signal the absence of policy.

The visit by Gül to Armenia was important for Sargsyan. It allowed him to regain the initiative from the diaspora, returning policy-making to the centre. The negative reaction within the Armenian diaspora was less vehement than might have been expected. Hardliners who opposed normalization were not able to unite around the issue. The government could turn round and ask, 'if you're against the protocols, then what are you for? What would you propose instead?' The opposition has no answer to this. No one can argue that closed borders should be the norm. After announcing the protocols, the President toured the major diaspora centres and came through strongly. He informed rather than consulted on the issue. The emptiness of the nationalist agenda was exposed by Sargsyan's initiative.

Also significant was Turkey's decision to remove Nagorno-Karabakh as a precondition for improved relations. Having taken this step, it would be hard to reinstate it. However, if the two issues are no longer directly connected, an indirect link still remains. Turkey is waiting for some sort of progress on Nagorno-Karabakh to give it the diplomatic cover to open the border.

Ironically, the lack of democracy in Armenia means ratification is assured if and when a decision is taken to put the protocols before parliament. The future of the agreement therefore depends on one key factor: Turkey's domestic politics. This is an area that no one, not the EU or the US, can influence. As the process stalls, Armenia is feeling increasingly vulnerable. There is a sense of urgency on the Armenian side, whereas Turkey has a different sense of timing and is much more comfortable with waiting. There are clear imbalances between the two countries. For Armenia the fundamental pillars of its foreign policy are Nagorno-Karabakh and relations with Turkey. For Turkey, Armenia is far from being the most important issue. Turkey is in danger of missing an important opportunity. If this happens, it will appear an insincere and unreliable interlocutor. Armenian-Turkish rapprochement is one of the few issues that Russia, the EU and the US all agree on. Expectations lie with Turkey and the ball is in its court. Armenia can do no more.

The vote in the House of Representatives is not that important. The Committee has approved a resolution three times before. Whether the resolution proceeds any further depends much more on Turkey-Israel relations than Turkey-Armenia relations. Turkey has an exaggerated paranoia over a genocide declaration. It is a commemorative resolution which is non-binding. There is, though, a danger that Obama will allow Congress to adopt the bill as he is looking for ways to put pressure on Turkey. This is not wise. Turkey does not respond well to external pressure.

Armenia is in danger of becoming an insignificant, isolated garrison of Russia. It needs to open its border to Turkey to expose its closed, oligarchic economy to competition. A diversification of international partners is Armenia's only hope. However, even if the protocols succeed, this will do nothing to address Armenia's internal weaknesses and democratic deficit in the short term. If they fail, this will push any possible resolution of the Nagorno-Karabakh conflict further into the distance. Failure will make the moderates appear naïve and vindicate the opposition.

The third speaker focused on the role of civil society in the normalization process. Compared to relations with Azerbaijan, Armenia's relations with Turkey are fairly positive. A history of second-track diplomacy between Armenia and Turkey was recently published in Yerevan. This is a rich work, and major lessons can be drawn. The Turkish-Armenian Reconciliation Committee (TARC) was created in the late 90s to conduct second-track talks on rapprochement. Its foundation created a wave of follow-up initiatives. TARC approached the International Centre for Transitional Justice (ICTJ), which said it would adjudicate on the genocide issue, but stated that any decision would not make the sides liable for reparations. This was understood by TARC but not by society at large. It was a big risk for both sides to go to the ICTJ. For Armenia, it meant risking discussion of an issue which is regarded as indisputable. TARC was put under pressure, but its actions gave birth to the process which became the football diplomacy initiative.

Public opinion is changing in Armenia. After the protocols were announced, meetings took place in town halls all over the country. There was not a significant weight of opinion which objected to the normalization of relations with Turkey. There is now a direct flight between Armenia and Turkey. Visas have become cheaper. On a societal level interaction is growing, and this started with TARC. The same dynamic does not exist in relations between Armenia and Azerbaijan. Since normalization is unlikely in the next few months, the discourse may change again.

It was not necessary to send the protocols to the Armenian Constitutional Court. The Armenian side took this step to give Sargsyan a way out if he needs it. It was not clear how long Turkey would take to ratify. It was also thought that when the Constitutional Court rubberstamped the protocols this would bring the government further international acclaim. The Court was thus put in a difficult position – they had to accept the protocols, but also give an opinion in case the Armenian side needed to renege on the agreement. And this has subsequently been used by the Turkish side as a means to slow down the process. In his Chatham House speech, Sargsyan also threw

Ankara an ultimatum, declaring that Armenia would not ratify first but wait for Turkey to move. The justification for this (which is true as far as it goes) is that Sargsyan can guarantee the passage of the protocols through the Armenian parliament. This was the wrong approach. Armenia should have immediately moved to ratify, which would really have put pressure on Turkey. Now that is impossible. These power games have had a negative impact on a process which started with high expectations.

Behind the scenes, Turkey is looking for Armenia to offer at least some kind of gesture on Nagorno-Karabakh so that it can save face. Turkey underestimated the vehemence of Azerbaijan's reaction to the process and now wants to back peddle. There is very little knowledge in Turkey about the political community in Azerbaijan.

There are three possible scenarios for the near to medium future.

- A breakthrough. There are some caveats to this. The creation of the intergovernmental commission poses a challenge to Armenia's bureaucracy which is much weaker than Turkey's. It needs to build up its diplomatic corps and train their bureaucrats. The opening of the border may not have the transformational impact some have argued. The eastern regions of Turkey are underdeveloped. Armenia is also underdeveloped and its economy weak, but it has received a great deal of foreign assistance in the last 20 years, which Turkey never has. There was never a USAID mission to Turkey.
- Deterioration. Failure to ratify the protocols leads to increased distrust and resentment between the two sides. This could impact negatively on Armenian immigrants in Turkey. Turkish-Azerbaijani military cooperation could reach new levels. One couldn't rule out skirmishes on the Azerbaijani-Armenian border which would lead to regional instability and upset the whole reconciliation process.
- Mild optimism and gradual improvement. This is the most likely scenario. Direct links are established on a governmental, and more importantly, a societal level. The level of exchange gradually increases. However, there is a danger that Armenia will grow even less democratic and free. Anti-democratic developments are almost inevitable if there is no tangible

progress on ratification because the regime will feel increasingly insecure. It is important to look for new ways forward. These could include opening the borders without ratification, seeking some level of trilateral cooperation over Nakhichevan, or engaging Turkey in Azerbaijan-Armenia civil society exchange.

Questions and Discussion

One speaker pointed out that the Armenian Constitution requires that the Constitutional Court has a say in the normalization process – it must determine that the agreement does not contravene the Constitution.

A question was raised about the extent to which the economic situation in Armenia really acts as a driver towards rapprochement. To what extent are the possible benefits of normalization being sold to society at large? Is the process largely in the hands of diplomats? It was argued that the economic aspect of normalization has been exaggerated, which means there is a risk that ordinary people may be disappointed even if progress is made. From the Armenian side, opening the border would reduce the monopoly position of Georgia on transit and cut costs. However, Armenia has no products waiting to be released into the Turkish and EU markets. Armenia will only be a secondary beneficiary in this respect. Russia, which has big investments in Armenia, will benefit more directly. Its support for the process is thus based around national interests.

On the other hand, whilst the economic incentives as a whole are shallow, there are people living on the border areas who are desperate to start trading. The state of the Armenian economy is so bad that any new opportunity is welcome. Turkey may use the open borders to set up factories in Armenia to subvert EU quotas. However, expectations have to be managed. Poor villages on the border assume that living standards will increase, but the Armenian economy is not structurally ready for open borders and increased competition. It was interesting to note that when the protocols were announced, transport companies in the east of Turkey rushed to acquire licenses to travel abroad. This has now fallen off; an indication that people suspect the borders will not be opened.

Another participant pointed out that Turkey is already Armenia's sixth largest trade partner, with goods transiting via Georgia. Iran, which has an open border with Armenia, lies only in tenth place. We should not assume, therefore, that opening the border will lead to any kind of economic

transformation. Armenia has no industrial base or service sector to speak of. Growth is almost entirely due to tourism, i.e. diaspora money.

There is a possibility for increased US investment in Armenia if there is progress on reconciliation. But that should not be a driver. The mutual interest pushing forward this process should be the increased level of trust and stabilisation of the region.

Does popular and elite opinion in Nagorno-Karabakh play a role in policy formation on this issue in Yerevan? It was argued that the population of Nagorno-Karabakh – which is officially 140,000, unofficially much less – has been surprisingly apathetic. This shows the extent to which they are under the thumb of the government in Yerevan. The level of governance in Nagorno-Karabakh is very low. The best and the brightest go to Yerevan, which means Nagorno-Karabakh does not have an effective negotiating position on such issues.

It was argued that diaspora hardliners do not have a great deal of influence in Armenia. There is a lot of talk, but they have offered little in the way of positive proposals. Resident Armenians see the diaspora as hypocrites, who do not experience the reality of living in the country. The diaspora thus has a marginal role in national politics; people don't want to be controlled by outsiders. The diaspora has an obsession with the genocide, when what they should really be pushing for is democracy, governance, and better protection of human rights. The genocide is important, but not the most important issue in contemporary Armenia.

One participant argued that we must not overlook Erdoğan's oil and gas focus and his desire to turn Turkey into an energy hub. We should not expect much from the current political generation. However, Turkey is changing. A new generation is appearing with different values; the popularity of the nationalist AKP is waning.

A question was asked about the estimated number of migrant workers from Armenia present in Turkey.,95 per cent of Armenian migrants in Turkey are women, usually working as maids or cleaners. Many people in Turkish high society have Armenian cleaners. These migrants usually have no papers, and often their children can't go to local schools. If they have children in Turkey, they too will not have Turkish citizenship. How Turkey continues to treat Armenian migrants will be an important test case for relations. This issue has been sidelined in much of the discussion. The situation for many Armenians in Turkey is dire. Laws could easily be adopted to ease the pressure on the community.

One participant asked who was really driving Turkish foreign policy in this area - is Erdoğan calling the shots? It was Gül rather than Erdoğan, after all, who went to Yerevan. Did Erdoğan hijack the process, or is it more coordinated? One analyst responded that when Erdoğan went to Baku he did what he often does and spoke his mind without considering the consequences. This was a mistake. Erdoğan has no understanding of the detail on Nagorno-Karabakh. Of course the speech was immediately picked up and caused alarm in Ankara. There was even discussion in Turkey of whether they should issue a statement qualifying his remarks, but the damage had been done. The opposition seized on his speech to attack the reconciliation process. This speech combined with the upheaval of internal reforms has thrown up powerful obstacles. There is no more room for the government to push for ratification and the government.

Another participant argued that Turkey *is* acting to address the interests of minorities. Many Armenians are getting their property back. Turkey has a moderate position on Nagorno-Karabakh. Turkish policymakers only expect the seven occupied *raiony* to be returned to Azerbaijan. No one in the Foreign Ministry seriously expects Nagorno-Karabakh to return to Azerbaijan control. What is the Armenian and Turkish perspective on the Russian stance? Washington, Brussels and Moscow appear to share the same agenda, but nuances are starting to show through. It was argued that Turkey and Russia have had conflictual relations since Peter the Great. Russia was the driving factor behind the collapse of the Ottoman Empire. Since the collapse of the USSR, relations have been built around trade. Perhaps in the future there will also be nuclear energy partnership. Vladimir Putin has discussed the possibility of offering to build a nuclear power station in Turkey. This has been offered to Russia without an open tender. The relationship remains tense, however, not least because of the Muslim population in the Caucasus which have diasporas in Turkey (Circassians, Kabaldinians, Ossets). Radicals in Turkey dream of building strategic relations with Russia and Iran. This was an idea that they started to float about ten years ago, but it's wishful thinking for the time being. They also promote rhetoric of 'Turkishness' which encompasses Azerbaijan.

The same participant argued that the importance of Azerbaijan-Turkey links has been overplayed. Talk of the two countries as 'one nation' is nonsense. Azerbaijan is not a key ally of Turkey. Plenty of Turks don't know where Azerbaijan is. The Caucasian diaspora in Turkey has no influence on Ankara's foreign policy. The Turkish state operates on the French principle of voluntary or involuntary assimilation. Those of non-Anatolian ethnic origin

can't make a bid for more policy influence. Turkey-Azerbaijan relations have been a negative factor in this process. The opposition in Turkey has used the Azerbaijan card to attack the government.

Session Two: Regional Implications

The first speaker began by stating that Turkey's foreign policy strategy in the South Caucasus in the last few years had been characterised by an effort not to confront Russia. In addition, a clear choice has been made not to engage with the Azerbaijani democratic opposition.

The normalization overtures with Armenia have not played out as Turkey had conceived, and it is now trying clumsily to step back. Turkey's options are limited. There are three key issues at stake: the genocide question, the Turkish-Armenian border, and Nagorno-Karabakh. The US position on the genocide is a potential lever on Turkey, which it tries to counteract by stressing its own strategic importance to the US. Azerbaijan meanwhile tries to threaten the US and Armenia on every front it can. Each player in the region is overplaying its hand. Threats could backfire; none of the parties have as much leverage as they think. Russia would be the winner if any of the threats were followed through. What Turkey tried to do was put all the issues into one package. Nagorno-Karabakh did not feature in the protocols but was always seen as a condition on the Turkish side. It was certainly part of the subtext. There was a naïve idea that the two sides could present the protocols differently to their constituencies and everyone would accept this. Turkey also underestimated the Azerbaijani reaction, but it also basically bought the Matt Bryza line that a deal was close.

Azerbaijan feels more confident now and able to lay out its red lines clearly. Turkey has been forced on to the back foot and the process has stalled. In addition, the assumption that the genocide issue would simply go away was unfounded. Turkey thought that if a historical commission were set up there would not be a genocide bill vote in the US.

The alternative for Turkey would have been to do nothing. Perhaps this would have been better, rather than raising expectations. But now the discussion has happened, the red lines are on the table. The next time an attempt is made both sides might be able to approach the issue in a more sensitive and nuanced manner.

The US should not try to use the genocide as a lever to get the border opened. If recognition of the genocide is a moral issue then it should be left

as such; one should not play political games with it. There is an argument that the genocide bill is over-dramatised. Recognition will have political repercussions, however. It will strengthen the opposition in Turkey. The AKP's opponents are keen for the genocide bill to pass. If it does, it will derail the reconciliation process. To minimize the domestic impact of the bill, the AKP will take the position that they lobbied against it on the basis that it threatens US bases and protocol ratification, so they won't support these any more. The AKP will blame Armenia and the US for meddling in Turkey's internal politics. Had the government prepared the Turkish people for the resolution to be passed, none of this would have been so intensely felt. For example, there is a mistaken popular belief that recognition of the genocide will mean territorial losses for Turkey.

The EU should foster the domestic transformation of Turkey, be strict and fair on the accession process, raise minority rights issues, push for high democratic values, and facilitate interaction between Turkey and Armenia. The dialogue between Turkey and Armenia is perhaps the single political dynamic which could change the rest of the region in a positive way. It will only move forward with more groundwork. Turkey's efforts to move towards the EU have also had a positive impact on the wider Caucasus region. However, there is little conviction in Turkey that the country will join the EU. If the border question with Armenia were the only obstacle that would give the EU huge leverage. This is not currently the case, however.

One should not over-emphasize the importance of opening the Turkey-Armenia border. The economic impact will not be that great. The region will not open up until Armenia and Azerbaijan establish normal relations. Opening the border between Turkey and Armenia may simply exchange one problem for another if Azerbaijan is unhappy. Sargsyan should not link himself too much to the rapprochement.

Another participant discussed Russia's position vis-à-vis the normalization process. Russia's position in the region before 2000 was very different. Relations with Armenia were good, but strained with Heydar Aliyev. Putin subsequently moved to improve relations with Azerbaijan. Until the Rose Revolution, Russia's relations with Georgia were also fairly normal. Russia was the biggest external player in the South Caucasus. Two laws introduced in Georgia preventing the transit of Russian goods to Armenia have isolated the country and put pressure on the government to open up its foreign policy.

The Armenian diaspora communities in Russia are important. There are almost as many Armenians in Russia as in Armenia itself. Seven out of the

ten richest Armenians live in Russia. The diaspora in Russia has a significant role in the normalization discussions. However, the Azerbaijani diaspora in Russia is even larger. Ilham Aliyev spent 15 years in Russia and his daughters live there now. Radicals in Russia think that opening the border between Turkey and Armenia will isolate Georgia. Russia will not put pressure on Armenia to resolve the Nagorno-Karabakh or Turkey issues. Russia will remain determinedly neutral. Russia does not consider it right to consider all of these problems in a package and insists that it is inappropriate to link the Turkey-Armenia issue with Nagorno-Karabakh. Medvedev welcomed the normalization overtures and establishment of diplomatic relations. The analyst argued that this is not a policy move targeted against any country; it was done for the sake of Turkey and Armenia.

More than half of Armenia's economy is owned by Russians or Armenian Russians. The railways, for example, are controlled by Russians. If the border was opened, the expert argued, this would not lead to an economic revival for Armenia and there would still be a chance of war between Armenia and Azerbaijan. Armenia is little by little losing traction with Russia on its relations with Azerbaijan.

Russia-Turkey relations, meanwhile, are going from strength to strength. Russia accounts for 22 per cent of Turkey's tourist trade, and there are approximately one million intermarriages, according to the expert.

Unofficially, Russian experts do not believe Russia will be a winner from the border opening. There is concern over the increasing Americanisation of Armenia. An extreme view holds that normalization is a US plot to prepare the South Caucasus as a bridgehead for attacks on Russia.

The final speaker began by stating that he was not generally optimistic about the region. When considering Turkish-Armenian diplomacy, we focus too much on the process and do not consider the context. Normalization is part of a general change in the region arising from a number of factors including: the strategic consequences of the invasion of Georgia and the recognition by Russia of two territories; a change in Russia's actions in the region as a whole; a modest improvement in Russia-US relations; the evolution of energy routes in the region, including the opening of the pipeline between Turkmenistan and China and the growing energy and economic relationship between Russia and Turkey; the emergent Russia-Turkey condominium in the Black Sea; and the stalling of Nabucco. Turkey-Armenia normalization is not a central preoccupation for the EU or the US. It is also low down the list for the protagonists. Turkey is more concerned by EU accession, Cyprus and

civil-military relations. Inserting the Armenia-Turkey normalization process into this agenda is problematic. The agenda is heavily shaped by local and regional perceptions

It is too early to say who the winners and losers of the process are. Hypothetically, the opening of the border could enhance cooperation and deflect the genocide issue in the US. In Ankara, there may be a thought that normalization could allow Turkey to balance Russia in the region. But there is a cost for Turkey-Azerbaijan relations. Georgia sees itself as a loser. It will worry about the impact on transit and trade if the border opens, and also the implications of its own border dispute with Armenia (concerning Javakheti). It is hard to see any pluses for Georgia. Azerbaijan is also a loser from the process. Relations with Turkey have suffered. Azerbaijan is considering deepening ties with Russia, whose influence in Azerbaijan has increased. The prospects for a peaceful resolution of the Nagorno-Karabakh dispute have receded as a result of the dialogue and the likelihood of the use of force has increased. Iran may also be a loser as its special relationship with Armenia would become less significant (though it could strengthen relations with Azerbaijan).

What impact would normalization have on the OSCE Minsk process? Some analysts argued when the protocols were signed that this would act as a confidence-building measure for the Nagorno-Karabakh negotiations. There is no basis for this view. The red lines in Armenia and Nagorno-Karabakh remain as sharply defined as ever, and Azerbaijan has been angered by being sidelined from the negotiations. The lesson since 1992 has been that if the main parties don't want to move the process forward, the Minsk Group cannot achieve anything. Neither the EU, nor the US, nor Russia are perceived as impartial interlocutors. The EU is divided on its South Caucasus policy, although it plays an important role in trade and promoting good governance; the US approach is shaped by the Armenian diaspora. Russia's position is complicated by its military bases in Armenia, which provoke broader concerns over its longer-term intentions. The drivers of political developments in the region are not exogenous. Turkey-Armenia relations and Turkey-Azerbaijan relations are rooted in domestic politics. There is little to be gained by outsiders attempting to take on a greater role. The tendency for South Caucasus leaders to exaggerate the significance of the region for major powers is matched by outsiders' tendency to exaggerate the contribution they can make to resolving the region's conflicts.

Questions and Discussion

One expert argued that a transition of elites is coming in Armenia. Sargsyan is the last of the old guard, a veteran of the Nagorno-Karabakh war. He has no successor. This does not necessarily mean Armenia is heading in a good direction. It could become more like Belarus than Belgium. Kocharian is not an acceptable choice for the US or Russia. They do not want an unstable Armenia, although Russia would happily accept a weak one.

Another expert argued that Turkey's regional role has two aims – to strengthen its hand vis-à-vis the EU by showing that the cost of losing Turkey is getting higher, and to provide an alternative should EU accession go nowhere. The failure of the protocols will have a negative effect on Turkey's foreign policy options.

In response to a question about Turkey's energy relations, one analyst argued that Turkey is not fully committed to South Stream. Its approach is cautious. Whilst the leadership makes the right noises to Moscow, it is playing the field and knows it doesn't need to choose now. South Stream has a planned capacity of 62 bcm, but no one knows where this gas would come from, particularly as Russo-Ukrainian relations are improving. Meanwhile, there will be a final decision on Nabucco this year.

A further question was raised about the extent to which Turkey is concerned by Azerbaijan's interests in the region. It was pointed out that Azerbaijan has little influence on Turkish foreign policy, and what leverage it does possess flows from a desire on Turkey's part to be a regional player. To what end is unclear. There are big problems over the transit of Azerbaijani gas via Turkey at the moment. Azerbaijan is looking to diversify its sources of export, but it would not transfer everything to Russia even though it is disappointed with Turkey. Azerbaijan doesn't understand Turkey's approach and it doesn't understand Turkey's relationship with Russia or Israel.

Azerbaijan, one participant argued, has finally recognised it has an ultimate veto on the protocols. A limited skirmish on the line of control would stop the process in its tracks. We should worry about a lack of discipline on the Azerbaijani front line. Some officers could open fire by accident and events could spiral out of control.

Another expert argued that the internal transformation of Georgia has had an impact on Azerbaijani society. Young people go to Georgia and see a country where no bribes are taken, hospitals work and there is tolerance of dissent. This raises expectations back home. Students ask themselves, if Georgia can do it, why can't we. If Georgia is successful this will empower people in

Azerbaijan. The jury is still out, however. The South Caucasus needs a success story, and Georgia is the closest thing to it.

One analyst argued that in the event of an attack on Iran, forcing Turkey to take a position for or against, there would be a massive impact domestically, on potential cooperation between the countries of the region, and also on Turkey's and Armenia's relations with the US. Another expert pointed out that there is still a long way to go before an attack on Iran. Further rounds of sanctions will be attempted first, and that is a lot less problematic for Turkey. If Israel unilaterally attacks, however, that will present a different set of problems. On normalization issues, Iran will probably stay on the sidelines. It will not directly support Azerbaijan though, according to the expert, Iran is not a good influence on the Azerbaijani elite. Armenia-Iran relations are good – Armenia has never supported any resolution against Iran in the UN, even those which Russia has supported. It is an indictment of the political situation in the South Caucasus that the only country in the region to have full diplomatic relations with all three states is Iran. The expert argued that the West is not a player in the region; in truth, it recognises Russia's 'sphere of influence'.

Finally, one expert argued that we could see the 'Cyprusisation' of the South Caucasus, whereby a combination of domestic factors, and the interconnectedness of different problems and tensions makes it impossible for external actors to be involved in any positive fashion, especially if the prospect of EU accession recedes for Turkey. The Caucasus is low down the list of priorities for major powers, but it is still a source of instability. Another conflict there could provoke wider regional confrontation with potential for violence. Another expert pointed out that the recent war in Georgia does not bear this out. In fact, the conflict between Georgia and Russia, despite having wider geopolitical overtones, did not draw in other countries and remained contained within a small area.