Armenia - Turkey rapprochement is important not only for alternative regional energy solutions but also for the establishment of peace and stability in the Caucasus. The United States, in the context of President Obama’s policies emphasizing engagement rather than confrontation, has encouraged Turkey to refrain from isolating Armenia. The West is by now convinced that Azerbaijan cannot serve as an alternative to Russia for natural gas supplies. One reason for this is Azerbaijan’s small production volume. Another is the instability of the transit route, highlighted again by the August 2008 “South Ossetia War”.

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Since 1991, Turkish foreign policy towards Armenia has negated Armenian diplomatic attempts to normalize relations with Turkey. The main obstacle is Turkey placing pre-conditions for normalization (i.e. that Armenia must refrain from Armenian Genocide recognition claims, and recognize Nagorno-Karabakh as inalienable part of Azerbaijan), which are incompatible with the basic principles of international relations. Thus, bilateral attempts to normalize relations have resulted in deadlock.

The need to resolve this deadlock gave international actors an opportunity to intervene in the Armenian-Turkish normalization process. However, the involvement of the United States, the European Union, and Russia in this issue has spontaneously drawn Turkey and Armenia deeper into the uncompromising contest between these larger powers for influence in South Caucasus. As a result, Armenian and Turkish sides eventually accepted a normalization process with which neither side was completely comfortable.¹

The South Ossetia War of August 2008 changed the balance of power in the South Caucasus and seriously affected the aforementioned rivalry. On its face, this was a Russian-Georgian confrontation. However, it needs to be better understood as Russia’s response to the West’s assistance to Georgia, resulted with Russia’s recognition of Abkhazian and South Ossetian independence.

The fallout of the conflict led to unprecedented growth of Russia’s military and political influence in the South Caucasus. The U.S. policy towards the South Caucasus is on the verge of failure by virtue of Russia’s actions. Georgia is paralyzed and is no longer a reliable partner for the U.S. The post-conflict situation rendered the energy transit routes stretching through the territory of Georgia less secure. The West is by now convinced that Azerbaijan cannot serve as an alternative to Russia for natural gas supplies. One reason for this is Azerbaijan’s small production volume. Another is the instability of the transit route, highlighted again by the August 2008 “South Ossetia war”. Compounding the problem is Azerbaijan’s tendency to change allegiance during the course of events. For example, it was pro-West during the presidency of Abulfaz Elchibey, the pro Russia under Haydar Aliyev, then again pro West under Ilham Aliyev, who, in the wake of the South Ossetia conflict has immediately sought closer ties with Russia.²

Such developments call into question the United States’ political calculation to use Georgia as a transit corridor to international markets for Azerbaijani oil and gas, as well as using it as a base for controlling the strategically important Black Sea and

² Hakob Chakryan, “The Task of the State Secretary was Counterbalancing Russia’s Influence in South Caucasus,” 7 July 2010, http://hishatakaran.livejournal.com/19015.html
Caspian Sea basins. Thus, Russia, in its rivalry with the United States, has gained the upper hand in gaining further influence in the South Caucasus. In addition, the strategic significance of Armenia as an ally has increased for both the U.S and Russia.

The imperative to regain its position in the South Caucasus has led the U.S. to invigorate its efforts to have closer ties with Armenia. An indication of this effort was the active involvement of the U.S. in latest rounds of the Turkish Armenian normalization process, which included talks on opening of the border between the two countries. In this light, a number of developments indicating a warming up of Armenian-Turkish relations were not surprising, including the announcement by the Turkish Prime Minister Erdoğan on the initiation of a “Caucasus Stability and Cooperation Platform”, a plan which includes a visit of the President Abdullah Gül to Yerevan; signing of Armenian-Turkish Protocols in Switzerland and a return visit to Turkey by the Armenian President, Serge Sargsyan.

These developments certainly were influenced by the new situation being forged in the region whose main motives were the following:

- The U.S. President Obama’s policies aimed at mitigating military tensions in the Middle East;
- The U.S.’s encouragement, as part of its policy of engagement with the Muslim world, of Turkey to actively work to establish peace and stability in the region;
- The failure of Turkey’s policy towards Armenia which has been pursued since 1991;
- The incompatibility of Turkey’s new role with its policy of isolating Armenia from regional initiatives and energy projects.

The impetus for Armenian-Turkish reconciliation reached beyond the frame of bilateral relations between the two countries. It touched upon American, European, and Russian rivalry in the South Caucasus and affected their respective regional policies; and it also dealt with the issues of energy security, efficiency of energy and transportation projects. All of these factors led to “reconciliation” becoming an issue of great regional significance.

As part of this wider process, it would appear that Georgia would be compelled to reconsider its positions towards Armenia, Azerbaijan, and Turkey; and Turkey, whether desired or not, would reconsider its priorities regarding its relations with Azerbaijan. Obviously, if Turkey gives more importance to its relations with Armenia, then Azerbaijan’s ability to threaten Armenia—with the unconditional support of Turkey—would be greatly constrained.

3 Hakob Chakryan, Press Conference in Yerevan, PanArmenian.net, 19 August 2009.
Perhaps, regional significance of Armenian-Turkish “reconciliation” contributed to the interest shown in this process by the U.S. and EU, as well as Russia for no other reason than not willing to be left out. It seemed that Ankara did take into consideration international interests deriving from the regional significance of “reconciliation” of the two countries, which were the main catalysts of this process. Therefore, it would demonstrate commitment to the Protocols on establishing diplomatic and other bilateral relations with Armenia. However, the pre-conditions set forth by Turkey related to Nagorno-Karabakh and Genocide issues were more stringent than expected. Thus, Armenian-Turkish reconciliation process reverted to its base line.

The implication of this reversion is one of increased tension in the South Caucasus, which already contained ample grounds for conflict. Any aggravation of tensions in the South Caucasus should bother not only Turkey, Azerbaijan and Georgia, but also international actors which have made large-scale investments in energy projects; particularly the pipelines Baku-Tbilisi-Ceyhan, Baku-Erzurum, and Baku-Supra, all of which run near the borders of Nagorno-Karabakh or the Armenian-populated Javaheti region of Georgia and generate tension in Azerbaijan, Georgia, and Turkey.

At first glance, it seems that Armenia has been left out of regional energy projects. But in fact, it has resources which could make it an important player. As a transit country, Armenia is a worthy alternative to Georgia. In addition, Armenia is implementing several joint projects with the Islamic Republic of Iran, such as a hydro-power station which is being constructed on the Aras River, and the Iranian-Armenian oil pipeline.4

By implementing these projects, Armenia will receive additional electricity, as well as oil below international prices. Also, it will become a transit country connecting Persian Gulf harbors with the Black Sea through its highway and railway systems. Thus, even though it has been left out of the energy projects conceived by Turkey and the West, it has not been left completely on the sidelines. Moreover, for Armenia, Iran is preferable to Turkey as a partner for energy projects because Iran is a major producer of oil and gas, unlike the latter which is only a transit country. In the absence of normalized relations with Turkey, Armenia is left with no alternative but to cling to Russia and wait for the improvement of U.S.-Iran relations.