



AVİM

Türkmeneli İşbirliği ve Kültür Vakfı
AVRASYA İNCELEMELERİ MERKEZİ
CENTER FOR EURASIAN STUDIES

REGIONAL COOPERATION POSSIBILITIES AND PROSPECTS FOR THE FUTURE IN THE CAUCASUS



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Konrad
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December 9th, 2014, Ankara



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Hazel ÇAĞAN
Dilay BOZTEPE - Maryna SHEVTSOVA

EDITING

Hazel ÇAĞAN
Turgut Kerem TUNCEL

CONTRIBUTORS

Hande APAKAN - Ali Kenan ERBULAN - Hülya ÖNALP
Özge ÖĞÜTCÜ - Mehmet Oğuzhan TULUN - Aytaç YILMAZ

PHOTOGRAPHS

Ümit UYGUN

DESIGN

Ruhi ALAGÖZ

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Introduction

On December 9, 2014, Center for Eurasian Studies (AVİM) and Konrad Adenauer Stiftung (KAS) held a meeting in Hilton Hotel Ankara entitled “Regional Cooperation Possibilities and Prospects for the Future in the Caucasus”.

Opening speeches of the meeting were delivered by Ret. Ambassador and Honorary President of AVİM Ömer Engin Lütem and Head of Konrad Adenauer Stiftung Office in Turkey Dr. Colin Dürkop. The meeting consisted of three panels.

In the first panel, which was moderated by the Senior Specialist of AVİM Mr. Aslan Yavuz Şir, Mr. Haykak Arshamyan (Program Coordinator of Regional Studies Center), Assist. Prof. Dr. Serdar Palabıyık (TOBB University) and Dr. Nika Chitadze (President of International Security Research Center and Ph. D. Associate Professor of the International Black Sea University) delivered their presentations. The panel was concluded with a Q&A session.

In the second panel, which was moderated by Director of AVİM, (Ret.) Ambassador Alev Kılıç, the keynote speakers were Mr. Richard Giragosian (Director of Regional Studies Center), Mr. Alexey Malashenko (Scholar in Residence, Religion, Society and Security Program in Carnegie Moscow Center), Prof. Dr. Mitat Çelikpala (Kadir Has University), Dr. Mukhtar Hajizada (Head of Department Jean Monnet Chair holder, Department of Political Science and International Relations, Khazar University (Nefchilar campus) and H.E. Giorgi Badridze (Senior Fellow, Georgian Foundation for Strategic and International Studies (GFSIS) and lecturer at Ivane Javakhishvili Tbilisi State University). The session was concluded with a Q&A session.

The third panel was a panel for a general evaluation.

The message that emanated from the conclusion was as follows:

There is a potential for conflict in the region. Status quo is seen by some as the better of two evils. However, status quo is also seen as a zero-sum game. Cooperation obviously is a win-win situation and there is cooperation even if it is exclusionary. Exclusion is not the desired option and cooperation is open to all. To achieve inclusive cooperation, the region needs to develop “more trust in itself.”

OPENING REMARKS



Honorary President of the Center for Eurasian Studies (AVİM), (Ret.) Ambassador Ömer Engin LÜTEM

Good morning ladies and gentlemen.

May I welcome you all to another very important meeting of AVİM in cooperation with Konrad Adenauer Stiftung. We are privileged today to have very distinguished keynote speakers with us.

In very broad lines, AVİM, the Eurasian Studies Center, has the worldview that the economic as well as the political weight and gravity in global affairs is shifting, gradually, from the West, the Euro-Atlantic, to the East, Asia-Pacific. In this context and vision, Turkey is moving from being at the periphery of the Europeanization, to which she is a candidate for full membership, to a central location between the West and the East, assuming a more significant geopolitical role. As such, stability in the Caucasus is becoming all the more poignant.

The title of this meeting (Regional Cooperation Possibilities and Prospects for the Future in the Caucasus) is very much indicative of the importance of the South Caucasus region and of its problems.

Indeed, these problems naturally result from the geopolitics of the South Caucasus, since it is a region of “crossroads”.

Historically, this region, both east-west axis and north-south axis linked the civilizations of the West with the East, with the Great Silk Road providing a stirring and glamorous example.

In more unsettled times, the lands which are today home to Armenia, Azerbaijan and Georgia were buffeted by the empires to their north and south, with both alliances and frontiers changing with the fortunes of war and peace.

The crossroads and the people living around them suffer from the impact of three unresolved conflicts. These conflicts disrupt the trade, security and stability both in the region and elsewhere. In human terms, these are the casualties of war; the dead and injured, the bereaved, refugees and IDPs.

What is the problem then? Why these remain intractable conflicts still today? Parties to these disputes will have different answers to that question, and so may policy-makers/mediators.

We all share a positive wish to see the independent countries of South Caucasus establish themselves as peaceful, secure, prosperous and democratic members of international community. We also are aware of the dangers of renewed conflict and weakened governance in this volatile region. Last but not least, the importance of the region to international trade, and to the safe transportation of significant energy resources is generally recognized and accepted.

What we are dealing in the South Caucasus is conflicts that have deep local roots. Even for that reason alone, these would become difficulty to resolve, let alone considering the recent tension that bears the danger of becoming military conflict 20 years after these disputes were labelled as “frozen”. 2008 war reminded us again of the difficulties and dangers of undermining the tension in the region.

Another danger that might arise would be condescending these conflicts to a super-power zero-sum game. It is an undeniable fact that the region is now part of the outside world. Thus what happens in the international arena inevitable has regional consequences. All countries in the region are free to develop relations/alliances with Russian Federation or the US, either NATO, OSCE or the CSTO, become a member of the Eurasian Union or pursue EU membership, emphasize good relations with the neighbors, join international projects or isolate themselves.

All that should go without saying.

And yes the effects of the Cold War, even though it may have ended 23 years ago are still affecting the international and therefore regional politics.

But still the complexities and the character of the parties to these conflicts are very unique and must be dealt as such. Thus, generalizations risk making complicated situations even more complicated.

That's why today we have experts from the region as well as from Turkey and Russia to get a better and more detailed perspective about the future of this volatile region and explore the possibilities for cooperation.

Obviously resort to use of force would be unlikely to succeed in terms of contributing to the resolution of regional conflicts, and might indeed prove seriously counter-productive.

Major international organizations and their members are engaged today and prepared to remain engaged through major programs that include macroeconomic contributions and support for changes in government policy in key policy areas (customs, military, police, judicial, electoral reform) as well as support for NGO and civil society development.

First, despite the realist view that the region remains hostage to fragile hostilities that might erupt the underlying disputes in the very near future, we are still nowhere near one of those bleakest conflicts where the parties refuse to have anything to do with each other.

On the other hand, we must not disregard the search for peace and stability, since we are still nowhere near one of those conflicts where the parties are eager and open for a mutually agreeable peace.

The prospects for progress will be the better if the parties can have confidence that each is seeking to work exclusively through peaceful means.

We have to think about the costs of failing to resolve the conflicts: the costs of not being prepared to compromise. These costs are very real.

Lives continue to be lost.

Lives continue to be lived out in refugee accommodation far from home.

Military expenditure, both above and below the official budget transparency line, takes up an appallingly large share of government spending and, indeed, of GNP.

Investment in infrastructure either doesn't take place, or is carried out in less than optimal size in a less than ideal location, for reasons determined by conflict rather than economic or social policy.

Societies are denied the benefits of free trade because of historical and baseless enmities with no prospects for future.

And, meanwhile, cultural and other exchanges between the people of the region become more and more constrained; generations are brought up with a distorted view of history and a limited choice of language, and bridges become progressively more difficult to build.

Too few are looking at all systematically at the larger-scale opportunity costs: at what the region might be looking like, economically and socially, in ten to fifteen years' time, if only the conflicts could be air-brushed out of the picture.

These conflicts, and the failure to make the compromises necessary to resolve them, are really costing, and will continue to cost.

We are happy to organize such an event together with Konrad Adenauer Stiftung, which I hope will serve as a forum for exchange ideas, hopes and prospects about the future of this very important region, and consider these very important issues in an open-minded manner.



**Head of the Konrad Adenauer Stiftung (KAS) Office in Turkey,
Dr. Colin DÜRKOP,**

Ambassador Lütem,

Excellencies,

Distinguished guests and friends,

Good morning to all of you. It is a great pleasure and honor to welcome you all also on behalf of the Konrad Adenauer Foundation and I am very happy that we could team up with the Center for Eurasian Studies in organizing this important event. I think the team is very very topical and important. And since it is the first time that we are teaming up with AVİM in organizing this conference. Allow me just to give you a very short background of our Konrad Adenauer Stiftung.

We are one of the 6 political foundations in Germany and they are quite unique institutions because you wouldn't find similar foundations in other European countries. The reason for that is you can find in the recent German history. Political foundations have been founded in Germany for the aim of promoting democracy both at home and later on also in other countries. Reason for that was that the Germans didn't have much experience with democracy. If you look back some hundred years, we had the German Empire which was followed after the 1. World War by a chaotic experiment with democracy during Weimar Republic which led to the rise of Nazi regime and Germans committed the worst type of genocide during that time the Holocaust.

After the World War II, one part of Germany continued with another type of dictatorship under the communist era. But in West Germany we were lucky enough to be given by the victorious allied power the system of democracy. So there we were; how to run a democratic country. It's not very easy. So Konrad Adeeuer together with many other visionary politicians at that time thought there must be a system of civic and political education which would give a knowledge to the citizens about their rights, their responsibilities, how democratic system would function etc. And this was funded by the government. So first our activity started in Germany. Later many other countries invited us to work together on the similar programs. For example, the then-Prime Minister Turgut Özal in the middle of 80s asked his counterpart Helmut Kohl, German Chancellor, we should open an office in Turkey. That's how we came here in the middle of the 80s. That was a time where there were no really NGOs, civil society organizations or think tanks. So together with ANAP at that time we founded the Turkish Democracy Foundation with the aim of providing civic education and political education to Turkish society. Later on many many other institutions followed and one of them is the Black Sea Cooperation Organization. We are working with them since 20 years and have already organized more than 45 conferences. The interesting part is that during these events all Caucasus states' representatives are present there, also from Armenia and from Azerbaijan.

We also have a regional office in the Caucasus, in Tbilisi but also bunch of offices in Yerevan and Baku. And also the numbers of civic education programs are being carried out for the youth and for women. Ambassador Lütem has already given a broad outline and set the tone for this conference. Actually I, myself is not really a Caucasus expert. I only know it is an area full of conflicts, even of frozen conflicts. So we are all looking forward to get enlightened by our high powered and renowned experts. Eight of them will be giving us their insights today. I hope at the end of the day, we will have quite number of findings of conclusions and perhaps even some recommendations how to get on from here. So, thank you very much for coming to our event. Now we are looking forward to our first panelists. Teşekkür ederim. Thank you. Danke schön.

PANEL I
(Moderated by Mr. Aslan Yavuz ŞİR)



**Senior Specialist at the Center for Eurasian Studies (AVİM),
Mr. Aslan Yavuz ŞİR**

I would like to welcome you to our first panel. I will briefly introduce our keynote speakers. I will have no objections to our program. You have the program. So first speaker will be Dr. Haykak Arshamyan, here to my right. He is a civil society, media, youth and public sector expert with an emphasis on cross border European, and Diaspora dimensions. He has over 17 years of experience working in media, education and public sector as well as in different NGO's and international organizations. Before RSC he worked as program manager at Yerevan Press Club, and as a deputy director at Birthright Armenian Foundation. And now he is program coordinator at Regional Studies Center Armenia. Please Dr. Arshamyan, the floor is yours.



**Program Coordinator at Regional Studies Center (RSC),
Dr. Haykak ARSHAMYAN**

Thank you very much. First of all I'd like to welcome all of you here and thank you for invitation and thank you for this interesting conference. As already mentioned I'm working for the Regional Studies Center as a program coordinator for the Support to the Armenia - Turkey Normalization Process Program which is founded by European Union under the instrument for stability.

I'd like to brief you for like 2 minutes only about this program which promotes civil society efforts towards the normalization of the relations between Turkey and Armenia, towards to an open border by enhancing people to people contact, expanding the economic and business links, promoting culture and educational activities, and facilitating access to balanced information for both societies.

The program will last for 18 months and it has been started since the January 2014. As Regional Studies Center project in this big consortium we are implementing several components. First of all its youth training which aims at objective focuses on deepening of the participants knowledge, developing their skills and shaping a more positive opinion and political context of the Armenia – Turkey normalization process. We also have a media component targeting to deepen level of objective analyses among both Armenian and Turkish media professionals. There is also speakers' bureau which aims to engage several prominent retired diplomats and officials and other high profile figures from Armenia and Turkey to solve and arrange new policy ideas and suggestions. In addition, Regional Studies Center focuses on

overcoming the absence of the official diplomatic relations by utilizing other values for official context. Cooperations with international organizations such as NATO, OESC and BSEC are on our agenda.

In my presentation, I'd like to more concentrate on the Nagorno-Karabakh conflict from the civil society prospect, because I'm a member of civil society from Armenia and involved peacekeeping process for several years.

In 2014, Nagorno-Karabakh conflict entered its 20th year of fragile and unstable ceasefire. And currently, we have a deadlock situation in the official negotiation process increasing tension on the front line and increasing threats of the resumption and military operations in the light of the processes that have started in the Post-Soviet states. The situation is becoming more complicated by the expansion of the Eurasian Economic Union led by Russia. The lack of conflict settlement has rooted hate and negative civil types towards the other during the last 10-15 years. And we all remember the recent developments in the conflict zone during this summer started in June and intensified by the end of July and August when there was an exchange of worst violence offence since the ceasefire agreement in 1994.

The era of military incident is expending the arms races increasing between the conflict sides while the rhetoric and government, and public level is becoming more radical. And further attempt to retain the current status quo challenges and threatens the regional security. The absence of progress in the conflict resolution caused huge problems for the attempts to create social-economic prosperity, a strong civil society as well as democratic statehood and on the principals of rule, rule of law, fundamental freedoms and human rights both in Armenia and in Azerbaijan.

To be honest, non democratic political regimes both in Armenia and Azerbaijan don't have strong and serious incentives of changing current "no war no peace" situation. From one side the status quo helps them to keep the power in their countries, and from the other side the political risks of changing the status quo are too high. In addition, the military resolution of the conflict also contains high risks and links to unpredictable consequences. Both ruling regimes usually are manipulating with Nagorno Karabakh conflict to justify the fails and lose in their internal policies.

So what should be done? What kind of recommendations can be delivered to the governments of Armenia and Azerbaijan, to the regional powers, and to the international community? First of all, conflict side should refrain from war like rhetoric and political and information action aimed at conflict escalation. Secondly, the conflict sides and the international community should take urgent measures on securing the ceasefire and preventing arm clashes and to ensure the media, withdraw the snipers front line. Also there is a need to add the basic rules of resolution; such as no use of force, territorial integrity, equal rights and self-determination of people, the principal of peaceful resolution of disputes, based on the Helsinki Final Act. Also there is a need to start the development of a road map of NagornoKarabakh Conflict Resolution.

The negotiation process of conflict resolution should be open and transparent for societies.

Thus, for example an international forum or assembly with representatives of governments of civil society of the Nagorno-Karabakh Conflict sides together with representatives of international organizations can be prepared to support the peace process and this practical implementation. Using international peacekeeping forces also is an option. But, only in case, when neither the countries co-chairs of Minsk Group nor the neighboring countries of the conflict sides would be included. This will enable to have an international mediation free from any geopolitical interests.

Also the big powers need to stop the supply of all kind of offensive weapons in the region of the conflict. It is necessary that all conflict sides should understand and be ready for mutual compromise with reject of maximalist demands and preconditions. From their side the international community and the big powers, who are involved the negotiation process of Nagorno-Karabakh, need to prove that there are sincere in the effort for peacefully resolving the Nagorno-Karabakh conflict. It is necessary that both countries and the international community need to intensify the Track II activities that can support the transformation of attitudes mainly focused on education and training programs for youth to prevent the mainstream hate speech and propaganda. Also, in those Track II activities, it is necessary to include cross-border confidence building measures sustaining ceasefire agreement and defending the peace process. Another option for Track II could be joined involvement in the project addressing the issues of mutual concern concerns such as economic, energy and environment and security issues. Finally, the civil societies on all sides of conflict, all political and public forces should become active participants in the peace process and must take their share of responsibility in the peaceful settlement of Nagorno-Karabakh conflict. Thank you very much.



TOBB University of Economics and Technology
Department of International Relations,
Assist. Prof. Dr. Mustafa Serdar PALABIYIK

Ladies and Gentlemen, Dear Distinguished Guests,

In the next twenty minutes, I would like to talk about recent Turkish-Armenian relations. Of course, this topic is very broad for a deeper analysis in twenty minutes; however, I would like to give a brief summary of the changing significance of Caucasus, the impact of these changes on Turkey and Armenia, the rapprochement between Turkey and Armenia, its benefits and limitations for both parties and a rather optimistic /constructive prospect for the future.

1990s was a troublesome era for both Turkey and Armenia. The end of Cold War, the uncertainties it had brought and the domestic and regional instability resulted in a negative environment for Turkey and Armenia as well as for their bilateral relations. However, in 2000s, some dramatic changes became visible in the region having significant implications on both states. To start with, we witnessed 9/11 events and the rise of international terrorism as a threat. After 9/11, the US became an actor in the Central Asian/Caucasian region not only by intervening Afghanistan but also by supporting several energy transportation projects excluding Russia.

Secondly, we witnessed increasing Russian influence in the region. Under effective administration of Putin, Russia recovered quickly and returned to the Caucasus. The Chechnya problem was more or less resolved by military force, Georgia was intervened militarily and the Moscow Protocol was concluded with Armenia and Azerbaijan making Russia an arbiter in South Caucasian affairs.

The third and equally important factor for the increasing significance of the Caucasus was international pipeline projects, which made the region a very significant energy hub for the Western markets. Hence, during 2000s, Caucasia became a centre of international rivalry.

These events had a direct influence on Turkish foreign policy towards Caucasus. In the 1990s, Turkey's focus was not Caucasus but Central Asia; Turkey attempted to act as a model country for the newly-independent Central Asian republics. However, in 2000s, disappointed for not being welcomed in the region as she desired and directed its attention to the Middle East, Turkey diverted its attention towards the Caucasus for several reasons.

To start with the discursive transformation, Turkey adopted zero-problem with neighbours policy; hence she focused more on her neighbours particularly with which problematic relations exist. Secondly, Turkey became an active partner of regional energy transportation projects; therefore, Caucasian pipelines became a significant agenda item. Finally, increasing Russian presence in the region concerned Turkey and made her an active contributor to the regional stability mechanisms, such as the project of Caucasia Stability and Cooperation Platform.

Armenia has also dramatically influenced from these significant developments. To start with, having problematic relations with Turkey and Azerbaijan, Armenia had to rely on Russia for providing her security. One of the largest Russian military bases outside Russia was in Armenia and, in 2010, Armenia extended the use of this base until 2044. Moreover 20 percent of Armenian trade was with Russia, which was followed by Germany only by 10 percent.

Secondly, Armenia was a landlocked state with closed or insecure borders. Borders with Turkey and Azerbaijan were closed and the Georgian border became relatively insecure with the Russian intervention in Georgia. This negatively influenced Armenian economic performance in 2000s as well.

Third, there were significant economic as well as social problems within Armenia. Exacerbated by the global economic crisis, Armenian economy performed worse and this heightened the social tension. In last October, thousands of Armenians organized a protest demanding a change in government and accusing the present rulers of failing to cope with poverty and corruption.

Last but not least, there was the Karabagh problem, frozen but still unresolved, which is a significant obstacle in front of Armenian rapprochement with Turkey and Azerbaijan.

Having said this, major problems between Turkey and Armenia descending from 1990s should be recalled as well. The basic problem is the lack of bilateral diplomatic relations. Although Turkey was one of the first countries recognizing Armenian independence, the

wording of “Western Armenia” in the Armenian Declaration of Independence was read in Turkey as the non-recognition of Turkey’s territorial integrity and as a territorial claim on Eastern Anatolia. This resulted in Turkey’s rejection of establishment of bilateral relations. Although when Armenia became a member of Conference on Security and Cooperation in Europe in 1992, she recognized the inviolability of borders as a membership criteria; however, Turkey still demanded a clear recognition of the 1921 Treaty of Kars establishing the Turkish-Armenian border.

The second problem is the closed borders. Indeed, Turkish-Armenian border was not officially closed until 1993, when Armenian army occupied the Kelbecer rayon of Azerbaijan. In several occasions, Turkish policy-makers declared the border would remain closed until that occupation ends.

The third and most difficult problem to resolve was the controversy over 1915. While Armenia recognized 1915 clearly as a genocide, Turkey argued that what had happened in 1915 was a tragic event but not corresponding to a genocide. The g-word became an extremely significant obstacle in front of normalization of Turkish-Armenian relations. Turkey particularly resented Armenian efforts for international recognition of 1915 relocation as genocide.

Having recalled these problems, it can be argued that 2000s have been more promising compared to 1990s in terms of normalization of relations with Armenia. There were significant cornerstones. Although most of them have failed; still they served at least for increasing contacts between Turkey and Armenia.

The period started with the establishment of Turkish-Armenian Reconciliation Commission (TARC) in 2001 to promote mutual understanding and good will between Turks and Armenians, to encourage improved relations between Armenia and Turkey, to build on the increasing readiness for reconciliation among Turkish and Armenian civil societies including members of diaspora communities, to support contact, dialogue and cooperation between Armenian and Turkish societies in order to create public awareness about the need for reconciliation and to derive practical benefits. The initial meetings were promising; however when the International Centre of Transitional Justice was called to investigate the applicability of 1948 Genocide Convention on 1915 relocation by the Armenian members of the Commission, the Commission was dismissed.

This first experience was followed by ministerial meetings between Turkish and Armenian foreign ministers in various international platforms in 2002-2003. In these ministerial meetings Karabagh question and regional stability were the key concerns; however, no concrete result, except for the participation of the Armenian chief of staff to a NATO exercise in Istanbul, came out.

The third cornerstone was the establishment of the Viennese Turkish-Armenian Platform to investigate 1915 events. Established by two Austrian, one Turkish and one Armenian member, this platform aimed to bring Turkish and Armenian historians together and allowed them to exchange archival documents with regard to the 1915 relocation. It was decided that

180 documents would be exchanged. The two sides exchanged 100 documents; however, later, the Armenian side refrained to bring the remaining 80 documents; hence the platform became inoperable.

After these initial failures, the Turkish side began to transform its foreign policy stance from reactive to proactive diplomacy. The first clear indication of this policy was the declaration of Turkish Grand National Assembly calling for the establishment of a joint historians' commission, which would be formed by Turkish, Armenian and third party historians supported by the opening of entire related archives. This offer was sent to President Kocharian of Armenia. Kocharian noted this offer; however, he had a countermove by offering the establishment of an intergovernmental commission which would discuss not only this sensitive issue, but also entire problems between Turkey and Armenia. Turkish policy-makers read this offer as a downgrading of Turkish offer and no such commission had yet appeared.

Meanwhile, a very symbolic development occurred with the restoration of the Church of Holy Cross in Akdamar Island of Lake Van, which was one of the most sacred churches for Armenians. What is more, starting from 2010 onwards, an annual liturgy have been organized in the church participated not only by Turkish Armenians but also by Armenians from all over the world.

The so-called "football diplomacy" of 2008 was a landmark event which eventually led to the signature of Turkish-Armenian protocols in 2009. Accordingly, Armenian President Sargsyan invited Turkish President Gül for watching the Turkish-Armenian football match in Yerevan. Gül accepted the invitation and for the first time in Turkish-Armenian history, a Turkish president visited Yerevan. This was reciprocated by the visit of Sargsyan to Bursa to watch the return match.

Following these top level meetings, with the mediation of Switzerland, the United States and the European Union, the Turkish-Armenian protocols, one for the establishment of diplomatic relations and the other for the development of relations, were prepared and signed on October 2009. There are two significant decisions in the first protocol. One argues for "confirming the mutual recognition of the existing border between the two countries as defined by the relevant treaties of international law" meaning the clear recognition of the Kars Treaty. The second argues for "reiterating the parties' commitment to refrain from pursuing any policy incompatible with the spirit of good neighbourly relations". This article was read by Turkey as requiring the abandonment of Armenian attempts for international recognition of 1915 relocation as genocide as a state policy. The Armenian side, of course did not think like that. After the signature, when it comes to ratification, as a procedure, the Armenian government brought the protocols to the Armenian constitutional court and the court decides that the protocols cannot be interpreted in a way to conflict with the declaration of independence of Armenia, meaning that the attempts for international recognition of 1915 relocation as genocide would continue to be a state policy. This resulted in a disappointment in Turkey leading to reluctance for ratification. This reluctance was reciprocated in Armenia and finally on April 2010, the ratification process was declared suspended in Armenia.

After this failure, for a couple of years not much concrete steps were taken. But the last cornerstone, namely Erdoğan's condolence message to Armenians was a landmark event, since for the first time, such a message was delivered to the international public opinion.

The reason for such a transformation in Turkish foreign policy seeking a rapprochement with Armenia was the new discourses developed for re-evaluating the Turkish foreign policy in general and the 1915 relocation in particular. This re-evaluation does not necessarily mean a position change on this matter, but rather a change of approach.

To start with, Davutoğlu's proactive diplomacy aimed to make Turkey an active and initiative-taker actor rather than a reactive actor to the international developments. Thus instead of simply reacting what has happened outside Turkey with regard to the evaluation of 1915 relocation, Davutoğlu tends to surprise international political opinion by opening up new discursive lines.

In doing that Davutoğlu focused on two relatively new discourses. The first was the "just memory" discourse. It focuses on a fair treatment of what had happened in 1915 by both acknowledging the great suffering of the Armenians and at the same time recognizing the reasons for relocation in a historical context. This leads us to the second discourse, namely, "the common grief" approach, meaning that in the process of dissolution of the Ottoman Empire all components of the Empire suffered tremendously. Instead of isolating one grief from another, commemorating the common grief would increase common understanding among the inheritors of the Empire.

Having discussed the landmark events and the discursive transformation, now I want to focus a bit on the mutual benefits of the process of rapprochement. According to the National Statistical Service of Armenia, Armenian imports from Turkey in 2011 amounted to 240 million USD (its 4th largest import partner) while exports to Turkey were around 1 million USD in value. So even without the border opened, Turkey was a significant economic partner of Armenia. The opening of borders means an increase in Armenian imports from Turkey at cheaper prices with the decreasing costs of transportation. Turkey's imports from Armenia would not probably increase much, because Turkey has already produced what would be exported by Armenia. Still, border trade might contribute a little to the border provinces of Turkey.

The most significant benefit for Armenia would be easier Armenian access to the Western markets over Turkey; which might have a positive impact on Armenian trade performance. Normalization of relations would decrease Armenian dependence on Russia both militarily and economically. A secure and stable region would also serve for Russian interests in the region. The energy transportation routes may be shortened by allowing Armenia to the pipeline projects; this would decrease the costs of energy transportation.

Normalization of its economic relations will allow Armenia to economize between 6 and 8 million of dollars on transport costs for non-energy importations, and about 45 million dollars by preferring other suppliers for natural gas and petroleum. Potential increase in exports would then be annually between 269-342 millions, which double the current total amount of

exportations. In parallel to this, the amount of supplementary importations necessary to support this effort of exportations would increase to 100 millions of dollars. Balance of payments is supposed to see an amelioration of 220 millions of dollars, an amount which is equal to the 38% of the current commercial balance deficit.

Finally, Turkish-Armenian rapprochement would contribute to a more stable Caucasus by resolving a regional problem between Turkey and Armenia.

Still, there are some important limits of cooperation as well. Sceptics about border opening from both sides argued for negative implications of rapprochement. Armenian sceptics argue that border opening would have negative implications on Armenian economy, since Armenian economy became extremely dependent on Turkey. Increasing imports from Turkey would increase trade deficit and made Armenia a satellite of Turkey. Turkish sceptics, on the other hand, argue that the relative gains from trading with Armenia would not compensate losses emerge out of prospective setbacks in Turkey-Azerbaijan relations.

This brings us to the Karabagh question. For a complete rapprochement with positive results for all sides, the Karabagh conflict should be resolved. It can be anticipated that Turkey could and would not risk its good relations and energy partnership with Azerbaijan. Therefore the resolution of Armenian-Azeri conflict would have extremely positive impacts on Turkish-Armenian relations including instant opening of the borders.

Another significant limitation would be 2015 efforts of Armenia for the international recognition of Armenian genocide. This would weaken the enthusiasm for developing friendly relations between Turkey and Armenia. Finally a deeper limitation was the ongoing lack of confidence between two societies and policy-makers.

Then what could be done? How a constructive policy can be established?

- I think the protocols were a good starting point. Without losing its essence and spirit, the protocols can be modified or extended in a way to include a prospective solution for the Karabagh question and at least for the opening of the borders afterwards.
- International platforms for the resolution of the Karabagh question, most important of which was the Minsk group, can be reactivated effectively in a way to bring a sound solution to this frozen conflict.
- Building inter-societal confidence is extremely important. To do so, civil society contacts can be increased via non-governmental organizations. Student exchanges, mutual visits might be a good starting point.
- Adopting a functionalist point of view, increasing technical cooperation in the Caucasus might ease confidence-building. Common technical projects, scientific cooperation, educational cooperation, cooperation for elimination of negative wordings in school books might have significant positive implications.

All in all, Turkish-Armenian normalization of relations should be transformed into a regional

project by including Azerbaijan as well. Grand rapprochement schemes might be disappointing; more incremental steps should be taken. The problems are not only political, but also historical and emotional. Therefore, confidence-building is very important and this can only be done gradually.

What is important is the good will. If each regional actor aims a constructive approach, a good starting point can be achieved. This starting point should not expect enormous developments and rapid resolution of all regional problems; however, increasing contacts might contribute to the establishment of a common ground. At the end, a stable Caucasia would create great opportunities not only for regional but also for all global actors.



**International Black Sea University (IBSU),
Assoc. Prof. Dr. Nika CHITADZE**

The South Caucasus region has become one of the most attractive territories of the great power competitions after the collapse of the Soviet Union and end of the cold war. Location of the region and its energy resources have contributed to this clash of interests. Geographically, the South Caucasus is located on the ancient communication and trade routes connecting Asia and Europe. Furthermore, it is the meeting place of Turkic, Slavic, Persian, Christian and Islamic civilizations and local Caucasian cultures. Politically, the region is located in the historical crossing of interests of the Persian, Ottoman and Russian empires and in the modern time between the regional powers: European Union, Turkey, Russia and Iran. As a result, these four powers see a natural and logical influence for themselves in this region, which is compounded by historical connections of amity as well as enmity between each other and with the countries and people in the region. These connections have combined with the perceived national interests of the four powers as well as the three regional countries to form a complicated but well-interpreted Caucasian security complex in the modern time. In addition to this, the natural gas and oil resources of the Caspian Sea area, especially Azerbaijan, have expanded both state and private interests in the region. Issues of ownership and control of the energy resources, more, actively of their transportation to world markets have established an inherent part of the geopolitical competition and clash of interests in the South Caucasus region. The regional politics in the South Caucasus region cannot be consider in isolation, but

is massively affected by situation in neighboring regions, including the Middle East, Central Asia and also Pakistan and Afghanistan, adding to the ambiguity and unpredictability of the region.

Geopolitical competition has presented the three South Caucasus countries with both threats to their opportunities to further their perceived national interests and their security. Hence all three countries have sought to cement their independence and statehood with the promotion and help of friendly regional powers, while all South Caucasian States also observe considerable and even dangerous security threats from other great powers, interconnected with the security threats they observed from one another.

Current Geopolitical situation in the South Caucasus Region

«Geopolitics concerns the political and strategic significance of geography. More specifically, geopolitics is comprised of the distribution of political and military power. It analyses the links and causal relationships between political power and geographic space. In addition, it explains how factors such as the size of territory and population, geographic position, the availability of resources and a state's dependency on foreign trade determine the status of a state or region and its behavior in the international arena.»¹

After the Cold War, the geopolitical situation in the South Caucasus region has developed under the influence of several circumstances. First, the newly emerged countries were not enough prepared when they gained their independence immediately after the collapse of the Soviet Union. The three nations, tried to strengthen and further their attempt for independence, despite massive difficulties. And the difficulties in the newly appeared states



1 <http://www.politicalanalysis.info/introduction-to-geopolitics.html>

are huge, long lasting and complex, as these nations have been shocked by socio-economic, political and human problems, more generally followed by war, hostility or conflict.

Since the ending days of existence of the Soviet Union and the appearing of Azerbaijan, Armenia and Georgia as a independent countries, these states have matured violent internal economic, social and political developments, displacements of major population groups and wars, pursued by less than complete peace. Their economies originally endured dramatic collapse, with critical results for the population. After some time, the situation turned a boom of foreign investment after the establishment of an attractive business environment in case of Georgia, by investments assistants from diaspora abroad in case of Armenia and rising gas and oil exports in case of Azerbaijan. With the fast enlargement of gas and oil extraction in the Caspian Sea, energy issues and the building of pipelines from Azerbaijan through Georgia to Turkey, also from Azerbaijan to the Georgian Black Sea coast have taken under the big interests from the West. Energy companies from the West play strong roles. The inspiration by the European Union, and also by the United States, of progress development of direct pro-Western exports does, however, aggressive reactions from the Russian Federation.

There are three unresolved conflicts: between Armenia and Azerbaijan over Nagorno-Karabakh; and between Georgia and Russian Federation related to the former South Ossetian Autonomous District and Abkhazia.

Perspectives of the European Integration of the South Caucasus Region

The European Union's policy to the South Caucasus region is a classic example of the inability of its member countries to establish a common policy towards the post-Soviet area. The collapse of conflict solving in the South Caucasus region is also expected to stray Geopolitical interests between the member countries and European Union's limited obligation in its neighborhood, which makes the European Union policy towards the South Caucasus region most active. First, the South Caucasus fuels domestic European debate on how one should create a policy toward the Russian Federation, and its post-Soviet neighbors. Second, a debate about diversity of energy supply has spread in the Europe - Caspian discourse, without results. Third and very important, the region illuminates a lack of a common Western – that is EU and USA approach – towards the post-Soviet area.

Why South Caucasus region? The South Caucasus region touches a several European key energy routes and is connected in some Eastern policy initiatives including the Eastern Partnership, the European Black Sea Synergy and the European Neighborhood policy. It is a component of the Trans-Caspian strategy plan and the Southern Energy Corridor. The Southern Corridor has become a preference energy project for Brussels, and is characterized in the «Second Strategic Energy Review»² published in November 2008. The document signals for a new degree of energy diversification and interdependence, especially with Caspian countries and the Russian federation. After the Russian – Georgian war in August 2008 and the gas supply disturbance resulting from the Ukrainian – Russian crisis in winter 2009 the Southern Energy

2 http://ec.europa.eu/energy/strategies/2008/doc/2008_11_ser2/strategic_energy_review_memo.pdf

Corridor and its main project, the Nabucco pipeline has become a priority in the European diversification dispute. The Southern Energy Corridor relies on two supply regions -Middle East, where the gas will be supply from Iraq and Iran via Turkey to Europe and the Caspian basin, where the main gas suppliers are Turkmenistan, Azerbaijan, and potentially Uzbekistan.

By its enlargement, the EU has taken a colossal step forward in promoting prosperity and security on the European continent. The Union is doing everything to avoid new isolating lines in Europe and to promote prosperity and stability within its new borders.

Eastern Partnership in the South Caucasus

Looking to the Eastern Partnership program, its functioning in the South Caucasus Region there are questions:

- Does the EAP give profit to European Union's policies in the South Caucasus region?
- To what length is it a new EU policy considers to the Caucasus?

With its geopolitically strategic location, the South Caucasus region is a place in which major foreign powers are at tortoise with each other. The EU's act in the region, in contradiction to that of United States and Russia, has always been centered and muted on the arrangement of cooperation to the South Caucasus states. Since the 1990s, the EU has contributed important technical and humanitarian help to the South Caucasus states. In the case of conflict solving, little has been done, even if conflict deal and solving peacefully is one of the main issue of the ENP. Russia – EU negotiations on conflict solving in the South Caucasus Region has been away. The European Union has also tried to advocate conflict resolution by its regional cooperation negotiations initiatives. So, the EU begun to develop Black Sea cooperation and started its TRACECA programme³ which was left, failed to reach its reasons of diversification energy supply ways to European continent and expanding the EU energy allies with the states of the region. By limited involvement in the region, the EU may have escaped dispute with Russian federation on the one side, but on the other hand it has failed to reach its targets of regional cooperation, energy diversification and conflict resolution.

There are the questions, which could be quite interesting for readers of this research: Will EU helps to the South Caucasus states in the framework of EAP, in democratic reforms and, if yes, how will these reforms be monitored and measured? What are the sources of leverage and influence, by which the EAP can depend on to assure compliance with European measures and norms? How can the EU reach its reasons, specially those supporters of establishment free trade areas, if their establishment requires competences and abilities, that are currently absent in the South Caucasus states?

The Prague Eastern Partnership Joined Declaration of the Summit is silent on conflict solving in the Caucasus region. It highlights «only the need for their earliest peaceful settlement on

3 The Transport Corridor Europe Caucasus Central Asia programme provides technical assistance covering road, rail, aviation and maritime transport connections from Central Asia to Europe.

the basis of principles and norms of international law.»⁴ «The EU has repeated the need to increase its political involvement in ongoing efforts to address conflicts»...⁵ After some period: «If the ENP cannot contribute to addressing conflicts in the region, it will have failed in one of its key purposes»⁶. Despite of these statements, the EU has stayed passive and at times unclear in its intention for conflict resolution. The EU's incompatible policy was exposed in prepare of the ENP Action Plans (AP) for Armenia and Azerbaijan in which the EU includes a reference to Nagorno-Karabakh and self-determination in Armenia's AP, while indicates in the Azeri AP the importance of Azerbaijan's territorial unity. By sending such signals, the EU expressed its formal involvement in mediation. Uncertainty has also marked the EU's position in Georgia's conflicts. The EU has promoted a peaceful solving of conflicts in Georgia, without being involved in negotiations and without reacting to Russia's supply of weapons, provision of passports and political support to the separatist regions. The EU proposed to Georgia to find a peaceful way to solve conflicts, but failed to involvement in international peacekeeping, while separatists accepting Russia's «peacekeeping» forces in the region. The EAP confirms the EU's choice for economic aid in post-war and conflict situations instead of active political participation in conflict resolution and prevention. The European Union Commission choose to afford humanitarian aid more than 650\$ million to help Georgia in reconstruction after the war,⁷ instead of react to the regular Russian provocations, that preceded the war instead of prevent the conflict.

The EU has set to modernize the political, administration and legal systems of the South Caucasus countries through the EAP. «Strengthening the stability and effectiveness of institutions guaranteeing democracy and the rule of law..., ensuring respect for human rights and fundamental freedoms»⁸ was the main part one of the Action Plan. But EU has failed to reach mentionable results in this case.

The ENP Action Plans did not introduce any ways to isolate separatist regions and involve them in the economic, political, educational initiatives of EAP. Also EU failed to support civil society and human rights development, democratization in these regions. Just in Abkhazia, there was a few EU funded infrastructure reconstruction and economic projects.⁹ But for Nagorno-Karabakh region the EU has not funded any project, even not for rehabilitation and

4 European Council. *Joint Declarations of the Prague Eastern Partnership Summit*, cit.

5 European Commission. *Black Sea Synergy - A new Regional Cooperation Initiative*. COM(2007) 160 final. Brussels, 11 April 2007.

6 European Commission. *Communication from the Commission to the Council and the European Parliament on Strengthening the European Neighbourhood Policy*(2009)726 final. Brussels, 4 December 2009.

7 European Union Delegation of the European Commission to the USA. *Donors Give \$4.55 Billion for Georgia Recovery*. Washington, 22 October 2008

8 European Commission. *ENP Action Plans (EU/Armenia Action Plan; EU/Azerbaijan Action Plan; EU/Georgia Action Plan)*. 14 November 2006.

9 EU funded projects in and around Abkhazia amounted €25 million and included programmes such as the rehabilitation the Enguri Hydro Power Plant, "Humanitarian aid for the most vulnerable people of Georgia" in the framework of ECHO (European Commission Humanitarian Office), and three-year programme to support reconstruction in the Georgian-Abkhaz conflict zone and adjoining areas and to create conditions for the repatriation of refugees. Additionally several EU member states funded some projects for the development of Abkhaz civil society. See International Crisis Group. *Conflict Resolution in the South Caucasus: The EU's Role*. Europe Report 173. Tbilisi/Brussels, 20 March 2006.

humanitarian projects, somehow because of its involvement with the conflict region was strongly blocked by the Azerbaijan's government.

The European Union could play a main role for deep involvement with the separatist regions. It could finance and contribute civic education with an democratic values; support human right organizations in the conflict regions; encourage civil society participation in international dialogue; implement economic programs and cooperate in the sphere of energy resources; improve connection to the information facilities conflict zones. The EU should also increase the pro-European policy in the conflict regions, should spread European ideas and information of a European alternative. A parties should not feel ideationally and physically captured and have to be linked to the ideas developing and mentalities in the larger Europe. All this should help closer relationships with the peoples of the developing countries, which could be reassurance through creation of possibilities for human and commercial relations and exchange programmms.

Despite of this ability, the EAP makes no mention of an EU method of view to non-recognized states and how it could contribute to practices and diffusing values there. Doing so would require the EU's relation with Russia nowadays is as the Russian federation is the main ally of the separatist regions. It also means that the EU should have to assure the separatist regions, that promotion of democracy in the conflict areas could be a solution to take out them form isolation and reshape their negotiating positions. The chance of convincing Moscow to accept with actions would be poor.

Main aspects of the Georgia`s energy policy and Energy Independence

Georgia`s Energy Policy and "Energy Independence issue"

The importance of the Caucasus Region, with the convenient geopolitical and geographic location has been increased, when in 1994 the "Century Contract" related to the producing and transportation to Europe the Caspian oil had been signed¹⁰.

The perspectives of the producing and transportation of the Caspian oil and gas and the possible not only attracted the attention of International Community toward this Region, but created the more opportunities for the activation of external contacts with the west.

Georgia is a part of important energy corridors. Georgia is aware of its role in supplying the rest of the world with energy resources from the Caspian Sea and Central Asian regions via alternative routes. Georgia's Black Sea ports, the Baku-Supsa and Baku-Tbilisi-Ceyhan oil pipelines, and the Baku-Tbilisi-Erzurum gas pipeline are already active and strategically important projects. Georgia is determined to ensure the effective functioning of these existing projects and to develop prospective new ones (first of all TANAP project).

¹⁰ Edited by Gennady Chufrin. The Security of the Caspian Sea Region. SIPRI. Oxford University Press. 2001. P. 179

Benefits of realization of Southern Corridor- TANAP and TAP

First of all we must realize results of Soviet Union's collapse, which, itself resulted cardinal changes in the world order. Georgia's geographical location is very perspective Transit Function carrier, but existing heritage was in need of reorganization.

Economic and political analysts discussed, that the Euro-Asia corridor has more of a security than an economic function. After the collapse of the Soviet system Georgia could have either stayed in Russia's orbit as a satellite or taken a Western orientation and an independent stance. It chose the second option, not only leaving Russia's sphere of influence but competing with it as an east to west energy supplier, while Russia claimed it had the sole right to fulfill this function.

Importance of the TANAP project

The Trans-Anatolian gas pipeline (TANAP) is a proposed natural gas pipeline from Azerbaijan through Turkey to Europe. In case of construction, via pipeline would be possible the transportation of gas from the second stage of the Shah Deniz gas field.

Discussion about the project was included to the agenda on 17 November 2011 at the Third Black Sea Energy and Economic Forum, which was held in Istanbul. About one month later, Turkey and Azerbaijan signed a memorandum of understanding, related to the foundation a consortium to construct and operate the pipeline¹¹. The construction was planned to start in 2014 and to be completed by 2018.

With regard to capacity of this gas pipeline, according to the experts it would contain about 16 billion cubic meters of natural gas per year with the perspective of the gas volume increasing up to 23 billion cubic meters by 2023, 31 billion cubic meters by 2026, and at the final stage 60 billion cubic meters with the possibilities the transportation of the additional volume of gas supplies from Azerbaijan (in case of the number of compressor stations are increased) and in long-term perspectives if Trans-Caspian Gas Pipeline enters into exploitation from Turkmenistan¹². According to the project, the pipeline will start from Georgian-Turkish border and cross the territory of Turkey till Turkish European border. Despite the fact, that the exact route of the pipeline has not been finally determined, it had been declared that one branch from Turkey would be directed toward Greece and the other to Bulgaria. It is expected to be connected with Nabucco-West or Trans Adriatic Pipeline, in case of construction of pipelines within those projects.

The role of TAP project for the Black Sea/Caspian and South-East Europe Regions

The Trans Adriatic Pipeline (TAP) will transport Caspian natural gas to Europe.

11 Socor, Vladimir (2012-06-27). "Aliyev, Erdogan Sign Inter-Governmental Agreement on Trans-Anatolia Gas Pipeline to Europe". *Eurasia Daily Monitor* 9 (122) (Jamestown Foundation). Retrieved 2012-06-29

12 <http://en.trend.az/world/turkey/2313433.html>

It is planned the connection of the Trans Anatolian Pipeline (TANAP) with the new pipeline at the Greek-Turkish border, from where TAP will be constructed on the territories of Northern Greece, Albania, the marine space of the Adriatic Sea before coming ashore in Southern Italy, where it will be connected with the Italian natural gas network.

At this stage, the project is in its implementation phase and now there are going on the preparation activities for the pipeline construction, which is planned to begin in 2016.

The project in the framework of Southern Gas Corridor will contain a 3500-kilometre long gas value chain stretching from the Caspian Sea to Europe.

TAP's initial capacity will be 10 billion cubic meters of gas per year¹³.

Georgia's domestic energy market and how Southern Corridor's realization effect to domestic market

Georgia represents the part of important energy corridors. Taking into consideration the the strategic location of the country, Georgia is able to increase its role in the supplying the rest of the world with energy resources from the Caspian Sea and Central Asian regions via alternative routes. Georgia's Black Sea ports, the Baku-Supsa and Baku-Tbilisi-Ceyhan oil pipelines, and the Baku-Tbilisi-Erzurum gas pipeline are already active and strategically important projects. Georgia is determined to ensure the effective functioning of these existing projects and to develop prospective new ones.

Let's now consider the pipelines which cross the territory of Georgia and their role and potential.

Existed Energy Projects

Baku-Supsa Pipeline

The Baku-Supsa Pipeline (also known as the Western Route Export Pipeline and Western Early Oil Pipeline) is an 833-kilometre long oil pipeline, which runs from the Sangachal Terminal near Baku to the Supsa terminal in Georgia.

The pipeline was completed in 1998. On 17 April 1999, the inauguration ceremony of the Supsa Oil Terminal took place. The pipeline is operated by BP and owned by Azerbaijan International Oil Consortium.

The pipeline has a capacity of pumping 155,000 barrels per day (bpd).¹⁴

Taking into account, that the proposed upgrades are between 300,000 to 600,000 barrels

13 <http://www.tap-ag.com/the-pipeline>

14 Export Options" SOCAR, retrieved 24 August 2012.
http://wiki.openoil.net/index.php?title=Baku-Supsa_Pipeline

per day¹⁵, it will be possible to increase the income of Georgia for transit fees – about 15-20 million US Dollars. Furthermore, taking into account, that it is planned to increase the capacity of the Kulevi oil terminal (which is located near Supsa Port) to 20 Million Tones of crude oil per year, it will cause the development of the energy sector of Georgia.

Baku-Tbilisi-Ceyhan Oil Pipeline

The Baku–Tbilisi–Ceyhan (BTC) pipeline is a 1,768 kilometers long crude oil pipeline from the Azeri-Chirag-Guneshli oil field in the Caspian Sea to the Mediterranean Sea¹⁶. It starts near Baku, crosses the territory of Georgia and final destination is Ceyhan, a port on the south-eastern Mediterranean coast of Turkey. The first oil that was pumped from the Baku end of the pipeline on 10 May 2005 reached Ceyhan on 28 May 2006¹⁷.

The pipeline has a projected lifespan of 40 years, and at normal capacity it transports 1 million barrels per day. It needs 10 million barrels oil to fill the pipeline¹⁸.

In case of the pipeline`s functioning with its maximal capacity, within the 40 year agreement period, Georgia can receive about 2,1 Billion US Dollars, which means, that per year will be possible to receive 62,5 Million dollars¹⁹. Furthermore, if from the Kazakstan oil field Tengiz, via port Aktay, the pipeline receive additional volume of oil, the transportation of more than 80 million tones of oil through this pipeline will be possible²⁰, which will provide the additional incomes for the Georgian budget for about 30-35 million US Dollars.

The building of the Baku-Tbilisi-Ceyhan pipeline constitutes a strategic milestone in post-Soviet Eurasia. In the first place, the pipeline`s construction will have major implications for the South Caucasus, especially as regards its role in European and World Politics. For everyone involved, within as well as in every direction from the South Caucasus, the building of the BTC pipeline reconfigures the mental map with which political observers and decision-makers look at the world. Azerbaijan and Georgia will see their futures in more direct relation to Europe through the umbilical cord that BTC constitutes.

Baku-Tbilisi-Erzurum Gas Pipeline

South Caucasus Pipeline (also known as: Baku–Tbilisi–Erzurum Pipeline, BTE pipeline, or Shah Deniz Pipeline) is a natural gas pipeline from the Shah Deniz gas field in the Azerbaijan sector of the Caspian Sea via territory of Georgia to Turkey. It is constructed in parallel to the Baku–Tbilisi–Ceyhan pipeline.

15 Supsa Terminal and Pipeline, Georgia / Azerbaijan”. Hydrocarbons Technology. Retrieved 2008-06-08

16 Baku-Tbilisi-Ceyhan Pipeline. <http://www.bpgeorgia.ge/go/doc/1339/150562/Baku-Tbilisi-Ceyhan-BTC-Pipeline->

17 <http://www.azerb.com/az-btc.html>

18 Operations of the BTC pipeline”. BP. Retrieved 2007-03-01

19 Nika Chitadze. Ph.D. Dissertation. Caspian Oil Projects and Transit Role of Georgia. 2004. P. 128.

20 The same source

On 21 May 2006, the commissioning gas was pumped to the pipeline from the Sangachal Terminal. First deliveries through the pipeline commenced on 30 September 2006. Deliveries of gas from Shah Deniz gas field started on 15 December 2006²¹.

During the military aggression of Russia against Georgia in August 2008, the pipeline operator BP closed the pipeline for the several days for the safety reasons²².

As it was mentioned above, the 42-inch (1,070 mm) diameter gas pipeline runs in the same corridor as the Baku–Tbilisi–Ceyhan pipeline. It is 692 kilometers (430 mi) long, of which 442 kilometers (275 mi) is laid in Azerbaijan and 248 kilometers (154 mi) in Georgia²³.

The initial capacity of the pipeline is 8.8 billion cubic meters (310 billion cubic feet) of gas per year, but some experts and government officials consider, that its capacity could be increased to 25 billion cubic meters (880 billion cubic feet) per year²⁴. It is being considered the issue, related to the possibilities of the connection of the pipeline to Turkmen and Kazakh producers through the planned Trans-Caspian Gas Pipeline. Azerbaijan presented the position about expansion of the pipeline's capacity up to 60 billion cubic meters (2.1 trillion cubic feet), which will be possible by the construction a second line of the pipeline²⁵.

From this project, Georgia as a transit state annually receives 5% from the whole volume of gas (0.5 billion cubic meters).

At this stage, it is being considered the project Shah Deniz Stage 2, is a giant project, within of which the additional pipeline will be constructed and that will add a further 16 billion cubic meters per year (bcma) of gas production to the approximately 9 bcma produced by Shah Deniz Stage 1.

In case of the second phase project implementation, it is expected, that Georgia will receive about 400-700 Million US Dollars investments²⁶.

At the same time, it is necessary to point out, that according to the official brochure of the Shah Deniz Stage 2, as a result of the project implementation, the volume of the direct foreign investments in Georgia would be about 2 Billion US Dollars and 20% of the capital expenditures will be spent on the goods and services, which would be supplied by Georgian companies. At the peak of the construction process, about 2000, and during the period of exploitation about 130 job places in the country will be created. The delivering of the pipes and construction materials will be carried out by the using Poti Port and Georgian Railway.

21 "Azerbaijan's Shah Deniz Field On Stream". Oil Voice. 2006-12-15. Retrieved 2006-12-18

22 "BP turns on Georgia gas taps". *Upstream Online* (NHST Media Group). 2008-08-14.

23 "SCP Commissioning Commences" (Press release). BP. 2006-06-01

24 Socor, Vladimir (15 January 2014). "SCP, TANAP, TAP: Segments of the Southern Gas Corridor to Europe". *Eurasia Daily Monitor* **11** (8) (Heritage Foundation). Retrieved 18 January 2014.

25 "Shah Deniz taps primed". *Upstream Online* (NHST Media Group). 2006-09-14

26 Civil Georgia. 18 December, 2013. <http://civil.ge/geo/article.php?id=27670>

Georgian government declared, that country will be able to purchase by lower prices 5% of Natural gas within this project²⁷.

According to Euro commissioner on the energy issues – Giunter Ottinger, by the expansion of the Southern Gas Corridor, EU will have an opportunity in long term perspectives to satisfy its needs on the gas for the 20%²⁸.

Prospective Energy Projects

Azerbaijan-Georgia-Romania Interconnector

Within the framework of the Southern Corridor Project, governmental structures of Azerbaijan, Georgia and Romania conducted the negotiations for the establishment a new gas transportation routes. Government officials from of the three countries have discussed the a concept of a new project within the 2009-2010. Finally, it was reached an agreement on the implementation of the Azerbaijan-Georgia-Romania Interconnector project (AGRI), according to which the liquefied natural gas transportation to European market should be held via the Black Sea.

On September 2011, the Presidents of Georgia, Azerbaijan, Romania and the Prime Minister of Hungary signed a project support declaration. On the same occasion Georgian Oil and Gas Corporation (GOGC), the State Oil Company of Azerbaijan Republic (SOCAR) together with Romgaz signed a Memorandum of Understanding and the Incorporation Act (SC AFRI LNG Project Company SRL) to implement the Azerbaijan-Georgia-Romania Interconnector project²⁹.

By the Azerbaijan-Georgia-Romania Interconnector (AGRI) will be implemented the transportation of gas, produced on the territory of Azerbaijani to the Georgian Black Sea coast, where it is planned the gas transferring to the liquefied natural gas, and then sea tankers will transport the gas to the Romanian city of Constanta. Re-gasified natural gas from Constanta will be distributed to Romania, Hungary and other southeast European countries.

Capacity of the interconnector is expected to be 7 billion cubic metres (250 billion cubic feet) of natural gas per year, of which 2 billion cubic metres (71 billion cubic feet) will be consumed in Romania³⁰ The project is expected to cost €4–6 billion³¹.

The project will increase the transit potential of Georgia and promote the attraction investments for the construction of the liquefied natural gas factory.

27 Civil Georgia. 18 December, 2013. <http://civil.ge/geo/article.php?id=27670>

28 The same source

29 Georgian oil and gas corporation. <http://www.gogc.ge/en/page/azerbaijan-georgia-romania-interconnector>

30 "Romania, Azerbaijan, Georgia sign LNG memo". News. Az. 2010-04-13. Retrieved 2010-04-13

31 "Azerbaijan, Romania and Georgia signed memorandum on gas supplies". Trend News Agency. 2010-04-13. Retrieved 2010-04-13

Conclusion

The EU has crucial challenges to overcome if it is to play a stronger role in the South Caucasus region. The EU needs energy supplies to reach European markets through the Southern Corridor. The EU stays divided in its approach to the Russian Federation. These are important considerations but not hopeless problems if the EU is to create a logical strategy. The EU can bring considerable profits to the South Caucasus region and this should afford the base to overcome boundaries to strengthening involvement in the region.

Arise in EU activism and diplomacy is likely to be accepted by all three South Caucasus countries. The EU is not biased for any specific party and brings considerable experience and resources, not least in peacekeeping operations. The future of renewed conflict in the South Caucasus region is likely to stay a concern for the international community for the foreseeable future as a brief and quick solutions to the region's more than twenty year old conflicts are doubtful. The EU could play an important role to support to fix the South Caucasus security deficit if it heavily introduces conflict solving options for Georgia; is processed to expand more CSDP monitoring missions to Nagorno-Karabakh region; and starts by devising a roadmap for South Caucasus security and reviving multilateral security forums.

In order to achieve important progress, the European Union cannot stay away from increasing its policy on conflict resolution. Taking into the consideration only long-term and indirect objectives could not be a substitute for direct involvement in short-term issues and crises as the changeable process in the South Caucasus region is intensively interrupted by local tensions. The Eastern Partnership is not a step forward towards handle directly with these issues and tensions. The South Caucasian states feel lost in the sea of European Union efforts and fail to determine and distinguish between them, this adds to their frustration. With regard to added value, it is quite clear, that the EAP offers nothing that was not possible through the implementation of the ENP-APS. The chief of the European Parliament's delegation to the South Caucasus rightly mentioned that «it seems that the EAP is just «an attempt to camouflage the weakness of the Neighborhood Policy».³² It would have been far more sensible to analyse the progress of the ENP critically and only then outline a new initiative to overcome the defect of existing policies and mechanisms. After the summer2008 crisis, however, the EU shows to have become more careful in its actions towards the South Caucasus region, more wary to insist on democracy and less willing to get involved in Caucasian tensions, take detailed steps that could provoke confrontation with the Russian Federation.

As for democracy promotion, efforts should be redoubled without dubbing them as conflict resolution policies. The EU should design a clear roadmap for democracy promotion in the framework of the EAP for each South Caucasian country, specifically accompanied by clear conditionalities and monitoring mechanisms. Furthermore, the European Union should insert in its dialogue with Russia the question of the integration of secessionist regions into EU democracy related projects, while being cautious to explain to the metropolitan states that

³² Lobjakas, Ahto. Citing Russian 'Aggression,' EU Steps Up Neighborhood Plans. Radio Free Europe/Radio Liberty. 21 January 2009.

this does not compromise the Union's standing regarding territorial integrity. Otherwise the Eastern Partnership risks becoming just another technical document destined for failure.

The prospective of stability in the South Caucasus region depends on the delicate balance of perceptions and interests among different levels of interaction. Strong and stable central state institutions must accommodate the historical memories and wishes of the autonomous regions (Abkhazia, South Ossetia and Nagorno-Karabakh). These same institutions should lay the ground for regional cooperation and dialogue based on mutual interests and understandings. This would emphasize the region's global position *vis-à-vis* foreign players. In the absence of these conditions, political processes and often undemocratic institutions have threatened the construction of a common framework for stability and development, where national and sub-regional leaders, citizens can frame a common approach that could solve the clash interests, both abroad and at home. The dependence on strategic alliances that in the South Caucasus region somehow keeps a balance of power is a dangerous game, delivering only fake stability. It is also needed for the stability of region to create it in a larger security framework that responds and corresponds to the area's interlinked opportunities and problems by allowing wider formats of negotiations and cooperation that despite asymmetries better links to the regional challenges. The proposal mentioned above for an Eurasian/Black Sea security framework can fit well the region's various dealings, while overpowering the escalating difficulties related with the CIS as an accumulator of security approaches, needs and concerns of the very different countries involved, and which to a great amount surpass the Commonwealth boundaries.

In view of these considerations, it is unlikely that the Eastern Partnership's reputation will flourish. The European Union did not succeed in mobilizing the necessary resources for concrete policy changes in the framework of the European Neighborhood Policy and it is unlikely that it will manage to do so with the EAP. Difficulties persist in Georgia as well as in Azerbaijan and Armenia regarding decentralization, the rule of law, judicial and social reforms, the independence of the media, etc. The EU admits that «there has been limited tangible progress towards meeting the action plans objectives in the area of democratic governance»³³, but proposes nothing in the framework of the EAP to ensure more effective assistance for democracy and good governance. The open issues that bedeviled the ENP do not appear to have been resolved by the EAP.

With regard to the energy projects, it should be pointed out, that the development of the energy sector will be motivation power for the increasing the prosperity of Azerbaijan, Georgia, Turkey and countries of the South-East Europe and Black Sea Region. The strengthening the integration processes with the western democratic states, giving the maximal opportunities to their energy companies in the energy projects involvement process, will cause the increasing investments, job places and budget incomes of the countries from Black Sea/Caspian and South – East European Region, providing regional security and development of the other sectors of economy, also, in the long-term perspectives the resolution of the problems of territorial integrity (Georgia, Azerbaijan) by the peaceful means.

³³ European Commission. Implementation of the Eastern Partnership Policy in 2012. Progress Report Azerbaijan - Commission Staff Working Document. SEC, 391, Brussels



Questions & Answers

Question: Thank you very much Mr. Chairman. Actually the speakers deserve credit for their excellent presentations. And they were not only excellent but they were also very neutral and impartial. I believe that the audience has the same idea with me to congratulate them for the presentations.

Actually no conflict happens without any contribution. That is to say without the errors committed by the both parties. Maybe the error committed by one party less than the other. But without the contribution of both parties no conflict happens.

Dr. Arshamyan mentioned about the Karabakh, “Dağlık Karabağ” question. Actually I saw 2 or 3 persons mentioned Nagorno-Karabakh, actually official name of that area in historical books is “Dağlık Karabağ” and nobody is entitled to change the official names. My name is Muzaffer. It means ‘victorious’ but nobody is entitled to call me Victorious. And it is Karabağ and then Dağlık Karabağ. And actually as Dr. Arshamyan mentioned about the resolution of the conflict problems between Armenia and Turkey, this is the main field as well. As it is understood that to a very large extend, it is dependable on the solution of the Dağlık Karabağ conflict.

I’d like to ask him of course for the solutions of this Track II activities are very important and today is a remarkable Track II activity again organizes today deserves credits for their organization. What concessions the both parties from the Azerbaijan and Armenian side could be made according to your opinion regarding to the solution of the “Dağlık Karabağ” problem? Thank you.



Question: Cengiz Dinç from Eskişehir Osmangazi University. Actually I have 3 short questions.

One especially to Dr. Arshamyan. How can we explain the influence of Diaspora on the issue? Actually there are conflicting views, some says that Armenian public opinion is directing Diaspora, another argue that actually Diaspora is driving Armenia to the non-solution.

The second question is more anybody who wants to answer but again more towards to Dr. Arshamyan. How can we explain the fact that after Second World War and the 1945 left almost 60 million dead people and just after one or two decades after the World War II we say Germany and France participating in creation of European communities and then even after hundred years we cannot solve problems between Armenia and Turkey? I myself tried to explain this with a lack of modernization. Because one belong that modern people, more people try to look forward and not try to look back all the time. We see Germans and French they choose the modern way and looking towards to future and try to build prosperities, peaceful future but we the Turks and Armenians I assume, we couldn't modernize enough. And this includes lack of democratization, lack of industrial base, and lack of civil society. So if it is the case we might need another 40-50 years to wait emergence of fully model of democracy. The last question shortly towards to Dr. Chitadze. How can we explain the exceptionality of Georgia in the Caucasus in terms of a lack of or not depending on Russia? We see for example Armenia and Azerbaijan. They have a dependent relation with Russia as we can see. They all try to take the queue from Russia. But Georgia and also Chechnya for example they didn't follow the Russian lead. They try to oppose Russia. Especially Georgia tries to join NATO. How can we explain this exceptionality? Can we explain it just history or if you can enlighten us? Thank you very much.

Mr. Aslan Yavuz ŞİR: Thank you. Please Ambassador, here. And then you, Sir.



Question: Thank you very much for your presentation. From Taiwan mission in Ankara. I would follow the questions he mentioned just before. About the Crimea crises... Actually, if we look at back around the March 28, this year. When Putin just put a (.) in a midnight to started in one military (.) on the Black Sea military base on that midnight. And then nominatable Putin just say according to news report it says, just because Putin reconsiders restrains their military power for Russian army just because of the value during Russian conflict with Georgia in 2008, just because Russian army is not so good at that time according to this report. Then 3 months ago Crimean crises happened. I think this is quiet free association about this kind of covered action for the Putin probably. My question is how this south Caucasus countries including Georgia, Armenia, Azerbaijan and Turkey as well to look at the this Crimea crises for the regional security, for the future especially their some trade like the Black Sea Security will be affected by this crises? Then the second question is in the south Caucasus region then their (.) big powers including Russia like Dr. Chitadze mentioned about this, Russia, EU and the some other key regional players like the US or Turkey, Iran. Then what do you think first keeper will be the biggest influence on this process for the south Caucasus development and for the regional security for the future? This is my two questions. Thanks for your attention.

Mr. Aslan Yavuz ŞİR: Thank you. And Ambassador, please.



Question: Thank you. I'd like to thank all the speakers for their very well contributions. I was very much impressed by Prof. Dr. Palabiyık's compressive description of the situation and especially to do less that he presented at the end. Most important I thought that the lack of confidence, elements at the end is very important point. But I don't want to take so much of your time. I'd like to just address one question at Dr. Arshamyan. And this related to Dr. Palabiyık's presentation. Of all the questions that existed between Turkey and Armenia and also Azerbaijan, there are many points of disagreement of course. To address them one has to go step by step the incremental approach that Dr. Palabiyık mentioned, the point that I wonder is do you see any ground for agreement to disagree as a first step to agree to disagree on the fundamental points and thereby be able to approach the peripheral questions that an agreement can be reached upon? I hope I was able to explain my question. And thank you.

Mr. Aslan Yavuz ŞİR: Thank you, sir. First gentleman here and then you.



Question: My name is Erhan Canikođlu from institute of Turkey in 21st century. Thank you very much for this meeting. I want to ask to Mr. Palabıyık that if I am not mistaken at the end of his speech he suggested that the problems in the Caucasia should be regionalized. Before coming to the meeting I checked the strategies, policy, recommendations and some national security blueprints of US, Russia and EU. But I noticed that there are all conflicting interests in the region. Do you really believe that the problems in the region can be solved through regional efforts and only by the regional countries? Thank you very much.

Mr. Aslan Yavuz ŐIR: Thank you. Here, please.



Question: Thank you so much. This is Muzaffer Pur from Iran embassy in Ankara. I have just short comment about Dr. Nika's speech statement. He mentioned about Iran, he talked about Iran's role in security dimension and economic dimension in Caucasus. Let me mention that I wish we had a representative from Islamic Republic of Iran to drop the Iranian position. But this is a notice and the question regards to the energy issue that you mentioned again. Because for example we have a great dynamism in energy in the region. President Putin came here with to discuss energy issue, it was very hot issue. Of course he was going to make an alternative for EU pipeline or Ukraine pipeline. Honorable president Erdoğan went to Turkmenistan 40 days ago. He discussed pipeline issue as well. And he discussed to make a pipeline to transport energy from Turkmenistan and then making a connection with Azerbaijan gas resources and then transporting it to western world. In Caucasus also we have a dynamism as you mentioned. So what will eventually happen to the region? Because you said that it is unfortunately based the logic of zero sum game. When its zero sum game always super powers doing so and obeying the logic. Do you think that in the future will have a stabile region without superpowers? Thank you.

Mr. Aslan Yavuz ŞİR: Thank you. If there are no other questions I will leave the floor to speakers. Please Dr. Arshamyan.

Dr. Haykak ARSHAMYAN: So I'll try to be very brief because we have 20 minutes, right? Okay. First of all about the solution of Nagorno Karabakh conflict question... In my paper I just concentrated on that and suggested around like 10 activities which would enable the parties and the international community and the mediators of the conflict to try to resolve that conflict. For the second question about the Diaspora in Nagorno Karabakh... relations in Armenia and diaspora... diaspora is mostly concentrated on genocide issue. And Nagorno

Karabakh issue is like more popular in Armenia. Because Diasporan Armenians they know that their ancestors from eastern part of Turkey and they have that memory. But for Nagorno Karabakh conflict diaspora is not so connected and related. So I don't see importance of involvement of diaspora in this issue. And as of the solving our relations with Turkey and why we can't solve that and maybe we should wait for the fifty years, maybe I'll connect the questions agree with disagreement. In my point of view we have only one big disagreement with Turkey which is the genocide issue. And we think that first of all Turkey should open the borders, Turkey - Armenia borders should be opened and normalize the relations and start the diplomatic relations. Later on the reconciliation will come into the ground. And you are right, starting from the past, starting normalization from the past, it is maybe wrong. We should start immediately the normalization from the opening of the borders and establishing diplomatic relations. Later on we can see what we can do together. What else?

Mr. Aslan Yavuz ŞİR: Lack of modernization on both sides? "Does it affect Turkish-Armenian reconciliation?" was one of the questions.

Dr. Haykac ARSHAMYAN: What kind of modernization if... I'm in Armenia - Turkey normalization process from the civil society for more than 4 years. I was before being in the program that I mentioned, normalization of Turkey - Armenia relations. I was the program coordinator for the support the Turkey - Armenia rapprochement supported by USAID which was a continuation or Track II diplomacy development immediately after the protocols were signed. My experience showed that we have lots of especially young people in Armenia and in Turkey who are for normalization, who are for reconciliation. The contradiction is mostly between the governments and between the states. But the people who are living in our countries are mostly for normalization of the relations between 2 neighbors. Thank you.

Mr. Aslan Yavuz ŞİR: I think this question applies the other speakers if they want to answer. Do you consider the relevance, the lack of modernization on both sides, in all of the countries in the region? And maybe concession must be given from the parties when we considering the future of this reconciliation, cooperation in the region if you call it concession. Dr. Palabiyik, would you please?

Assist. Prof. Dr. PALABIYIK: Well, thank you very much for these talk-provoking questions. 3 questions maybe addressed by myself. The first is a direct question: Can the problems between Turkey or the solutions between Turkey, Armenia and Azerbaijan be regionalized? I think yes, they can be regionalized. But regionalization does not necessarily mean exclusion of global actors. Of course they have to be in cooperated. And protocols, indeed, is an example of how global powers have a mediating effect in bilateral relations. These protocols were prepared with the mediation of US, EU. Russia, maybe did not support them full heartedly because of the risk of decreasing dependence of Armenia to Russia, but it did not object them either. Therefore regionalization of problems is for building up mutual confidence. Because these problems were very much interlinked with each other. For instance Dr. Arshamyan says a minute before; first diplomatic recognition, border opening and then other issues. Indeed all these issues are very much interlinked. Turkey did not establish diplomatic relations with Armenia because of genocide issue. As I mentioned we have the at least in the Turkish foreign

policy making the problem of non-recognition of territorial integrity of Turkey and the borders... Borders are not closed because of genocide issue. Borders are closed because of Karabakh issue. Therefore when for instance there is a clear recognition of borders with the clear recognition of the Treaty of Kars, most probably this would be a step for establishment of bilateral diplomatic relations. When Karabakh question was resolved or at least significant steps were taken for resolution most probably there would be a very significant advance in the border opening. Therefore these questions, these interregional questions were very much interlinked and their solutions were very much interlinked. What I mean with regionalization is exactly this. Without total solution of these problems the reconciliation process would be problematic, I think. Secondly the Crimean crises and the perception of regional countries on this issue... I can say that of course Turkey was very much concerned about the Russian intervention in Crimea and in Ukraine later. It is very important for Black Sea security and as the initiator of the Black Sea Economic Cooperation Organization and very active actor in the Black Sea; Turkey was very much concerned about the security of the Black Sea region. But Turkish policy was something like a 'wait-and-see' policy, until now at least. Although Turkey has significant concerns, Turkey still tries to see what would happen next. Because you know Turkish orientation, although there were some setbacks, is generally in line with American and European policies in the region. Recently there are talks with Russia; Putin's visit to Turkey was a very significant event. But still there were significant disagreement between Turkey and Russia on various issues. So Turkey holds, Turkey waits to see what will happen next, particularly in the Ukrainian crises. So Turkey's policy is a bit a policy of silence. And finally the issues of lack of modernization whether lack of modernization in Turkey and Armenia resulted in the discussion of past events. I just underline two points. The German - France experience is very different from Turkish - Armenian experience. Because only in 20 years Germany and France had something like a peace and something like cooperation. But we have the Cold War and you know Armenia turned out to be a Soviet Republic. And the issue between Turkey and Armenia because an issue between Turkey and Soviet Union. That's why the solution was very much delayed. Secondly Turkey did not much interested in the Armenian question until, let's say, 1980s. Turkey was on the process of internal modernization at that time, focused its attention not on external problems but on internal issues and therefore not only until, you know, ASALA activities particularly Turkey recognized that there is something like an Armenian question. The publication is a very good indication. Only after these incidents Turkey began to publish, Turkey began to study that there is a problem called 'Armenian Question'. That's why we are so late on this issue. Therefore the Germany - France experience is very different and making such analogies makes us fail to understand the difficulties between Turkey and Armenia. Thank you very much.

Assoc. Prof. Dr. Nika CHITADZE: Thank you for the questions. With your permission I'd try to answer the questions my comment. Related to Georgia - Russia relations... After the restoration of the independence of Georgia, it's a result of disintegration of USSR, all governments in Georgia tried to establish normal relations with Russia. It is usual, of course, to have normal relations with a country area of the territory of which prevails the territory of Georgia for 253 times. So it is normal to have good relation with this country. But unfortunately, as encourage the conflicts in Tskhinvali district and in Abkhazia in the beginning

of 90s by the implementation of so called indirect aggression against Georgia, yes okay. I mean training of the terrorist groups in north Caucasus, sending them in Abkhazia we know it is an indirect aggression because of General Assembly of UN in 1974 a doctrine resolution related to determination of aggression. There are 2 types of aggression: indirect, when one country prepares to support some separatist movements, yes okay, found some groups illegal for some information. Also it was indirect aggression in the beginning of 90s and in August 2008 to Russia implemented direct aggression when Russian troops invaded the territory of Georgia by the occupation of historic part of Georgia. In the beginning of 90s Russia implemented the pressure of Georgia related to the deployment of so called peace keepers, Russian peace keepers on the territory of Georgia. Georgia agreed on all deployment of 4 military bases of Russia on the territory of Georgia instead of the promotion the restoration territorial integrity of Georgia 1984 to sign the agreement, but Russian Duma refused the ratify this agreement. I mean bilateral agreement between Georgia and Russian Federation. Later as we know that Russia introduced this regime with Georgia but not Georgia by this way. In the Russia has violated for several times airspace of Georgia during the conflict in Chechnya. It was before the Rose Revolution. Because later we know that in 2008 when Russia implemented attack against Georgia, they mentioned that Russia was fighting against Saakasvili regime. But on the matter of fact they were fighting against the Georgian statehood. Before they were not acceptable for Eduard Shevardnadze, former president of Georgia, after Mikheil Saakashvili, today current government. With regard the Rose Revolution for example... first visit which was implemented by the new elected president of Georgia, Mikheil Saakashvili, was held neither in Brussels nor in Washington but in Moscow. And Georgia tried by this way of course establish of normal relations. During his in inauguration speech Saakashvili mentioned only about Russia. He mentioned about the readiness to shake hand of Russia etc. Unfortunately we know that Russia introduces sanctions against Georgia, economic sanctions in 2006. But those sanctions did not work. Why? Because on the contra, next year GDP of Georgia increased about 11%. After Georgia managed by the way to decrease energy dependence of Russia after the starting the exportation of Baku-Tbilisi-Shahdeniz gas pipeline. Because of the anger from Russian side they were continued by this way to pressure over Georgia. One must before the war in August of 2008 when Saakashvili, Medvedev met with each other. Mr. Saakashvili applied to Medvedev and said that: 'We had those tensions between two countries before'. 'No, you are mistaken Mr. Saakashvili. The worst tensions will be held very soon.' And after that we know about the aggression of Russia against Georgia. And even today and the under the new government of Georgia, when by this way it created by Abashidze, Karasin. I mean represented of Prime Minister Abashidze. Minister for Foreign Affair of Russia Karasin met for several times. By this way Georgia express the readiness to reestablish trade relations with Russia but on the contrary we know the Russia moved the occupation line in Tskhinvali district for example. We know here about the signing of so called agreement between Russia and Abkhazia about integration etc. so called agreement contradict with the principles of international law. But anyway what should a small country do, anyway? With regards to NATO and EU usual moment and each country of course in the world and there are 193 (.) members of UN, each country according to principle of the sovereign equality of each country according to the principle of law have its right to choose partner ally and it is for implementation its own foreign policy priorities and of course for Georgia it is more preferable to establish closer

relations with USA, with EU of course very important, when we pay attention to the relations with neighbors. I mean about the brotherhood relations with Armenia, with Azerbaijan and with Turkey. But we prefer of course to have a strong ally like NATO, like EU for the strengthening our sovereignty. Because of course America has its own interests in south Caucasus. Of course EU, of course big players, Turkey... it is usual. But what are our choices? Of course to have good relations with those countries which respect the sovereignty and territorial integrity of Georgia, not with those countries which violate the international law by the occupation of historic parts of Georgia. With regard to the Crimea case, in my point of view I think that it is important case. I think that of course it is necessary the more involvement of the international community in the resolving of this problem. First of all Turkey should play very important role taking into consideration about 15% of the population of Crimea, they are Crimean Tatars. And they are basic population today. Because after the occupation of the Crimea by Russia as a result of what Turkish - Russia war at the second half of 18th, but particularly in 1784 this territory Ekaterina Great occupied this territory, Crimea. After that it was going on the settlement of the Russian population there. It is also somehow changing of the demographic situation. Today about 60% they are ethnic Russian. They voted for the integration with Russia so called referendum which has no legal validity but de facto this referendum was held. I think Turkey and of course international democratic community which was for example related to the sanctions towards Russia, because Russia could be more progressive related to the Crimea problem etc. One of the example when previous Ukrainian government, Yanukovich government which was considered pro-Russian. They did some steps related to obligation of deployment of Russia military base in Sevastopol from 2017 until 2043. But what results do we have now? Now we have the results that Russia controls Crimean peninsula by this way has second biggest military base. One of them located in Ochamchira occupied territory in Georgia particularly in Abkhazian Autonomous Republic. By this way Russia would like to increase its influence in Black Sea region because Russia was always considering Black Sea region as zone of strategic interests. We know about Crimea war, we know about as a war of 1877-78 between Ottoman Empire and Russian Empire. So when due to it Russia would like to increase its interest but with regard who should be the key player in south Caucasus. In my point of view the key players should be EU and the US. I mean those organizations or countries which respect the sovereignty territorial integrity of 3 south Caucasus republics. In my point of view I think that more integration of the region to the western democratic community will create a combined base for the strengthening independence all 3 states. So with regard to Iranian factor... Of course, Iran should play very important role and me personally will come more involvement of Iran is energy protect. Take into consideration on the share of Iran comes about 9% of world oil reserves and about 16% of the world gas reserves. In this regard, in my point of view I think that for western countries should be one of the priorities to establish normal relations with Iran. And it is very important, because we see here coincidence of the interest of US and Iran what I mean. I mean so called Islamic State, because it has no common with neither with Islam nor with the state of course, yes, but anyway. This means the representatives of illegal terrorist control biggest part of territory of Iran. It is contradict with the interest of Iran contradict of the west. In my point of view cooperation is necessary in this case. With regard to the nuclear program of Iran, it is also I think Iran has right of course to develop its nuclear program but if its more transparent, Iran

can offer to the West to increase export of oil and gas especially when western countries are interested in the decreasing the energy dependence on Russia we know here. We know here the competitor of Iran can be USA which considers of the issue of export the shell gas on the territory of EU. I mean what we know here is 2013 America produced more natural gas than Russia. By this way I think that Iran should hurry up somehow to have, contact the negotiations with west related to increase the gas and oil export on the European market and it is of course acceptable in my point of view for the countries of south Caucasus, even for Azerbaijan despite effect we can consider here competitor relations between Iran and Azerbaijan. Georgia itself is very much interested in the strengthening of Iran and we know that despite in fact that Georgia intense to become member of NATO is for American orientation. Anyway 2006 with these General Assembly of UN Mr. Saakashvili met with Mr. Ahmedinejad and we know that one period Iran exported natural gas on the Georgian market and several years ago Georgia and Iran introduced the non-visa regime with each other. In my point of view I think that Iran can play positive role, positive in favor of Iran itself and in favor of south Caucasus states, in favor of Europe in my point of view because during the last period we see some coincidences of the interest of western countries with Islamic Republic of Iran. Thank you very much.

Mr. Aslan Yavuz ŞİR: Thank you Dr. Chitadze. I think this is the end of our section here. We are on time on schedule. Thank you for listening. And we have lunch now. Thank you.

PANEL II

(Moderated by the Director of Center for Eurasian Studies (AVİM),
(Ret.) Ambassador Alev KILIÇ



**Director of the Center for Eurasian Studies (AVİM),
(Ret.) Ambassador Alev KILIÇ**

Welcome all to the second session today. I know it is not that easy after our delicious lunch, we could all have gone with the further break, for coffee or tea but instead we will try to keep you awake with our thought-provoking presentations here. We have here with us five very prominent speakers; we will start in the order of the program and let me shortly introduce our speakers Mr. Richard Giragosian, Director of the Regional Studies Center, Armenia, then, Mr. Aleksey Malashenko, scholar in residence, Carnegie Moscow Center's Religion, Society, and Security Program, Mitat Çelikpala from Kadir Has University in Istanbul, then, our friend from Azerbaijan, Mukhtar Hajizada, Head of Political Science and International Relations Department of Khazar University . His Excellency, colleague, Giorgi Badridze, Senior Fellow at Georgian Foundation for Strategic and International Studies and the lecturer at the Javakhishvili Tbilisi State University.

The first part of our meeting we did go into, I would say, the major difficulties we have in the Caucasus, particularly in Southern Caucasus. At this session, we will try to introduce some new perspectives on the issues. We start with Mr. Richard Giragosian.



**Director of the Regional Studies Center (RSC),
Mr. Richard GIRAGOSIAN**

Thank you, good afternoon and welcome back to our second panel.

I want to express my appreciation to the Center for Eurasian Studies, AVİM, and to the Konrad Adenauer Stiftung KAS for their support in this important event.

To be honest, when we are talking about regional cooperation, possibilities and prospects, I do want to start with two important observations. The first observation is that not all possibilities are positive, in many ways the prospects remain poor in terms of the short – term outlook. Moreover, for Turkey there is a storm coming on the horizon. In 2015, the hundredth anniversary of Armenian genocide, there is a storm coming. In many ways, it is up to both of us, on both sides of the closed border to actually weather that storm. At the same time if we look at developments in Ukraine, post-Crimea. The region is certainly an arena of competition over cooperation. Regional rivalries have important ramifications for many if not all in the region.

The second observation is, actually, to return to the opening remarks from this morning. To be honest with you at most conferences, I don't remember the opening remarks. But dr. Colin Dürkop from the KAS made several important points that necessitate reiteration. First, in talking about the Adenauer Foundation as a Political Foundation committed to the

democratization it's important at the same time to note that democratization is also an important political foundation from watching what we do. He also talked about Konrad Adenauer as a visionary leader. And, in many ways, in our region we have far too few visionary leaders, we have far too many strong men instead of statesmen and, yes, men. Perhaps, gender imbalance as well. In other words, visionary statesmen in our region are the endangered species of the South Caucasus, much to our regret.

Now, turning to Armenia-Turkey, I do want to begin with clarification and important one. When talking about normalization of relations between Armenia and Turkey our approach is arguing that normalization is not reconciliation or rapprochement. Rather, normalizing relations is the important first step toward reconciliation. To be honest, normalization in our approach is much more practical in immediate. Reconciliation is much harder. That will take generations. That's where the genocide issue comes up. It shouldn't be such an obstacle in normalization. Moreover, in terms of a clarification we look at Armenia-Turkey normalization as a state-level effort.

In other words, this is not normalizing relations between Armenians and Turks. That would encompass too much and much of the diaspora. Rather our focus is more limited, but realistic. Normalizing the relations between the republics of Armenia and Turkey. In addition to clarification, I would like to also make a confession: That is, we were close we three last Foreign Ministers of Turkey. In fact, being honest, Foreign Minister Babacan, Davutoğlu and Çavuşoğlu we worked closely with and all three foreign ministers have visited Armenia. It's an accident of history but it also reveals how times have changed. Moreover, to be honest, in terms of a confession, I am also a diasporan. I am a member of Armenian diaspora that moved to Armenia nine years ago but as I have told foreign minister, well, then foreign minister Davutoğlu, I am also as much a Turkish diasporan, my grandfather is from Elazığ. Being in Ankara means I am closer to my grandfather's birth place. And to be honest, I take pride in the fact that I am Anatolian. And in many ways the diaspora is both an Armenian and a Turkish construction that needs to be recognized.

In addition to the a clarification and a confession I do want make an important confession. The reason for our optimism, the reason that we've come to Ankara from Armenia is the fact that times have changed. There is a new degree of sincerity in Ankara and in Yerevan. A sincerity that is based on a recalculation of our own national interest. In fact, to the credit of the Turkish government, this is a policy commitment to normalization that is based on need to no longer simply please the Americans or please the Europeans, it's a sincere indigenous Turkish effort as much as Armenian. And, to be honest, in addition to the confession, the confession, the clarification, it's important to know that the conclusion is in reality and there is no conclusion.

This is a dynamic, not a static process. Even once we do establish diplomatic relations, open closed borders, it's the beginning of a process, it's not the end. Nor should not be. Having said that, I do want to turn to a little more of an explanation for my grounds of optimism. On the one hand, I may be overly idealistic. I am one of the very few Armenians who actually chose to move to Armenia whereas the majority are leaving Armenia. Having

said that, the reason I am optimistic regarding the outlook for normalization between our two countries is the reality that process of engagement was never supposed to be that easy or that quick. Moreover, look at how much has been achieved in the last five to ten years alone. Or, when I was growing up in the East Coast of the United States in an environment where we were taught to hate Turkey. We were taught to hate the Turk. This was, of course, not only negative, not only unconstructive, but not healthy for us. What we see now is how far we've come. Even in the words of then-Prime Minister Erdogan, in his April 23rd statement, establishing a new important precedent. It makes it much safer as well as convenient for us to address taboo issues in the spirit of constructive respect where we can agree to disagree but in a respectful constructive tone.

The other reason I am optimistic is we've come too far to go back to where we were. We are much less prisoners of the past. We are much more committed to a shared future based on the present rather than simply ruling out even meeting and talking because of the past.

Now, I do want to make my presentation slightly more interesting by revealing several elements of where we are today. What is really going on between Armenia and Turkey. To be honest, for a long time, the protocol process has been suspended. Much of our efforts have been in sustaining the momentum. But, what also is important is learning lessons from the protocol process between Armenia and Turkey. The first interesting lesson is the protocols were concluded and signed after very delicate and difficult negotiations that were mediated by Switzerland. The Swiss assistance was both helpful and welcomed by both sides. Yet, my personal observation is that it revealed, unfortunately, the challenge and problem that we needed a third party like the Swiss to hold our hands. Hopefully, we won't need a third party for the next stage of engagement, we can do it together. Because it's our future we are talking about. At the same time, Armenian government, fortunately, still has a policy of what's called "no preconditions". And, in fact, to be honest, Armenia-Turkey normalization and the Armenian governments' position of "no preconditions" is the one of few areas where I support the Armenian President and government. Policy of "no preconditions" is especially important because it does not require movement on the Armenian genocide issue. It no longer serves as a prerequisite to normalizing relations. This offer is tremendous opportunity in moving beyond being prisoners of the past. At the same, time if we look closely at diplomatic protocols, the two protocols are also important not only for what they say, but also for what they do not say. There is no mention in the protocols anywhere of the Armenian genocide issue. There is no mention of Nagorno-Karabakh in the protocols either.

But, what's important, if we look back, is foreign minister Davutoğlu after coming into office as then-foreign minister, after Babacan, did not like the language of the protocols. He, actually, thought Turkey conceded too much and wanted to re-open the negotiations. What this also revealed, however, is the need to learn a more strategic lesson. And, with all the respect, it was Turkey's strategic mistake in terms of underestimating the reaction from Azerbaijan and overestimating Ankara's ability to persuade and convince Azerbaijan. But to the defense of Babacan and Davutoğlu, Azerbaijanis in the beginning did not oppose normalization. Mainly, because they did not think it would work, they did not think that Turkey and Armenia would be able to conclude the negotiations.

And, in many ways, Turkey is somewhat frustrated by the fact that its policy options in the region and regarding Armenia are far too limited by Azerbaijan's veto power. But, the second element of where we are is, as I said earlier, sustaining the momentum. In terms of fostering the environment more conducive to political reengagement and forging new ideas and initiatives for both sides where we in civil society can, actually, provide political cover for the AK Party and for the Armenian government. And in this context it is important to recognize: although the physical borders remained closed, the psychological borders have opened. And this is actually more important.

The third important aspect of where we are is, a new strategy based on a new time table. The new strategy is no longer seeking the ratification of the protocols. It is our strategy that the protocols are dead and buried, are an interesting footnote to history. What we need to do now is to implement the terms of the protocols more modestly, more gradually, in a way that Azerbaijan will not be either not consulted or taken by surprise. What we also need to do is further advance building blocks until we are able to return to the diplomatic arena. For example, it is now an official decision, although I am not sure if it is public knowledge, that the Anadolu News Agency will open offices in Tbilisi and Yerevan. Other examples of what we are working on is the restoration of planned charter flights from Van to Yerevan where, according to the President of Turkey, he is willing to reconsider his earlier opposition. We are also expanding our unofficial diplomatic relations within the OSCE, BSEC and others. And also what happened two weeks ago. Two weeks ago under the conventional forces of Europe Treaty the Armenian armed forces conducted the third military inspection of Turkish military installations along the Armenian-Turkish border. This is very important not only symbolically but psychologically. We are building a new levels of trust and confidence even among the armed forces, even among the most obstinent obstacles in the past.

Another example is how we work also with the Turkish general staff is arguing that an opening of Turkish Armenian border is beneficial for Turkish national security to economically help stabilize the Kurdish East of the country and to fight the PKK with more than a military response but an economic response, commercial trade. At the same time, in December 2013, we had the visit to Yerevan of former Foreign Minister Davutoğlu which was very important and this past summer the Armenian foreign minister's attendance at President Erdogan's inauguration. As an American Armenian, I was offended in a way that the Armenian diplomatic presentation at the inauguration was a higher level than the United States! Shame on us in Washington! At the same time, the time table has changed. We are looking to weather the storm together in 2015, in the hundredth anniversary and to move beyond the June elections in Turkey. And our time table is focused on the implementing the terms of the protocols in 2016 and 2017. And some of our key counterparts and interlocutors include some of the best and the brightest in the Turkish Foreign Ministry – some are in this room but some others are posted in Tbilisi, for example, Levent. We do have new signs of optimism that the stars are realigning in our favor. Thank you.



**Carnegie Moscow Center Scholar in Residence,
Mr. Alexey MALASHENKO**

I never share the optimism as far as the situation in Caucasian is concerned. As well, I wasn't an optimist while I tried to understand foreign politics of my country. Anyway in the concept paper the second line tells "General political landscape" and I'll dare to describe not a general political landscape because it's useless, but to say a couple of words about Putin's vision of political landscape. It's very difficult to understand what the President of Russia has within his head, but anyway, we have to recognize that this is very important for this landscape and for Caucasia.

So, if I attempt to express what Putin thinks, to my mind, maybe I am mistaken, I guess he feels that he is winner. He is very happy. He thinks that he obtained a total victory. Over whom? Over the rest of the world and over the Russian society. He is sure that finally he brought back to Russia the status of super-power. Maybe he is right, maybe he is wrong. But he thinks so. Si indeed he is very happy. When you look at his face when he meets with some other leaders for instance with Turkish President, you may we see how proudly he is smiling. But, anyway, there is one problem which he begins to realize. What is this problem? Putin and Russia both they weren't ready for such level of indignation in the world, for such level of irritation. He could not predict how these huge sanctions coming from the majority of the world could impact on Russian economy.

Only in November, in Russian political establishment and not only in establishment, but in the society too, they began to understand that something is happening. And the situation does not improve but deteriorates all the time. I think that, Putin was not ready. Of course, he thought about some obstacles, about some troubles but he could not imagine the level. So I do believe that step by step he is beginning to be more disappointed. He will never tell it, of course, there is no doubt. But when we hear or read some commentaries from the people who are responsible for the Russian economy, well, we have to recognize that a frustration is rising. The problem for Putin consists in that he is unable to concede, he can't think about concessions. Maybe he understands that it's necessary, but he will never agree. How to do it? All the time when he talks to different politicians, for example, Francois Hollande, French President, he is able to show that maybe he is ready for something; maybe he is one of the peace-keepers in Ukraine. But indeed nobody believed until now that Putin is able to make some concessions. And how to deal with it? Of course, he is ambitious; ambitions of Moscow and Post-Soviet states are rising, no doubt. Everybody knows about the activity around the Eurasian Union and Customs Union. The more we think about it, the more it seems that Russia because of Ukrainian crisis begins to lose positions on the Post-Soviet states and in particular, in Central Asia. Because before countries like Kazakhstan, Kirgistan, Tajikistan they were very close to Russia, but now they are afraid. Look what President of Kazakhstan Nursultan Nazarbayev said and repeated several times. He is afraid. It does not mean that he believes that Russia is able to repeat the same in Kazakhstan that Moscow did before in Ukraine, but anyway how to deal with such kind of partner, annexing territory of a neighbor country, Ukraine? The fear and disappointment in Kazakhstan, Tajikistan, well, everywhere was very huge. So how to reconstruct under Russian roof, Post-Soviet states? It's another problem because two years ago it seemed much easier.

To my mind, what is Putin's main mistake? He created and he continues to create some challenges for himself and for him Russia is a country. He became a hostage of his foreign politics. And he does not know where to turn, to the right, to the left? It is very clear, because in summer, in June it was very understandable. Now in Russian establishment headed by Putin there are some misunderstandings, lack of ideas how to go further.

If we look at Caucasus, also sometimes we encounter very unexpected things. What I mean? Of course, Russia continues to be very present politically, even military in Armenia, in Southern region. This is no doubt, this is the main strategic line, and it will continue. But, between Armenia and Azerbaijan all the time Russia performed a role of mediator. More or less it was successful. At the moment it is possible to deal with a partner after Moscow annexed Crimea and pushed forward the war at Donbas. Look, it's very normal that Moscow plays the role of mediator but look at this mediator! And I do believe that everybody understands, if they did bad things in Ukraine why we have to believe them in Caucasus? Of course, I think that even in this situation Russia continues to play some positive role, no doubt, as it was before. But, in these conditions in Ukraine what Russia wants to do? Everywhere in Caucasus, too? To keep closer countries, to keep closer Armenia and Armenia became a member of Customs Union, it was paid, and everybody knows that, there's no doubt.

At the same time, of course, Russia wants to keep normal good relations with Azerbaijan. Is it successful? Yes, of course. Russia is totally against the war between Azerbaijan and Armenia. Why? But, there is another additional factor. Let's imagine the situation that the war began. I totally don't believe in it, but let's imagine. And now think in CSTO. Could you imagine appearance of Kazakh troops in Nagorno-Karabakh? That's funny. But if we follow the rules of these CSTO it must be. So as my colleagues said before, the Russian task is to keep status quo. Is it good, is it bad? To my mind it is rather good. Because it's not a war. But practically, let's tell to each other, what you know: Russian mediatorship will never lead to a peace, normal peace between two countries and you are right, it will take generations. But, what kind of role Russia will have during generations?

Georgia. (32:14) I agree with you but I do not want to comment because I am not a specialist, but Russian position is very simple. Even primitive. "If you are not with me, you are against me, so I will do my best to engage in your country some disturbances and instabilities." It does not mean that next morning Russian troops will occupy Tbilisi, never. But if they can do something against you, they will do it. Because I want to show you that I don't like you. And for Putin, this is very important. Because, his relations with leaders, like, Kazakhstan, France and Germany are based on private relations on mutual perception. He does not like Obama, indeed, and this is one of the factors for deterioration of the relations between America and Russia. I don't exaggerate it. But we have to recognize it: well, the problem of Germany and Russia, they were friends, I mean, Merkel and Putin, at the moment their private relations are deteriorating, it impacts on the political situation? Yes. So, there's no doubt. So just to finish about Georgia, I do not see any perspective problem in this relations and I have to recognize that at the moment these relations are normal. Bad, very bad, but normal. I do not know what we will have after Putin, maybe I will die before, but anyway we have to take it into consideration. So just to put an end to my short presentation about cooperation.

First, Russia badly needs all kinds of cooperation with every country on the East and South. Russia begins to become a hostage of its friends. China is the best example. It's the best friend of Russia, it's the best partner of Russia. But in Soviet times the Soviet Union was a big brother of Chinese Republic and now Russia is a minor sister. But Putin ignores it. He wants to be more attractive, to have a big number of partners so not the West. It means that he is weak. I started with China but what I think of Turkish-Russian relations. I understand that cooperation is necessary and it is productive despite Middle East and so on. Indeed there is a normal cooperation between former Empires. But, I think that at the moment Russia needs Turkey more than Turkey needs Russia. Because Turkey is a key country in the Middle East, developing country, part of NATO. Ankara discusses the problem of whether it is possible to become a part of Europe or not, and Russia is isolated. Who wants whom? And if I were President Erdogan I would think that I can play with Russia because Russia needs me. I don't need to make a summary or conclusion. Only one appendix. When we discuss the problem of Abkhazia, Nagorno-Karabakh, Georgia and Russia, don't forget about Northern Caucasus. We shouldn't ignore it. Last week we had a revolt in Grozny, capital of Chechnya, it's already fifth in Northern Caucasian cities. Well, it's instead the conclusion. Thank you very much!



**Kadir Has University,
Prof. Dr. Mitat ÇELİKPALA**

I would also like to start with expressing my gratitude to AVIM and, of course, KAS for a chance to be here. It's my pleasure and honor to share my ideas with you on Caucasus. And the title of the workshop, regional cooperation, we have possibilities and prospects, nothing else, and we have to start, at least we feel ourselves as if we had to start with all those threads and structure and realities of the field, this is important. And afterwards we can discuss all those details and prospects and future possibilities to develop a sort of Caucasian kind of cooperation in the region.

The main question is still how to share the abandoned wealth in the region: the region is full of wealth and knowledge, of course, history, and we are discussing the ways to share those wealth to promote cooperation, peace, social growth and stability. And this is hard topic and this is a very important issue. When you ask any of those actors in Caucasus or in the field most probably you get positive responses from those actors in this line. The issue comes afterwards to the question how to motivate and encourage governments or states in that direction. Because we see that, there are different prospective for all those regional countries as well as regional powers or global powers regarding Caucasus itself and their Caucasus perspective and the future observations on the Caucasus as well. Therefore, we need to motivate and encourage all those regional states and countries to move forward. We have geopolitical rivalries, we were discussing since early morning that these geopolitical rivalries are important and they were definitive in the Caucasus. We have very weak and collapsing states even and these weak and collapsing states are the realities of the field. And

we have to deal with all those collapsing or weak states in order to promote very sustainable of successful kind of cooperation in the region. And we have poor societies in the region and those societies are poor in terms of economic wealth and they are in need of support from international community in order to develop stronger economic structure and corruption and some other social security related issues are prevailing in the region with some exceptions, of course, but this is the reality. We have a terror threat, potential or real, as Mr. Malashenko mentioned, Chechnya is over there and we have Abkhaziya and Ossetia, and Nagorno-Karabakh issue, those frozen conflicts, I wouldn't go into detail. Moreover, we have some deaf kind of leaders in the region. They do not hear the voice of those poor people in the region and it's not easy to propose some kind of solution to those regional problems that afterwards create a sort of region of wealth and prosperity. And more than that we have a polarization in the region. Region is polarized extremely and increasingly polarized and it is not easy to bring the parties together and to discuss the future of the region and afterwards to develop a new perspective to rise or to develop cooperation schemes within the region. Therefore, there is a sort of inclination that the countries of the region securitize each other in every kind of issue in the region. If you securitize all those issues, then, start to look at those issues from the perspective, or lenses of securitization, multi-perspective, whatsoever. It is hard to propose a sort of a future development of cooperation which brings a sort of prospective future for all those countries. These are the preliminary points that I would like to rise regarding the region.

What about the current situation in the region, it's very important we have to take into account all those current developments, then afterwards we may, or I may propose the sort of future prospects for cooperation. Now, we are going through a sort of tectonic period in the region, we entered this tectonic period, maybe it was 2008, Russian-Georgian war, it was a sort of wake-up call for all the international community but this wake-up call wasn't heard strongly. Afterwards, Crimea was a real push for all those international actors and now we have to say that there's a sort of ambiguity in this part of the international system. This ambiguity is very important and affects each and every kind of definition.

First of all, we have to define the region once more. We need a new kind of definition in the region in terms of security and prospect. Why? Because for us and for the most of those in international community there are just three Caucasian countries. But for Russia – five. And you are speaking on a different level and how you get together and to discuss all those issues in order to solve and to create a sort of prospective future. If you do not respect, for example, territorial integrity of some Caucasian countries, how do you start to offer those regional countries some better cooperation? This is a big question mark, this is a sort of roadblock in front of all those optimistic actors and therefore not easy to discuss. And this creates a sort of security vacuum in the region. There is a lack of confidence among the actors in Caucasus, they do not trust each other and this is very important and this creates sort of alienation and there is a strong threat of a danger war by mistake and there is a potential of dangerous war by mistake in different spots of Caucasus. We have to deal with this issue.

We have many hybrid threats which necessitates a hybrid kind of structures and hybrid kind of responses in the region and we have to think about this one as well. And, more than

that, we have a big actor. At least for the regional actors, there is a giant in Caucasus, this is Russia and Russia pretends or shows itself in the region as an aggressive and revanchist power. At least regional actors feel that there are some concrete reasons of that because we have at least Crimean issue.

Russian military presence in the Black sea region and the Caspian region is another threat and this is also an impediment of all those prospective cooperation and you know all that in detail that Turkey supported all those regional confidence building cooperations including Black Sea Forum, Black Sea Harmony, Black Sea Cooperation Organizations are all dead. And there is no positive or no confidence building type of initiative in the region. This is the case. And this invites all those international organizations and international actors to the region. And it seems that, Russia does not want to share its neighborhood with all those actors or anyone else of international actors. It seems that Russia wants all those regional countries with the limited sovereignty and tries to keep a sort of situation or dictate the situation to the regional countries. And then, currently the feeling is that this region is a flank region, a kind of like the Cold War flank regions or flank countries and the disposition exposes a sort of threat perception and all those regional actors first look at the threat and then security. And afterwards we may start to discuss the possibilities of cooperation. Of course, we have some cooperation schemes in the region but those cooperation schemes are all exclusionary. Some of them exclude some actors, and some of them exclude the others. All kind of exclusionary prospective and scheme of cooperation – and then how can we reach sort of stable and cooperative region in Caucasus without having, let's say, super-power. The Iranian colleague was asking today at the morning session whether it is possible to have cooperative atmosphere and security in the region. For all those regional actors, for Georgia, no way, it's impossible. Therefore they need some support from international community and seeking to be a NATO membership, the EU membership this is a discussion. We need to work with the broad range of actors in the region, state, non-state and international actors.

And what Turkey does in the region to create a sort of regional cooperation? I would like to say some words on this perspective. Because, I see that only Turkey is trying to create a new region in Caucasus. Of course, this is Turkey's Caucasus, this is just Turkey's region but this is a sort of offer to the regional countries giving some hope for future. Prospective. Turkey's main policy orientation towards the region was relations between Turkey and Azerbaijan.

Azerbaijan has the priority or privacy in the region from Turkey because of different reasons but the end result is very real and Turkey managed to establish more concrete connections to Azerbaijan and Azerbaijani participations in all those Turkey-led projects is real and this is a real prospective future for them. And Turkey has bilateral relations with Georgia, it was very productive and we have a visa facilitation regime, there is even no need to have a passport, you can easily go to Georgia, make some trade, invest there, and you feel yourself in Turkey as well. Of course, we have some problems but they are negligible, at least, from my perspective.

Then, Turkey changes tactics and in 2012 just after the rapprochement and proposed sort

of trilateral kind of cooperation. And this is a real cooperation scheme, Trabzon declaration and it offers something concrete in order to bring some stability and prosperity and the objective is to build a sort of better future for the region. Of course, it is some kind of exclusionary cooperation scheme but it is open to all those countries including Armenia. In fact, the trilateral cooperation mechanism is a kind of message to Armenia as well. Whether it gets some response or not, but this is an invitation and it says that respect for sovereignty and territorial integrity, peaceful settlement of disputes, unavailability of internationally recognized borders and sovereign equality of states refraining from the threat or use of force against territorial integrity and political independency of states. This is the Turkish perspective since the collapse of the Soviet Union. Now all those regional countries share this Turkish perspective.

Then afterwards in order to materialize this perspective Turkey offers some concrete projects: energy, transportation, free movement of people and goods and to establish any kind of European Union-like institutions. This is very prospective and you can see and follow all those issues from the document agreement it says: "the aim is expanding cooperation among these three countries in the economical, political, cultural and humanitarian fields." And afterwards there is a potential and we have a kind of trilateral mechanism. Another proposal was Turkish, Iranian and Azerbaijani trilateral cooperation which contributes to enlarge the region, Caucasus. And the target is the West, not the East and it creates in the end a sort of cooperative prospective mechanism and if Armenia is ready to contribute, as the document says, to those cooperative processes then the agreement is open to Armenia as well! But, of course, what is the main impediment in front of this all inclusive cooperation – and this is the rapprochement issue. And I think that Turkish-Armenian rapprochement is a sort of real game changer. If both of those countries managed to normalize, not at the higher level, but to start initials then, most probably, we will have some positive prospective. But of course, we have Azerbaijan. What is wrong in those protocol processes? Most probably, our government or our responsible bodies, including the foreign ministry failed to prepare Azerbaijani and Turkish public opinion. Including, most probably, Armenian public opinion as well.

What about Russian attitude. Turkey as a Western country trying to transform the region but not in hurry way but make slowly and surely trying to rise all those interests in the region. But, for Russia, it is the status quo. If you would like to change the environment and to create a sort of a region open to the world, then, most probably at some point you are going to face Russian interest and then this is going to be a sort of thing we have to think twice.

And last week most probably we had Russian President here, we heard many positive stuff in terms of energy cooperation, a sort of pipelines, nuclear station and future prospects, but, of course, we have many issues with Russia as well, in a political line, all those issues are some issues that we have to think seriously. In addition to that I have to add the North Caucasus issue as well, as Mr. Malashenko mentioned, because we have North Caucasian diaspora living in Turkey and those diaspora groups are so active and we have their excellencies here and may be they have the experience that the diaspora's pressure is so real, especially during the Abkhazian issue and Chechen case and we see that the potential is still

there. But of course, Turkey-Russia visa facilitation regime contributed significantly. Now Turkish businessmen doing many things in the North Caucasian republics as well, but still, there is a threat. And then, we have to think more broadly, and the region is broader, there are some prospects but the threats are also real and there is no sort of locomotive or main pushing actor. But, only Turkey in the region to create a sort of prospective real Caucasian region. But, I don't know, I am not that optimistic, in term of having all inclusionary kind of the Caucasus, but I hope that all those projects that we have discussed and your questions will contribute positively to the future. Thank you very much.



**Head of the Department of Political Science and International Relations Khazar University (Neftchilar Campus),
Jean Monnet Chair Holder,
Dr. Mukhtar HAJIZADA**

Thank you, Mr. Chairman. Let me start by thanking your organization for the kind invitation. It's a great pleasure to be among such an elevated panel and such a distinguished audience. But one thing, I would not think for generally is that you assigned us such a difficult topic to try to discuss regional cooperation and possibilities. You couldn't assign us a more difficult topic than this one. But on a serious note, this is what you would expect from visionary persons to organize such an event or to facilitate and try to come up with ideas for the possibilities of regional cooperation. I have to say right from the outset I do not have a solution; I do not have a proposition. But, at least I can say, I can coin the regional dynamics existing in the wider Black Sea area of which the Southern Caucasus is a component. I think in order to have a genuine regional cooperation, four components are very important.

1- Security Community: We have many scholars here, professors, security community is, according to Karl Deutsch, group of countries have come together and agreed that they will not use military as means to try to gain in their relations, so basically non-use of force. In a short hand definition of security community: a group of countries agrees that they will not resort to arms in solving their disputes this is an indicator of, I would say, at least a minimum

foundation of the security community. Now when we look at wider Black sea area, we see that as a whole, Black sea area cannot resemble and is not I hope you will all agree with me a security community because we still have a group of countries resorting to arms, threatening the use of force, and this is not the case you would expect from a security community. The important quote I would like to remind us all about here, "Regions are what politicians, elite, I read it as people themselves, want them to be." So if we, the residents, citizens, inhabitants of our region have decided to embark on a lengthy, painful which requires a lot of procedures, even in the EU they are still struggling they do not know how to make sure that the conflict will not come back to Europe, there needs to be a clear intention by the elite, people themselves, to engage into integration. Therefore, that's where I put the threshold, that's the reason why for me it's very hard to talk about regional cooperation. In a region, in a wider Black Sea area where we do see that in the wider Black Sea area countries like NATO and EU member states, I can we can easily say that there is a minimum level of security community except the jet fight of Greek and Turkish jets, but we also see the spillover effect of it, like Ukrainian and Romanian territorial dispute over the Serpent Island on the Black sea which was solved peacefully. Neither Romania, nor Ukraine were happy at that time with the judgment by the International Court of Justice on how the delimitation should be on Serpent island, basically the maritime border between Romania and Ukraine, but at least the problem was solved peacefully. Until the events in Ukraine, I would keep my optimism but it is again hard having witnessed the events in Crimea and the ongoing problems in the Eastern Ukraine we do see that elites not only use it as option, they resorted to arms to solve their differences. Another problematic relationship between Georgia and Russia over the conflict territories in Georgia and the most problematic one is the Eastern Black Sea area between Armenia and Azerbaijan. If we talk about genuine regional cooperation, how is it possible to expect genuine cooperation when there is a conflict of interest? Indeed, it is very hard to come up with innovative idea how you can bring together the diverging interests, when your interests diverse 180 degree.

For example, when Armenians celebrate the Victory in Shusha, Azerbaijanis mourn for their loss, when Armenians celebrate their victory in Hocali, Azerbaijanis mourn for the massacre. So when you have these diverse interests it's hard to talk about genuine regional cooperation. I also have my positive points about the cooperation, at least from Azerbaijani side. So, first component as I said, if you would like to have a region, is a security community. Second is institutionalization, third – regional cooperation, forth – the role of external or important regional actors, regional powers, this is what I refer to basically.

2. Institutionalization: The only organization which covers all the countries in the wider Black sea area is BSEC. Let me quote one argument of one of the ICBSS publications that BSEC has been established in 1992 and as a full-fledged organization in 1998, so never in its history it had a flagship project successfully implemented by BSEC for BSEC countries. There are few projects that BSEC affiliates itself with, puts its name for those projects but they all are organized by the partners of BSEC. So, when we look at the PABSEC itself. PABSEC could be probably democratized like the European Parliament has been democratized but in its format as such today the parliamentarians come from the capitals and state their national

interests and go back. I mean, at a glance BSEC looks as if Turkey also reacted to procrastinated EU membership and try to see if it can be leader in its own regional framework but we cannot say that BSEC is an effective regional organization which can foster, facilitate regional cooperation. Even the name, I mean, it's Black Sea economic cooperation. The name would suggest that there is at least negotiations for a free trade agreement, for some sort of agreement to facilitate trade, at multilateral level in the case of BSEC, but there is no any single issue on the agenda of BSEC. So this is the situation we need to keep in mind when we try to talk about regional cooperation. But when we look at the parts of the wider Black Sea area we do see that there is may be not as a whole but at very unilateral level we do see for example Azerbaijani, Turkish, Georgian, for example, these governments can call their relationship as a trilateral alliance. They are so confident, there is so much trust, they trust each other, they call it an "Alliance." We can also say that there is trust between Western Black Sea countries but definitely not between the elites on the problematic areas we all know.

3. Regional Cooperation: As I said small information but very important, I think. I, myself started about regional cooperation when I heard the news reporting our president of the SOCAR, State Oil Company of Azerbaijan, he was reported on 07.06.2013 when there was an increasing debate over the increasing price of Russian natural gas to Armenia president of SOCAR has been quoted to comment that SOCAR is considering and maybe being able to supply gas to Armenia. This was for many experts in Azerbaijan really important statement because statement as sounds as this one has never been issued by Azerbaijani officials. So, in the panel in the morning we heard pragmatic approach. Maybe, this is another example of pragmatic approach when you look at the policy of the Azerbaijani government. On more Turkish role in the South Caucasus to foster regional cooperation. The increasing cooperation between Turkey and Russia is very beneficial for everybody in the region. At least because we might expect a chance for having a multilateral security agreement, let me put it in the theoretical framework as put forward by Nye. So we have two core and key actors here, Turkey and Russia, and if there's a full agreement between these two countries they may bring countries, we can expect them to join them in successful cooperation. But trust is very important here. We remember it, Turkey has always been ambitious with its ideas, we recall the Caucasus stability and cooperation pact which did not receive a very welcome from Russia.

4. The Role of External Actors: The role of external powers is very important and this is probably what is missing nowadays. We all comment Baku-Tbilisi-Ceyhan Pipe-line. But, for the success of Baku-Tbilisi-Ceyhan pipeline there is also an answer because there was also a solid and strong decisive international support by external powers but also transnational corporations, so this is what is missing today. We heard from our Georgian colleague that the EU could be a possible actor to foster such a relationship but EU itself is going through many own domestic concerns and people in Brussels are themselves are not firm whether they would like to support cross-border cooperation or not. They do support some projects but look at the Black Sea Synergy. The fact there was only one report after the adoption of

the Black Sea Synergy only in 2008 that indicates the level of interest by Brussels in their own initiative which was a response to the membership of Bulgaria and Romania in 2007. Well, they felt that they had to do something but they did not have the ambitions behind and it did not carry on. The policy hasn't been scrapped and still it exists. As we know, Black Sea Synergy is embedded within the ENP, where EU prefers bilateral rather than multilateral level of relationship. On EU-BSEC relationship, European Commission insists on having Brussels on the one hand and member-states on the other hand, so again Brussels would still prefer bilateral relationship. For regional cooperation, it is very important to support regional initiatives, like, we can recall like US did when Western European, today European Union wanted to engage in cooperation. Jean Monnet, Schuman they would have not probably succeeded if there had been no firm indication by their allies that they would be supported. So whether cooperation should come first or peace agreement in order to have regional integration in the South Caucasus. I think I should leave this question for all of us here to think. Because, there isn't peace agreement or any other solution. I tried myself to think what would be Armenian reaction on the Azerbaijani offer to sell gas but I couldn't find any single comment by - I remember several weeks after the interview I read all the interviews by Armenian officials and I didn't find any single reaction whereas, on the events of tiny importance you usually get responses. So this is a question, I think, I do not have answers so I would like all of us here in this auditorium to think about. Sorry for leaving you with such a puzzle but thank you very much for your attention.



**Senior Fellow, Georgian Foundation for
Strategic and International Studies (GFSIS)
H.E. Giorgi BADRIDZE**

Good afternoon, Ladies and Gentlemen, your Excellencies. I will attempt to give you my own view coming from Georgia on the current realities, challenges and opportunities in the Caucasus which will be a challenge in itself to do it in 13 minutes. And I think it will be only fair to have a Georgian point of view after having listen to an Armenian, Russian, Turkish and Azerbaijani points of view, and my description of the realities of the region might sound a little different from what you've heard, not radically but I will try to offer you a different angle to the Caucasus, to the Southern Caucasus and the nature of the problems that we experience currently, and the opportunities.

First of all, to me the Southern Caucasus is not necessarily just the wider Black Sea region. I would like to see it as both the Black Sea region and wider Caspian region. Thereby, I think Southern Caucasus can attain a greater function that could turn this region into area of cooperation. But I would like to start by thanking AVIM and KAS for organizing this conference and the great hospitality that we all have experienced. I would also like to comment on a personal level that it was great to come back to a city where I have spent four very happy and productive years many-many years ago.

One of our hosts, representative of KAS confessed that he was not a great expert on our region and it is an irony because, indeed, our region is a forgotten region for Germany which historically played a huge role from the day when these three nations first reemerged on the map after the WWI - it was Germany that was one of the major sponsors of our independence, it was Germany that was a huge supporter of the independence of all three nations in the early 1990s. And it's also ominous that we speak on the next day when Frank Walter Steinmeier, the German Foreign Minister, visited Tbilisi. He is probably in Baku or Yerevan now, I do not know his schedule but it is both important and also makes me a bit uneasy. Because the last time when Steinmeier visited Georgia - he visited Sukhumi and Tbilisi - he brought a comprehensive peace plan to which Georgian government, with a heavy heart, agreed but apparently it was not something that Russia was prepared to accept and within one month we saw the Russian tanks roll into Georgian territory. I hope it's not going to happen this time around. Unfortunately, like my good friend Mukhtar, I do not have a readymade recipe on how to resolve the problem in our region but when we compare and share our vision of what we think, how we view the problem, I think it is already a step in the right direction. Well, first of all, for me the Caucasus is three nations - Georgia, Azerbaijan, Armenia with three, not two, very important neighbors: we should not forget that Iran is a country that has a land border with two of the three Caucasus nations and, ironically, Iran is the only country in the region which has the diplomatic relations with all the rest of the five nations, and this is kind of peculiar situation. The fact that Iran has not been involved as deeply as others might be this the secret behind this, but this is the reality.

Now, I would like to compare the approaches of the major neighbors that Georgia has with one another. First of all, our slightly distant but very important partner, for Georgia it is the most important partner after Turkey, the European Union.

European Union's policy towards the Caucasus can be defined in two words: Eastern Partnership. We can argue on how effectively this policy is being implemented but at least the understanding in the European Union is that it would serve the interest of the European Nations to have a stable, democratic and prosperous neighborhood, that this is good for Europe and they invest and actively support six nations to the East in becoming more democratic, more stable, more prosperous.

Turkey and its approach can be described in the short phrase coined by Foreign Minister (now Prime Minister) Davutoglu - "zero problems with neighbors".

Then we have Russia and I think we can now safely describe the Russian neighborhood policy as the exact the opposite of the European Neighborhood Policy and the exact opposite of "zero problems with neighbors" policy – we can call it "zero neighbors without problems". What we have seen in the last few years or in one last dramatic year, I think, is the evidence that this policy has now been finally revealed and if anyone had doubts back in 2008, if anyone thought that it was a single isolated case, that it was just a local misunderstanding or failure or Georgian government to communicate properly with Russia - some European Western powers even blamed the victim, because it was more convenient - I think there are very few people now left who cannot see that this has been a very clear policy of Russia to regain its

control over the lost empire, to restore the area of domination, the Soviet Union, if you wish, under a new name through pressure over its neighbors. And the main goal, which is the exact opposite of the EU's goal, is to be surrounded by poor, authoritarian, corrupt, more or less failed states. If you remember the moment, when we look back and see when the invasion in Georgia occurred, the timing is very telling: it is a moment when Georgia has been actually doing quite well both economically and politically. I already I mentioned the visit by German Foreign Minister which had brought a possible breakthrough in the conflict in Abkhazia. The year before – in 2008, Georgia had 12% GDP growth. Georgia has been acknowledged as the leader in reforming, it was declared as the number one reformer by the World Bank, Georgia had jumped from 120-something place in the World Bank rating called “Doing Business” to thirteenth, last year we were number 8. This would tell you that Georgia made significant progress and I guess this was the reality that Russia was determined not to allow.

Last year, when we all saw the dramatic developments in Ukraine, Russia even did not have a pretext of its neighbor aspiring for NATO membership, Russia had the ideal partner in Ukraine in the shape of Mr. Yanukovitch, who reversed Ukraine's NATO aspirations, who extended the Russian naval base agreement for decades, and who was happily corrupt and easily manipulated by Russia - he had everything to be perfect Russia's neighbor. His only crime was that he decided to create new opportunities for trade with the European Union - he was going to sign the Association Agreement and the Deep and Comprehensive Free Trade Agreement with the EU which in itself is not hugely dramatic change in any country's economic situation. The Association Agreement is largely symbolic and free trade agreement does not really close the Ukrainian market for Russia, it only improves Ukraine's opportunities to trade with Europe. If Ukraine utilizes these opportunities fully it would only increase the GDP by 4% to 5% and it would improve the investment climate in Ukraine, that's all. I think this is what was viewed as a threat by Russia in Ukraine - that Ukraine would finally start to turn into a normal country because we have to agree that Ukraine had wasted huge amount of time without any reforms and remained a post-Soviet economy closely attached to Russia.

For Georgia it was very clear from the outset: Russia opposed Georgian independence from the very beginning, we knew that the dissolution of the Soviet Union was considered just as a temporary setback for Russia and Georgia happened to be the only non-Baltic republic that had refused to join the CIS, a reincarnation of the Soviet Union, which did not prove to be very effective, but for refusing the first democratically elected Georgian government was punished. It was deposed with the help of military coup and we all know the story that followed. Then we had Shevardnadze whom many considered to be pro-Russian compared to Gamsakhurdia and then again Russia disliked him, especially, when he started maneuvering with Azerbaijan and Turkey on the issue of building the pipeline infrastructure. There were two attempts on his life as you probably remember. But before there was a direct telephone call from Mr. Yeltsin, more liberal leader that Russia ever had, warning him that he should now engage in the energy cooperation with other countries.

Finally, after the second attempt on his life he gave up the reforms and we all know how it ended in 2003. Like my colleague from Georgia mentioned in the previous session, the first step that the government of Mikhail Saakashvili did was to try to rebuild relations with Russia



and this attempt was doomed from the outset. Even if, he accepted the “advice” from President Putin that he should have kept the security minister from Shevarnadze era and other security people who were more or less seconded from the Russian FSB, even if he did keep them in place, Putin could not have been satisfied with the reforms that more or less turned around a failing state into a country that now is a state. When our country rid itself of corruption, rebuilt its infrastructure, even without directly aspiring to join NATO and EU, Putin decided Georgia’s progress was a threat to his plans. This is another matter whether Putin’s policy of coercion towards its neighbors was effective, whether it was at all serving Russian national interest, because in my naïve view Russia would be much better off if it had directed all those efforts and resources at internal development. It could thereby have made itself much more attractive to its neighbors than by coercion which has distanced these neighbors by far to the greater degree than anything else.

Who could have ever imagined that Ukrainians would consider Russia as an enemy and I am afraid it will take decades to mend what was now a real break between Russia and Ukraine. And this is totally not a fault of some “fascist” Ukrainians, this is a completely made up story, I personally have seen many more openly fascists on the streets of Moscow attacking ethnic minorities than in Ukraine and we can all judge the reality by the results of the elections in Ukraine where no right wing politicians have been elected to the public office.

This was a sad story and we have not even addressed our local realities because I have to say that not all our troubles come from Russia. And I should agree with Mr. Malashenko that even if Russia withdraws from Caucasus one day, even tomorrow, it does not mean that Georgia would not have to settle things with the ethnic Abkhazs and ethnic Ossetians. But the reality is that Russia will not allow this to happen as long as Putin leads this country. We will see what is going to happen in the future but I do not see immediate solution to Abkhazia and Ossetia problems as long as Russia does not change its attitude.

And the huge problem that we have inside is the conflict between Armenia and Azerbaijan and this is what really prevents us from emerging as a region. Unfortunately we are not a region, while we could have been and this is when I would like to spend a couple of minutes on discussing the opportunities that we have been missing for years. Yes, Georgia and Azerbaijan have managed to create a real partnership and both have benefited from it. I have to say this partnership did not start in the Saakashvili era, it started during the Shevardnadze period and we have to thank the leaders of those times for placing Azerbaijan and Georgia back on the geopolitical map, with the huge help from Turkey and most importantly real leadership from the United States.

Now we have a completely different situation. The USA is withdrawn from the world leadership position, European Union has not emerged as a real actor on international scene but on the positive note I think, we have gained experience, we already have been working closely together, on major international projects, so maybe we should put more trust in ourselves.

Again I do not have solution to the Armenian-Azerbaijani conflict, we have somehow to arrive to the understanding that without mutual concessions we will all suffer and I do not believe that the current status quo is necessarily sustainable. I agree that war could erupt by error and I would not necessarily agree with Mr. Malashenko that Russia is in favor of status quo and against the conflict. When it comes to choosing between a possibility of breakthrough and crisis, I am afraid that Mr. Putin would prefer a crisis, not a breakthrough because settlement would give Georgia, Azerbaijan, Armenia the whole new power of becoming a successful region that could not only empower our states but also bring prosperity to our nations. And this is where I would like to end. Thank you very much indeed.

PANEL III

QUESTIONS & ANSWERS AND EVALUATION OF THE CONFERENCE



Director of the Center for Eurasian Studies (AVİM), (Ret.) Ambassador Alev KILIÇ

Distinguished guests,

Now we come to the final part of our meeting. That is Q&A session for the 2nd part to be followed by the evaluation part. Now before going into the Q&A, I'd like to draw your attention to the speakers at this panel as well as at the first panel. We are talking of the Caucasus, with a focus on the southern part, south Caucasus, the 5 nations that are part of it, at the core, as it was mentioned by our Georgian colleague. Georgia, Armenia Azerbaijan and neighboring Russia and Turkey are all represented here. So that is a very good occasion to be able to put into view the overall complex situation from every involved countries' point of view. But I also want to mention as an introduction to our overall picture what ambassador Lütem mentioned at his opening remarks. At AVİM, the Center for Eurasian Studies, we see an evolving world picture that says the economic as well as political weight, gravity is moving from Euro-Atlantic to Asia-Pacific. That is to say an emerging China, an emerging East and a well established West. In this picture, the Caucasus with Turkey and Iran are moving more to the center at this evolution of the world global power shifting. And if we really want to build a bridge, an access from Asia-Pacific to Euro-Atlantic, which we see as happening, we need to first come to terms in a smaller scale in the Caucasus among ourselves. This is the broader vision of what we are discussing here today, not only a regional cooperation, regional peace and stability. But what that means in such a global shift. With this view in mind now the floor is open for any questions. Ambassador Korkut, please.



(Ret.) Ambassador Selçuk KORKUT: Thank you. As an old Minsk man, I want to express with your permission very briefly some views I gathered from all these excellent presentations. When there is will of course everything is possible. But we are facing obviously very complex situation just as you stressed. And there as Mr. Giragosian stressed behaviors first of all is very important in psychological aspect. There has been an effort but it is not sufficient. It has to be improved. Bilateral relations helped. Then there are good examples in the region. They have all mentioned already. But I think we have to deal first of all with the immediate problems leaving a side the old deeply contested problems. And we should do also some storm controlling. It doesn't help. Storms never helped. And the being a Minsk man I have also some concerns about the Karabakh problem which is in fact the main stumbling block we are facing in the region. I never understood the reasons which let the Armenian side to launch an offensive in this being 93 just as we agreed on the terms of reference of the observers to monitor the cessation of hostilities. I remember very well one of your colleague Mr. Liberatian, we celebrated that that day all day all together this event. It was a small step of course but a promising one. In the next section the occupation of Kelbecer happened and the offensive continued resulting in the occupation in the 20% of the Azeri territory. This fact deepened the crises: opened a wound between 2 neighboring people, changed the nature of the conflict, and created a deadlock. And this deadlock since 93, more than 20 years now, is poisoning the region. I think that some gestures are needed. Such gesture will be a catalyator to open the relations. That's all I wanted to say.

Director of AVİM, (Ret.) Ambassador Alev KILIÇ: Thank you very much Ambassador Korkut. We have ambassador Yıldırım there.



(Ret.) Ambassador Nuri YILDIRIM: Thank you. First of all, I want to thank all the distinguished speakers for their excellent presentations which all of them are very simulating and inspiring. I have 2 points to make. One will be addressed to Mr. Malashenko and the other will be addressed to all the speakers. When AVİM organized last month a conference on Nagorno Karabakh there was an American speaker, Glenn Howard. He was the president of Jamestown Foundation. I think that foundation is preoccupied with South Caucasian issues. He said that in American circle there is now a new approach comparing the annexation of Crimea by Russia to annexation of Nagorno Karabakh by Armenia. So this some kind of (.) from the American point of view towards the Karabakh issue. I wonder if in the Russian political circle there is any kind of comparison annexation of Crimea and annexation of Nagorno Karabakh. This is my question to Russian delegate. My other point, I spoke with Mr. Giregosian and he proved my proposal. Thanks for smiling. As you will all remember there was a Transcaucasian Republic in 1918. And his Excellency Georgia mentioned Germany was involved. But in fact it was established through the collaboration of the Ottoman Empire. And it lasted for about 19 months. And Prof. Mithad Bey is expert on that republic, I believe. A grandfather of one of my classmates, was an Ottoman diplomat, was in that the establishment of this Transcaucasian Republic. So we already have a model in the past of the southern Caucasian republic. But how to apply this former model towards the newer? I have a suggestion. Because I was in the beginning of the OSCE conference in Vienna for 2 years and the security and the economic cooperation model was also applied in Central Asia I think one of our friends is an expert on that. So why don't we apply this a new security and economic cooperation conference in southern Caucasia? But have it very limited, I mean not open the every country but this 3 involved countries, Turkey, Russia and Iran of course which

is not a member of OSCE, and also the US and just a representative of the EU, not all the EU members. Of course we also can have full members of OSCE secretariat and the Minsk group secretariat. And the other organizations maybe observers like the Black Sea Cooperation Secretariat, the Caspian Sea Cooperation Secretariat, and other related international organizations like not NATO, because during the OSCE there was military because there were 3 baskets there: political, economic and cultural. For example in the cultural field there are also mini cooperations like for example there is a platform of Turkish - Armenian film producers, perhaps Mr. Giragosian will know. My daughter was a filmmaker. They made a film with Armenian girl. It won the best film price in Cannes Film Festival, for short film section. Therefore the economic cooperation, Mr. mentioned that Azerbaijan offered natural gas to you. So I mean it shall be easy to move in the economic and cultural field more easily than the political ones. Even the OSCE process finishes 10 years, it started 1972 in Helsinki and it lasted all over Europe, I mean Geneva, Madrid, Vienna, wherever. But it was I think a fruit of the detente and also. We can have that detente in this region but already related countries, not I mean other people inter(.) and it will good will, it can give a momentum to peace and the new stimulus to forward cooperation. I don't know the other delegations, distinguished speakers would say anything on that. Thank you.

Director of AVİM, (Ret.) Ambassador Alev KILIÇ: Thank you Ambassador. I'll take the questions in three. So Dr. Nika Chitadze, please.



Assoc. Prof. Dr. Nika CHITADZE: First of all, thank you very much for all presenters for so interesting presentations. With permission of distinguished audience I have 3 questions. First to Dr. Malasenko. It is partly consensus maybe south Caucasus but you mentioned here about collaboration between Russia and China. Your point of view about the future of Shanghai cooperation organization because from one side there are some coincidences of the interest of Russia and China that somehow Shanghai cooperation organization somehow anti western, anti Atlantis blog. But from the other side we know the volume of trade between China and USA prevails 300 billion US Dollars. In your point of view does that organization have its future? The second question related to the common world source of the independent states. Taking into the consideration that different foreign policy priorities of the countries within CIS, I mean preparations, foundation of Eurasian Union from the other side Ukraine, Moldova, intent by this way to join EU. Azerbaijan has more balance policy. Turkmenistan is neutral. That's the CIS in this case have a future in your point of view. And the second question to Dr. Hajizade. Related to the future of GUAM, because I think that after the Crimea issues and also intention of Moldova, Georgia and Ukraine to be more integrated in Europe after the signing of Associate Agreement and coincidences all the interest of GUAM member countries related to territorial integrity to Eurasia Transport Corridor. Does this organization have a future? Perspectives by this way, okay? And my third question related to Prof. Çelikpala. Related to the role of the North Caucasus, you are one of the best specialists related to North Caucasus. By this way influence of north Caucasus on the resolution of problems in Abkhazia and Tskhinvali district. In case even if for the Russian troops, (.) are withdrawn from the 2 occupied territories of Georgia. But at the same time we know about the involvement of north Caucasus. We know about the so called north Caucasus Mountains

Confederation which was fighting against the Georgian troops on the territory of Abkhazia. At the same time we know for example about the different information on the territory of north Caucasus. For one side pro Russian, Vostok for example, Chechnya, (.) which was participating in the war in 2008. From the other side Caucasus (.) anti Russian by this way. Also we know about the problem north Caucasus, I mean territorial dispute between Ossetia and Ingushetia, between Chechnya and Ingushetia, also there are some Turkic speaking people partly Caucasus origin people by this way. So religious national differences and all these factors. How can they affect by this way of the resolvment of the confident and also relations between north and south Caucasus in general? Thank you very much. Sorry for my long speech.

Director of AVİM, (Ret.) Ambassador Alev KILIÇ: Thank you very much Dr. Chitadze. Now the floor is open to for answers.

H.E. Giorgi BADRIDZE: I just think I was the kind of intended as a first speaker here but... first of all, can I return to what I really had cut my speech, to the function of the south Caucasus before addressing just couple of points that I am picking up from your questions. I mentioned that Georgia considers itself both as Black Sea and the Caspian country. This is what I meant when I spoke about the opportunities. This is the moment when both Europe is getting more conscious of the need of having direct access to the Caspian region and this is and Central Asian region. This is the moment having just returned from Astana when even Kazakhstan is alarmed enough to think of this (.) measures to start cooperating with other countries in order to diversify its transport infrastructure. In other words, to consolidate its independence through economic cooperation with both China and Europe. This would just bring back the whole idea of the Silk Road to life. It wasn't just the territory that was used as a transport. The area was local countries were participating in organizing international trade, providing security for this international trade. I think we have this great moment of opportunity to increase direct cooperation between the European - Asian and Central Asian nations and Turkey while southern corridor and thereby provide alternative routes... it's not really alternative but additional routes that exist route Russia. Its not going to replace Russia in anyway. As for the Glenn Howard's idea of connecting Crimea to Karabakh and whether Russia would follow? I certainly think no, because Russia does not act upon principles. Russia acts upon goals and the goal in my view for Russia is to keep Caucasus destabilizes in unstable and vulnerable to manipulation from Russia. Any kind of solution of the Karabakh problem would be detrimental to Putin's interests, because it would stabilize the region in either way. You mentioned the trans-Caucasus confederation. Yes, but it is different from the declaration of independence in 1980. It preceded these 3 independent nations. There was an experiment attempt which I think could be looked once again this experience. It given a fresh look, what can be revived and how could we actually use that experience to resolve of standing issues and give the new life to regional cooperation. Probably it is very useful kind of reminder that we probably should give it a try. As for the general kind of opportunities of resolving the problem between Armenia and Azerbaijan. You already mentioned that. After all France and Germany have managed the after huge blushes in 2 World Wars. The problem with Armenia-Azerbaijan is unlike France and Germany. They do not have a very powerful sponsors that would encourage these 2 countries to cooperate would give them huge resources called

Marshall Plan, remember? Not many remember by the way particularly Germany that thing called Marshal Plan. I'm afraid Russia cannot be considered as the owners' broker. In Azerbaijan and Armenia and Russia unfortunate again I emphasize as the opposite interests of the rapprochement and reconciliation between the 2 nations. This is all I wanted to say. Thank you.

Dr. Mukhtar HAJIZADA: Thank you for the question on GUAM. It is way hard to comment on a matter which is sovereign decision of a country to desire whether to keep membership of International Organization or not, but GUAM itself as an international organization as we know it is not a supranational organization. It did not have enough powers to impose its decisions, rules on how special institutions of the States, government branches they need to act, like European Commission. I don't believe they even have ever it should recommendation to the member states. It is still an internal governmental framework where the government officials feel comfortable to come together. In the Black Sea area GUAM is one of the positive signs where we do see the security community. I believe everyone in this room and this auditorium would agree with me that none of the GUAM member states are ever expected to have, to solve their problems bearing to resulting to arms. So if we cannot think of conflict between GUAM countries this is excellent news, observation. This is sort of regional security community we need probably aware where in the wider black sea area. Mr. Ambassador Alev Kılıç will not complain that I put south Caucasus in the wider framework which I think is the case, it should be regarded as a part of a wider region. We should also be able to observe and comment on the events occurring in the neighborhood which has actually sometimes chain effect on the south Caucuses. Therefor starting from Balkans to Caucasus I think all cross border events are interrelated. If I may comment on French - German partnership, if you allow me. Germany had the luxury of thinking how to enhance, how to prevent future war achieved after the peace agreements, the agreement which we are missing in the south Caucasus. We hear from the news, from the spokespersons of the foreign ministries, there is somewhere in abstract exists Great Peace Agreement. I believe you all hear that which I am personally not aware of the document. I haven't seen the document. I don't believe they would make it public until it's signed. I hear the cause by the Azerbaijani diplomats to they are Armenian counterparts to think about the Great Peace Agreement which I am not aware of. So this is different. The European integration as I said, Germany has the luxury to think how to prevent future war which had been completed, which is over. So here we have an ongoing war, actually in fact Armenia and Azerbaijan are two states at state of war unfortunately. If there is another example in the world where two countries started to cooperate without solving their security concerns, maybe that would be an excellent case to go and study and try to come and being applied to our part of (.). Thank you.



Prof. Dr. Mitat ÇELİKPALA: Let me say something on the North Caucasus. The title is 'the future in the Caucasus'. When you say the Caucasus I don't see and I don't make any separation as the north and south. There is one Caucasus. It is a sort of unified Caucasus and it was the idea in 1918 and 1919 to have one and unified Caucasus. This was the reason why the Ottoman Empire all the leaders of Union and Progress Party to support a sort of unified structure in the Caucasus. They supported the idea. That's sure that they are very active in the establishment of such a kind of unified political structures. But of course they failed but the in Empire self has failed and collapsed down. But I have to say that for example the Mountain Republic or the Caucasian Confederation of 1918-1919 and then trans-Caucasian Confederation are all supported by Ottomans and Turks in those days. And I have to say that especially north Caucasian Republic or Federation was established in Istanbul. All the leadership cadre was there in Istanbul in those days. At least some of them had no chance to go back to the Caucasus and to support their sovereignty against whites or reds or against Germans, British or Persians whatsoever but they failed. The republic, the young republic, Turkish republic had to face with the reality and they decided to establish friendly relationship with the newly established Soviet Union. Then after the wars, they asked all the leadership cart to be silent, do not deal those political issues or to leave the country. And then all those groups left Turkey and went to Poland and Czech Republic and after wars, before the 2nd World War they were very active in those underground movements. I'd like to link this movement to the current Nika's question, Mountain confederation or all those movements in exile of 1950s, 60s event. The first generation was the generation of 1919 and 1918 but the 2nd generation is much more different. Of course the divide comes after wars. Now we have north Caucasus as an integral part of Russian Federation and the south Caucasus. It is

very geopolitical concern. If you have north as an integral part of Russia, you keep the north Caucasus within Russia and leave it for future discussions or rivalries, and try to separate the south Caucasus with those independent countries and try to make those regions or countries to be part of international community. It is a sort of geopolitical rivalry. In those days especially after the collapse of the Soviet Union we have a sort of Diaspora discussion in Turkey especially. North Caucasian Diaspora, Circassian Diaspora. They were very active. The number is not exactly known just because of Turkey's policies of demography whatsoever. But the estimates up to 2 million but we don't know. Up to 2 million Circassians... But Circassians mean in Turkey Abkhazians, Adiges, Dagestani, some other Kumuks, some Turkic groups, all of them. Circassians they were very active especially during the first Chechen war, partly in the second Chechen war. What the state attitude was so different. Therefore I cannot say they were active. But it was easy for example to support all those groups by the Circassians especially against Georgia in those days. But of course Turkish state was pro-Georgian and they supported openly and officially Georgian territorial integrity. But the interest of Abkhazian diaspora and Circassian diaspora was much more different. Why Circassian diaspora says supported in those days for example Abkhazian independence? Because it was a chance for Circassians to have an independent state for the first time. They were aware of the fact that Russia has an influence and it is not easy to balance Russia. It is easy to play with Georgia, Tbilisi but it is tough to play with Moscow. But it was a good chance in those days. This caused a sort of split among diaspora. Now we have Circassian diaspora, Adige diaspora in Turkey and Abkhaz diaspora. Abkhaz diaspora is under total control of Abkhazian state. They are linked with Russia, Moscow. But Circassian diaspora issues are much more different. For example Sochi Olympic, Circassian genocide and they cooperated, at this some part of it, cooperated with Georgia last couple of years especially after 2008 Russian - Georgian war. Now there is a big deal between those groups and this weekend there will be big conference in Ankara. All those Circassians and Adige diaspora will get together and discuss the future. Because you know the interest is much more different. For example for those guys it was very efficient to have Turkish - Russian visa facilitation regime. It means you can easily go your homeland, visit your homeland, find your families resting parts and doing a business there. But after wars with Crimea it is getting worst day by day. Especially (.) contributed negatively and you see the area is broaden very quickly because of all these disbursed people in diaspora groups. And this mountain confederation, it is dead. Cadres are moved from political scene and even from life for example, Shamil Basayev, he was dead. The commander in chief, Soslan Bekov passed away couple of months ago I think and the leader Shanibey is out of discussion. He is not part of (.) world. Therefore the confederation mentality or mindset removed from the political scene. But all those religious extremes groups is another story. This is the reason why Turkish diaspora are not involved all those groups from then on but it is a bit complicated. It's an old story, dead story for the moment but who knows? It comes very quickly. This is the Caucasus and we have the experience of 1918 and before that we had big Seyh Samil experience in the middle 19th century. Therefore the mood or the soul is there. It happens and most probably diaspora groups learn their lessons and they are more balanced position now but no chance. We may discuss this.

Director of AVİM, (Ret.) Ambassador Alev KILIÇ: Thank you very much. Mr. Malashenko?

Mr. Alexey MALASHENKO: Thank you. Before, Ambassador, I answer your question, very quick note about Caucasus. I'm very sorry but Chechnya is not Armenia. And that Dagestan is not Georgia. I understand that maybe geographically, maybe from historical point of view. Indeed, we can discuss the problem and the frames of some general south Caucasus. But at the moment it doesn't exist. One way, for instance to talk about independent some Charkas state. It is a joke. I have been there a lot of times. I talked to different people. That was... I am very sorry I don't support Putin. But in that case it was a provocation from several some groups of society and this idea wasn't very appropriate. Each republic in Caucasus, I mean in Russian Caucasus, they attempted to solve their own questions. If you ask me whole things about the Karabakh, in Dagestan how do you know buddy? And that's true. I don't know how it will evaluate. Even I wrote a woken paper when I called north Caucasus domestic abroad or internal abroad of Russia. It is not Russia in the proper sense. But it is not Caspasia. It is a something else and of course we attempt to understand what it is. Even it is very difficult to compare for instance what Chechnya and Ossetia. What is Abkhazia? It is a part of north Caucasus. Or it is part of Georgia. From all points of view it is a problem which badly needs a theoretical, psychological solution. That's all. About your question... I consider it as a joke. I put the same question to a guy from Putin's administration. He laughed. And he is right. Just we may call it parallel thinking or something else. We can see that Russia attempts to show that it is permitted for Russia to annex Crimea. And what about Karabakh? We don't know. It is their problem. Such parallels they don't exist in their brains. I forgot but there is a Latin expression: Quod licet Iovi, non licet bovi. So what is permitted to Jupiter? It is permitted to buff. Let's forget about it. Your question, your trick question... About Shanghai Organization, it is a Chinese organization for penetration to Central Asia. Some Russia it is I'd say it is a member. Next, they do nothing within their bloody Shanghai organization. They are planning, 10 years they are planning. I saw a lots of time their plans. But all kind of relations between China and the rest of central Asia are based on bilateral base. At the moment they attempt to invent a big Shanghai Organization with participation Pakistan, Afghanistan, India, Mongolia, who else? I don't know. And maybe Canada. I don't know. I'm not responsible. If it happens we will get 2 Shanghai Organizations: one big, one small some normal, some Chinese and the rest of actors and the 2nd just I don't know. Maybe Chinese will attempt to use Shanghai as a tool for their Silk Road. Maybe. But to understand them, it is necessary to penetrate inside them. I don't understand. CIS, it exists no more. It is symmetry of independent state. Some dead souls. Forget about it. How could it exist? Wow, our blurry past. Eurasian Union... it is a... I don't know. I don't know what will have in couple of years. At the moment I can see it as a bilateral some relations between Kazakhstan and Russia. No more. Because if you look at our Brussels, Lukashenka, I cannot understand how it is possible to carry out such a politics and being member of Eurasian Union. He plays his own game. More I can imagine Eurasian Union as a something big, very big, without Ukraine and Uzbekistan. I respect Armenia, I respect Kyrgyzstan but it is not enough for some real organizations. I know that Chinese, they don't like it. So it did end and besides some Russia pays all the time to Kirgizstan, to Armenia, to Tajikistan for this cooperation on the former post-Soviet space. But Russia pays for Crimea, Abkhazia, some Syria. What else? We have no money. So of course it comes from Putin's ambition to be leader on the post-Soviet space. But let's think in the economic frames. It creates for Russia itself more problems.

Mr. Richard GIRAGOSIAN: As the last speaker standing between you and your good questions let me make a brief point. Let me turn down the temperature. Let's go back to the frozen conflict, Nagorno Karabakh. And more precisely let's be honest. This little territory populated by a hundred thousand people has become the main obstacle through regional development, reintegration. But why? what's the real obstacle? And there are three important factors: Armenia and Azerbaijan can't agree on what's the conflict is about. Both sides remain too far apart. It's territorial integrity versus self-determination! No. Neither side is correct. The compromise, the middle ground is not acceptable to either side. Moreover, the sides are not only too far apart but for the Armenian side the challenge is psychology. Nagorno-Karabakh is Armenia's first military victory in over 2000 years, it's very hard for them to climb back down. Let's be honest. For the Azerbaijani side, they may have lost the battle, but the war is not over, it's very different perspective. The second is looking at the peace process. Let's be honest. My main criticism of the Minsk group is the fact that it is too much Minsk and not enough group. It's too closed, there is no transparency, the lack of information promotes disinformation and they are not doing enough to reiterate the incentives, the benefits of compromise and peace. No one is doing enough to the Armenian and Azerbaijani societies to argue this is why you should settle, this is the incentive, this is the benefit. The third reason is the G-word. For many Armenians the G-word is, of course, genocide. Not in this context. My G-word is "good governance". And that's the domestic, political context that matters as the real obstacle to the progress over Nagorno-Karabakh. In Azerbaijan every leader of Azerbaijan until Ilham Aliev either came to power or fell from power because of Nagorno-Karabakh. In Armenia Nagorno-Karabakh has produced its own political elite. The last two presidents, the current and the last, have come to power from Nagorno-Karabakh and because of Nagorno-Karabakh. We've all become the prisoners of the rhetoric propaganda. More importantly, Russia factor. It's a dangerous mistake for us to excuse bad behavior on the part of Armenia and Azerbaijan by blaming all our mistakes on Putin. All of the answers do not lie with opposing Putin and not all our problems are because of Putin or Russia, let's be honest. Moreover, it's not Nagorno-Karabakh that's really key, it's the progress over occupied territories of Azerbaijan. And yes, I come from Armenia and I reiterate – occupied territories of Azerbaijan – words are important. Just as when we talk about Ukraine we need to say that there's a war in Ukraine, it's not a conflict or a crisis. Even the stupid American diplomats should have shame for not using words in their proper context. For the Armenian side it's the occupation of the territories of Azerbaijan, the territories outside of Nagorno-Karabakh where there needs to be progress. What we are doing in terms of Armenia-Turkey? The Turkish foreign ministry if you notice has been more flexible. The official Turkish position has gone from demanding progress to from five occupied territories to three, two, currently it's progress over one occupied territory. To give the Turkish government the political justification to normalize relations. To the credit of Ankara it is also demonstrating flexibility in what we define as real progress. We are willing to be flexible and rather disingenuous in arguing progress. But to be honest we shouldn't expect any breakthrough on Nagorno-Karabakh. More importantly, the challenge even for normalization of Armenian-Turkish relations today is not Nagorno-Karabakh, it's Syria, Islamis state. In other words, the Armenian issue has fallen deep down the list of priorities, we realize this. Similarly, it's developments outside the Caucasus, especially in Ukraine and in Moscow which

will determine the outlook for prospects and possibilities. And, unfortunately, that's what is missing that hurts us most. The lack of democratic legitimate leadership. Until we received free and fair elections that produce more legitimate governance than our accountable we shouldn't really expect much in terms of conflict resolution. Thank you.

H.E. Giorgi BADRIDZE: I would like to respectfully disagree with Mr. Malashenko on Abkhazia issue. I will probably make myself less popular among many people by saying this but I think that at this moment we do not need to invent any bicycles for the solution in Abkhazia. The basis for the resolution of the conflict should be the international law and Georgia's internationally recognized borders together with internationally guaranteed wide autonomy, European style autonomy, for the Abkhaz people. Within the autonomy that they already enjoyed, by the way. I will remind you that both times when Georgia was an independent nation in the 20th century, Abkhazia was recognized as a part of Georgia by the international community, by the United Nations, by Russia itself in 1992. And in 1918, when Georgia declared independence, it was recognized by the League of Nations, by major international players, and the Russian Federation again and if we go and choose points in history, which we like most for our borders then it would take us for very dangerous road, for instance, Turkey might choose 17th century, what will we do then? Georgia will be happy with 12th century borders, it covered the entire Caucasus, large parts of North-Eastern Turkey and parts of North-West Iran. Armenia will probably choose the 1st century B.C. So, what we are going to do? Why don't we stick with the internationally recognized borders and resolve the core problems that created the conflicts. I think that Abkhazian issue is even easier than other conflicts because, as I said, Abkhazia already enjoyed the wide autonomy and being a minority within autonomy they enjoyed many rights that other groups did not enjoy. So going once again back to that situation and getting reassurances and guarantees from major international players including European Union or Russia if it would like to be the guarantors of rights of ethnic Abkhazians – I am not sure Russia is necessarily qualified to guarantee rights of minorities but still Georgia would be happy to accept that. But like I said we probably should not try to invent much, we should base the solution on the international law because if we drop this notion from our radar, we are going into the Middle Ages or even worse, thank you

Director of AVİM, (Ret.) Ambassador Alev KILIÇ: Thank you very much. As you can see the panel is itself in the position to generate its own discussion. But we go on with the first round of questions now.



Assoc. Prof. Dr. Ayca ERGUN: I would like to thank you all for this interesting, provocative and thought-provoking presentation. I have two questions to be addressed to all the panelists. Could you, please, elaborate on the relationship between domestic politics and the prospects for cooperation? As we know in the region there is variety of authoritarianism, we have unconsolidated democracies, we have problems of democratization or democratic consolidation so do you conceptualize the link between regime or regime types and the prospects of cooperation or in other words, do you see any link between domestic politics and prospects for cooperation? And my second question is kind of an easy one and at the same time a very difficult one: what areas would you qualified as important for cooperation, I mean, what can the themes, areas be in order to promote cooperation in the region? Thank you!



(Ret.) Ambassador Turan MORALI: I will try to end up with the question. Let me first of all congratulate the Stiftung and AVIM with the successful conference and the members of the panel likewise for being enlightening and provocative. To be honest, I am not a fully detached observer. First of all, Soviet dynamics in terms of ideological confrontation that took place in Turkey between Soviet socialism and American capitalism which precipitated military interventions. But now we are possibly in a better situation to gauge the dynamics in Russia behind Putin and my conclusion is that Putin's driving motivations are super-power politics, super-power ambitions. He is a product of the Cold War period and Soviet imperialism: so certain things which are not explicable on their own take better meaning. Again I am not detached to the Armenian cause. In February 192 I was serving in Chicago in our consulate, then I woke up one morning informed that my colleague, my room-mate who was working at the LA consulate and his boss had been assassinated by Gourgen Yanikian. That sensitized us for the first time to the dynamics of diaspora and today still the dynamics of diaspora are puzzling and we are having difficulties in handling that. I have never been in Armenia so I am not in authority to analyze the effects of Armenian diaspora on Armenia itself and its political apparatus and all that. But I did serve in Baku so I am not detached observer there either. I was ambassador in Baku and at that time people were joking about me having served in both Tehran and Baku – the joke was that it was Northern and Southern Azerbaijan I've been ambassador to = but this was only a joke with all due respect to Iranian colleagues. The thing is when we talk about possibilities and prospects, those are screaming to our faces and yet we are totally blocked, the whole agenda has been hijacked. Turkey building blocks towards reconciliation with Armenia that's not realistic. The possibilities, the prospects all come and hit their heads against the wall of real politics. To my mind this is intractable situation, there

are no visible, easy solutions. And Russian speaker referred to 'deaf leaders' and the question was about the relationship between real leadership and the politics and prospects again clearly it's important but the leaderships, the driving motivations are behind leaderships. Armenian situation is not very promising, Azerbaijani situation is different. They believe they have time on their side. They can wait. And they are earning a lot of money. The country is floating on euro-dollars, gas-dollars or whatever you call them. So the time is working in their favor. So it is going to take wise leadership to profit from all the possibilities. But right now countries are engaged in self-flagellation psychology and I think it's now time for me to ask the question. One more point. During Ter Petrosyan time there was a solution, two sides were very close to the solution based on territorial exchange. Azerbaijan and Nahichevan would be connected through a corridor and equal territory would be given to Armenian side so that the mainland Armenia would be connected to whatever it was to be integrated but then it was defeated. Why? Because of the influence of the outside powers. Iran was the first to object, it did not serve their interests. Now Iran is a very critical and curious question because Iran is possibly second biggest nation after Turkey – and at least thirds of Iran are Azeri. But it was defeated by Iranian objections. Soviet Union objected because the super power dynamics did not see it as bearable so the possibilities were missed. Which takes Turkish politics hostage. Turkey cannot go round those dynamics. Azerbaijan is too precious for us. There has to be an accommodation between Azerbaijan and Armenia for Turkey to open the horizons. So, my question. Clearly for the leaders to become more responsible there has to be democratization. And the role of Armenian diaspora should be to encourage democratization. So how does the Armenian speaker see the role of diaspora, hopefully, detached from the gathering storm in 1950 that was certainly a very negative set back? Thank you.

Mr. Richard GIRAGOSIAN: Thank you. Let me take the second question first. In terms of Armenian diaspora and its potential or envision role in democratization and to be helpful rather than an obstacle. I am going to be honest with you – there's no role for the diaspora. I say that as a diasporian. In other words, the good news is that when then-president Gul arrived in Turkey it was immediately a victory in an important new context. Historically it was first ever visit of a Turkish head of state to Armenia. But the reason we welcomed president Gul, in fact, even became friendly with him later, is the fact that his arrival in Armenia meant that the initiative in the Armenian foreign policy options regarding Turkey returned to Yerevan and not the diaspora. It immediately delegated the diaspora to a secondary role where it was much less important. But to answer the question idealistically what we need to do – we, in Armenia - is to transform the diaspora in its ability to look at Armenia as the center of gravity where it cares as much about democracy and human rights and development of Armenia as it does of April 24th or Nagorno-Karabakh . We are not there yet. And in many ways in terms of Armenia-Turkey normalization the diaspora is as challenging to us as it is to you. Having said that, the Turkish government has a very difficult time understanding who is the diaspora, what is the diaspora and how to engage it. But attempts have been made. But actually the two questions are related. Because in the Armenian context it's the domestic political driver. But to be honest, in Turkey as well it's all about domestic politics as well. In Armenia's case it was a success of the authoritarian top-down leadership that was able to have the Armenian president signing the protocols. In

Turkey as well as the time of the Protocols it was a very small group of people in the Armenian's president's office and Turkish Prime Minister's office that implemented this. We didn't have a Constituency for normalization, there wasn't bottom up pressure. This is what we are focusing on now. And if we look at reality of oil prices, the value of the rouble, the harm to the Russian population – it's temporary. Having said that the reason I am still optimistic and I do fundamentally disagree with you respectfully in that I am nowhere near giving up and I see tremendous progress today. Just the fact that we are here having an open frank discussion because I remember the events of Assala, the justice commandos, the Armenian terrorism from 70-s and 80-s and it was a tragedy we should all share and condemn openly. But at the same time look how far we have come from that period. And it's very hard to go backwards, I do not think even the worst intention militants will be able now to defeat the moderates. We are passing that stage.

Assoc. Prof. Dr. Ayca ERGUN: My first question was how do you see the link between domestic politics and prospects for cooperation, do you think there is a link in between or do they support each other or so they hinder each other? And my second question is what do you think are important areas for cooperation? What do you think should be the priorities for cooperation?

Mr. Alexey MALASHENKO: I do not know about your first question, but about your second question, I do not believe that soon some cooperation will develop. And I can say nothing about zone or frames in which it will take place. I can imagine a real economic cooperation between all three countries .That's tragedy, that's problem. But sometimes it looks like a situation in Central Asia, also they say about necessity of regionalism, they talk about the cooperation in the frames of region, but they did nothing. I think that the same fate will be with Caucasus. One thing, by the way, I do not believe they can create a certain Caucasian market, it's impossible. Maybe the only one thing that they can reach indeed if they cooperate is construction or modernization of the infrastructure – they badly need it. But I do not know how it will go. And besides, I do not want to offend all three republics but it seems that they badly need a certain outsider who will come and who will help them. Russia – I doubt, who else? Turkey? Also problematic. But as they are now they can do nothing, I am very sorry, but because of many reasons even I do not want to mention conflicts. So it's a tragedy. About your question who and how loves Putin. Before you mentioned culture, you pronounced word 'culture'. Indeed, there is Russian culture. But at the same time there is the Russian political culture. And the difference between Russian culture and Russian political culture is as between a chair and electric chair. So we loved Lenin, and Stalin, and Khrushchov, and who else. We did not love only Gorbachov. So I do not believe that love of our society towards Putin is forever. Because, look, after the collapse of Yeltsin, after the economic problems, etc. Russian society badly needed a Father of nation - and he came. Well, he did not come; somebody took Putin by his hand and put him into the President chair. And very soon he invited a huge team of his friends from KGB. And in that time of his first years of Presidency the price for oil began to raise. This was a happy coincidence for him, he became popular and so on. But I do not know his fate and what he will become in, for instance, ten years. At the moment he practically openly said that he will participate in Presidential elections and once again he will be President of Russian Federation. It reminds me Brezhnev.

Prof. Dr. Mitat ÇELİKPALA: I just want to say couple of things to Ayca's questions. There are, of course, possibilities to cooperate and, still, parties are cooperating between each other but have some similar kind of the problem in front of this cooperation. And it's not only high politics issue, it's very technical and very practical. For example, we do not have the same infrastructure: the banking system, customs union, and legal systems are not similar or are not too close to each other. To further our cooperation, for example, Turkish-Georgian, Turkish-Azerbaijani cooperation prospects are important from this perspective, I am just giving importance to trilateral cooperation because of this reason. Because with this effort it is possible to have a similar infrastructure to further our cooperation. Then afterwards, most probably, come other Caucasian countries as well. Of course, with the reality of other big problems. And I don't know whether there is a connection between the domestic problems and cooperation. Yes or no? For example, there are many countries which do not have a democratic regime but they are cooperating with each other in terms of trade, finance, whatever. But there are many democratic countries that do not cooperate with each other for similar reasons and all those colored revolutions in our neighboring regions showed us that time to time democratic or trying to establish democratic regime do not facilitate or help to establish cooperation schemes. There are some authoritarian regimes in the Caucasus – think about Turkey as well – and then we have some prospects as well. For example, if you develop cultural cooperation with Georgia and you prioritize to renovate all those mosques in the Black Sea coast of Georgia then you will have nothing in your hand. But if you try to find some cultural commonalities and further your cooperation without touching those negative issues then, most probably, you will have some grounds. These are the issues but I don't want to touch.

Dr. Mukhtar HAJIZADA: I think that it's true that not all countries in the wider Black sea area occupy the best place in the democracy index table – I read the question in that perspective. But I think professor Çelikpala already mentioned that sometimes we have the instances when the democracy is not the key for regional cooperation. We have ECOWAS, Western African cooperation where the governments have come together on joint threads to exercise their sovereign power over the territory with the illegal military groups. Therefore I think what areas could qualify for cooperation – my honest opinion is we should dig for security and energy cooperation. If we do not aim that, I think, people and especially politicians are so aware of so called soft politics first and then probably hard politics, people are aware of that and that's impossible to do other way around. So I think like in the case of European Integration which started in the Western Europe then spilled over the Central and Eastern, it all started with energy cooperation and establishing super-national institutions to regulate. Some sovereignty was granted to these organizations, powers were delegated to deal with common problems, so unless such an institution exists in this part of the world as well it would be a little not serious to genuinely believe in the possibilities of genuine cooperation. But still I do believe that social mobility should exist, exchange of be it professors, tourists, students – without interaction, without understanding the cultural diversity there is no alternative to it. Thank you.



H.E. Giorgi BADRIDZE: Well, I will make a few comments. We started our discussion with what Putin does and what motivates him and what his goals are. I would only say briefly that in my view chasing the Eurasian Union dream Putin may actually lose Russia. And Georgia will not be happy about this at all because we are one of the first who will feel immediate negative effects of it despite of kind of high temperature of feelings in Georgia. And by the way it was very-very hard to develop negative feelings towards Russia in Georgia which never existed even through the 19th century and Soviet times because when Georgians were treated badly we always knew that we were sharing fate with all the other peoples of the Russian Empire and Soviet Union because ethnic Russians were treated in the same appalling way so we did not really feel discriminated particularly. But when we saw Russian tanks and Russian bombs this, of course, produced much more people having difficult feelings towards Russia, but again, I would emphasize that Georgia will not be happy and no one should be happy if something really dramatic happens to Russia and I am afraid it may. And I cannot agree more with Mr. Malashenko about the culture, we all admire Russian culture but it has nothing to do with Russian political culture, it is exact the opposite and Russian political class, the top leadership always hated Russian culture I believe. And the most prominent figures in Russian culture have usually been prosecuted and sometimes exterminated by the leadership; now Armenia. I think we have been at the point of possible breakthrough in Armenia but again I do not want to engage in these conspiracy theories but I remember very clearly...I was stationed here in Ankara as the deputy Ambassador of Georgia at the time when Strobe Talbott visited Minsk, then Moscow, then Baku and flew to Yerevan. And we were gathered at the French Embassy at the reception when we heard the news of the shooting in the Armenian Parliament which occurred half an hour after Talbott flew from

Yerevan. And you are free to make your own conclusions but I cannot help but connect this to something that I mentioned earlier, Steinmeier's visit to the region, to Moscow, to Sukhumi and to Tbilisi and Tbilisi's readiness to accept the deal and then it was followed by what we know now as a Russian-Georgian war. So, now, possibility of cooperation – I am much more optimistic than Mr. Malashenko, I see much more opportunities. First of all, I do not know if Mr. Malshenko is informed but Kazakhstan, Turkmenistan and Azerbaijan are building new ports on the Caspian and major ports. Secondly, there is a situation that has ripened Kazakhstan, the Russia's most steady neighbor to actually engage in the international cooperation that before it would never consider possible because they would try not to displease Russia. Now Nazarbayev became serious about the engaging with both the East and the West. I also visited Bucharest before coming here after Astana and we have increasing awareness by the Europeans of the need to diversify their supplies and their transportation routes. There is a functioning railway connection between Dusseldorf and Beijing or Western China that goes through Russia and Kazakhstan, they are seriously considering getting the alternative routes and this alternative route might be coming very soon when Turkish and Georgian railway systems are linked. Furthermore, we could be looking at greater volume of energy and cargo coming through this area. We need somehow to involve Armenia because it will remain as a kind of a landline under the whole setting because we cannot provide a safe service passages for goods and energy if we are not a stable normal region. I hope it happens. But the opportunity is there. Democracy – let's be positive about the lack of democracy as well, let's look at the opportunities that the lack of democracy in some of our countries provide, because when it comes to making very painful decisions for a nation I am not sure people normally tend to vote for painful decisions. I am not a big fan of authoritarian regimes and I am not saying there are any in my neighborhood, but if there were, wouldn't the leaders who have greater degree of power in their hands be in better position to take very serious, sometimes painful decisions, because without painful decisions I cannot see any progress. As for interaction, and this is my final remark, I will give you also a good news, I think interaction would be very positive factor in bringing these two peoples together and Georgia has a perfect venue for that. Armenians and Azerbaijanis interact in Georgia, like, by the ways, Iranis and Israelis. They sit in the same casinos in Batumi, Kabuleti, Tbilisi and they get along extremely well. Thank you.

CLOSING REMARKS

Director of AVİM, (Ret.) Ambassador Alev KILIÇ: Thank you very much. I see we are running out of time but nevertheless we have come to conclusion and I must thank all the speakers for their very interesting inputs to this session and the first session we had in the morning. Now I see in the program an evaluation, I have taken some notes here as headlines, I'll put them on and if there are any comments from the panelists, of course, I am ready to hear their views. But what I have as an evaluation taken note here is that, one, there is conflict potential in the region. Two, status quo is seen by some as the better of the two evils. However, status quo ends up to be a zero-sum game, cooperation is an obviously a win-win and there does exist cooperation even if it's exclusionary. However, exclusion is not the desired option. And I sum it up all with our Georgian colleague; I think we need to have more trust in ourselves. Thank you very much and if there is no more comments, I will conclude the meeting. But before that I would like to reiterate as our previous speakers our deep thanks for cooperation for Konrad Adenauer Stiftung and in person Dr. Colin Dürkop for his very generous assistance he gave to us and we hope that we will have more such occasion in the future, thank you all very much for your attendance and have a nice evening!





