

# Current state of the Armenian-Turkish normalization process: Existing risks and opportunities for Armenia

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## **Հայ-թուրքական հարաբերությունների կարգավորման գործընթացի ներկա վիճակը. Առկա ռիսկերն ու հնարավորությունները Հայաստանի համար** **Կոստանյան Նվեր Ս.**

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**Ամփոփում.** Հոդվածում ներկայացրել ենք ԽՍՀՄ փլուզումից և Հայաստանի երրորդ Հանրապետության անկախությունից ի վեր հայ-թուրքական հարաբերությունների քաղաքական կարգավորման գործընթացի առանձնահատկությունները, նշյալ պատմաքաղաքական ժամանակահատվածում գրանցված կարևորագույն իրադարձությունները, որոնք անխուսափելիորեն իրենց հետքն են թողել նաև արդի զարգացումների վրա: Հայ-թուրքական տնտեսական հարաբերությունների բնույթը և առանձնահատկությունները մատնանշելու համար վերհանվել են վերջին տարիներին հայ-թուրքական առևտրաշրջանառության կարևոր տվյալները: Առանձնակի ուշադրություն ենք դարձրել հատկապես դարաբաշխման երկրորդ պատերազմից և նոյեմբերի 9-ի եռակողմ հայտարարությունից հետո ընկած շրջափուլում տեղի ունեցած հիմնական զարգացումների վերհանմանը՝ ներկայացնելով դրանց ազդեցությունը տարածաշրջանային-քաղաքական արդի զարգացումների վրա, ինչպես նաև նախանշելով հայ-թուրքական կարգավորման գործընթացի ներկա հանգրվանում առկա արդի միտումները: Մատնանշել ենք հարաբերությունների լիարժեք կարգավորման և հայ-թուրքական ցամաքային սահմանի բացման առկայությամբ Հայաստանի համար ի հայտ եկող ռիսկերն ու հնարավորությունները՝ հատկապես շեշտադրելով տնտեսական, անվտանգային, գաղափարաբանական ռիսկերին ու հնարավորությունները: Հաշվի առնելով մի կողմից Թուրքիայի, վերջինիս դաշնակից Ադրբեջանի, մյուս կողմից Հայաստանի մոտեցումներում առկա մի շարք էական տարբերությունները՝ եզրակացրել ենք, որ հայ-թուրքական հարաբերությունների լիարժեք քաղաքական կարգավորումը կարճաժամկետ հեռանկարում իրատեսական չէ: **Հանգուցաբառեր՝** Հայաստան, Թուրքիա, Հարավային Կովկաս, կարգավորման գործընթաց, միջազգային հարաբերություններ, արտաքին քաղաքականություն, տնտեսական ռիսկեր, տնտեսական հնարավորություններ, անվտանգային ռիսկեր, անվտանգային հնարավորություններ

## **Текущее состояние процесса нормализации армяно-турецких отношений: существующие риски и возможности для Армении**

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**Аннотация.** В статье представлены особенности процесса политического регулирования армяно-турецких отношений с момента распада СССР и обретения независимости Третьей Республики Армения, наиболее важные события, зафиксированные в указанный историко-политический период, которые неизбежно наложили свой отпечаток и на современные разработки. Для того, чтобы указать на характер и особенности армяно-турецких экономических отношений, были освещены важные данные об армяно-турецком товарообороте за последние годы. Особое внимание мы уделили освещению основных событий, имевших место в период после второй карабахской войны и трехсторонней декларации от 9 ноября, представлению их влияния на текущие регионально-политические процессы, а также обозначению современных тенденций на современном этапе процесс армяно-турецкого урегулирования. Мы указали на возникающие риски и возможности для Армении в связи с полной нормализацией отношений и открытием армяно-турецкой сухопутной границы, уделив особое внимание рискам и возможностям в области экономики, безопасности и идеологии. Принимая во внимание ряд существенных различий в подходах Турции, ее союзника Азербайджана, с одной стороны, и Армении, с другой, мы пришли к выводу, что полное политическое урегулирование армяно-турецких отношений в краткосрочной перспективе нереально.

**Ключевые слова:** Армения, Турция, Южный Кавказ, процесс нормализации, международные отношения, внешняя политика, экономические риски, экономические возможности, риски безопасности, возможности безопасности

**Introduction:** After the signing of the tripartite statement on the end of the second Karabakh war, in the context of the new geopolitical and regional-political realities that have developed in the South Caucasus region, new conditions have arisen in terms of reassessing the Armenian-Turkish relations, the problems that exist in them, assessing them and predetermining the further course of the settlement. In the article, we have tried to present the main events that took place at the last round of the Armenian-Turkish relations, the current situation, as well as identify the risks and opportunities at the current stage of the Armenian-Turkish process. To achieve the following objectives of the article, the history of Armenian-Turkish relations from the formation of the Third Republic of Armenia to the present, the problems of presenting current problems, highlighting current realities and assessing risks and opportunities for the Republic of Armenia. The object of the research is the Armenian-Turkish relations, the subject is the risks and opportunities for the RA in the current situation. The study used historical, comparative, analytical, abstract and systematic methods.

**The Armenian-Turkish normalization process. Historical Overview:** Although the historical foundations of Armenian-Turkish relations stretch back hundreds of years, taking into account the scope limitation of the research, as well as the mainly applied nature of the research, in this section we will look at the main events that have taken place since the establishment of the Third Republic of Armenia, because, in our opinion, it is they who had a great influence on the formation of current realities, and without at least a cursory overview of the latter, it is impossible to achieve a complete understanding. Thus, among other former union republics, after the collapse of the USSR in 1991, the three transcaucasian republics – Armenia, Georgia and Azerbaijan – also declared their independence. The Ministry of Foreign Affairs of the Republic of Turkey in a statement welcomed the formation of three newly independent republics near its borders, considering it also a historical opportunity to establish or increase its own influence in the South Caucasus region, traditionally considered a zone of Russian influence. Turkey also declared its readiness to recognize their independence and establish diplomatic relations. Among the three newly independent states, Turkey did not establish diplomatic relations only with Armenia, citing the use of the terms "International Recognition of the Armenian Genocide" and "Western Armenia" in paragraph 11 of the

Declaration of Independence of the Republic of Armenia [4, Article 11]. Although diplomatic relations were not officially established, contacts between the countries continued through various diplomatic channels, the RA-Turkey land (road and rail) and air borders remained open. This situation continued until April 1993, when in the context of new territorial acquisitions by the Armenian side in the Karabakh war, in support of Turkey's declared fraternal Azerbaijan, Turkey unilaterally closed the air and land border with Armenia, thereby trying to subject Armenia to an economic blockade. Under pressure from the international community, however, the air border was reopened in 1995. The reopening of the land border and the establishment of diplomatic relations have been hindered by a number of preconditions put forward by Turkey, in particular the return of the regions under the control of Nagorno-Karabakh to Azerbaijan and the refusal of international recognition of the Armenian Genocide. Since 1991, there have been many attempts to normalize relations, which ended in failure due to the aforementioned position adopted by Turkey [10]. In 2008, at the initiative of RA President Serzh Sargsyan, a new phase of trying to normalize relations between Armenia and Turkey began at the highest level recorded so far, as a result of which, on October 10, 2009, the Foreign Ministers of Armenia and Turkey signed the Zurich Protocols [5]. After the signing of the protocols, Turkey, drastically changing its position and refusing the agreement reached to regulate bilateral relations in "reasonable terms" and without preconditions, made the ratification of the protocols conditional on the settlement of the Nagorno-Karabakh issue, as a result of which the process of ratification of the protocols was suspended on April 22, 2010 according to the decree of the RA President [2]. On February 16, 2015, by the decree of the RA President, the Armenian-Turkish protocols were withdrawn from the National Assembly, and on 2018 on March 1, the procedure of signing Armenian-Turkish protocols was completely stopped, effectively signaling the complete end of this phase of the normalization of Armenian-Turkish relations [1]. Before addressing the current realities, let us also present some remarkable statistical data, which, in our opinion, will give a more comprehensive picture of the Armenian-Turkish relations. Thus, until now, only 4 mutual visits have taken place between Armenia and Turkey at the highest level. On September 6, 2008, Turkish President Abdullah Gul visited Yerevan to watch the match between the RA and Turkish

football teams, on October 14, 2009, the return visit of RA President Serzh Sargsyan to Bursa to watch the match between the RA and Turkish football teams, on December 12, 2013 a delegation led by Turkish Foreign Minister Ahmet Davutoglu arrived in Yerevan to participate in the session of the Black Sea Economic Cooperation (BSEC), on August 28, 2014, RA Foreign Minister Edward Nalbandyan participated in the inauguration ceremony of the newly elected Turkish President Recep Tayyip Erdogan in Ankara [6].

Despite the absence of diplomatic relations, there has always been a certain level of trade between Turkey and Armenia. Below we present statistical data analysis which we have carried out on the basis of a comprehensive and complete comparison of the data published by the Statistical Committee of the Republic of Armenia on the volumes of imports from Turkey to the Republic of Armenia and exports from the Republic of Armenia to Turkey [7]. The data presented in the **Table 1** shows that imports occupy a large place in RA's trade turnover with Turkey, which, if not decisive, has a significant impact on RA's economy. This inevitably means that the reopening of the Armenian-Turkish border will certainly significantly increase Turkey's share in Armenia's foreign trade turnover, potentially challenging such countries as the Russian Federation, Belgium, Germany, Israel, etc. Statistical data analysis shows, however, that in the case of a possible reopening of the Armenian-Turkish border, the real competition in the proportion of Armenia's foreign economic activity may be mainly between Russia and Turkey. On the other hand, from the analysis of the economic structure and indicators of neighboring Georgia and comparing it with Armenia, certain conclusions can be drawn that considering the comparability of the economies of Armenia and Georgia, the opening of the Armenian-Turkish border may lead to a similar economic picture as in Georgia.

**Table 1.** Armenia-Turkey export and import data analysis from 2009 to 2018  
(the data are presented in thousands of US dollars).

Year	Export	Import
2009	1197.5	177648.8
2010	1291.3	210381.2
2011	1049.4	240248.2
2012	927.8	213468.3
2013	1595.6	210702.2
2014	1494.3	232268.8
2015	1497.8	136958.2
2016	504.9	163648.2
2017	913.3	222465.8
2018	2527.7	252682.1

Looking at the data presented in **Table 1**, we can see that Turkey accounted for 3-5% of Armenia's trade turnover. Since 2016, the trade turnover between Armenia and Turkey has started to increase, amounting to 164 million dollars. Moreover, the import of Turkish goods to Armenia made up 99.7% of the total trade turnover (about 163.8 million dollars), and only 505 thousand dollars worth of goods were exported from Armenia to Turkey. Such a ratio of import and export can be observed almost every year, which means that the Armenian-Turkish bilateral trade and economic relations should be understood primarily as the import of Turkish goods to Armenia.

**Current state of the Armenian-Turkish normalization process:** Due to the bankruptcy of the only air carrier in 2019, the air border opened since 1995 between Armenia and Turkey is effectively closed, Yerevan-Istanbul regular charter flights have stopped. Taking into account Turkey's active involvement in the war unleashed by Azerbaijan in Nagorno-Karabakh in 2020, the RA government adopted a decision on October 21, 2020, according to which a ban was placed on the import of final consumption goods of Turkish origin. It was mentioned in the justification of the decision. "Restricting the import of products of Turkish origin implies a security component first of all, taking into account the facts confirmed many times, according to which Turkey openly supports and supports the war and terrorist activities unleashed by Azerbaijan against the Republic of Artsakh. By banning the import of goods of Turkish origin, the financial nutrition of the state treasury of Turkey from Armenian sources is stopped, and at the same time, possible dangers are prevented from entering Armenia through the import of final consumption goods from a hostile country." [8]. Thus, de facto and de jure, most of the existing trade between Armenia and Turkey was also stopped (After active hostilities, the ban was lifted). On November 9, 2020, the leaders of Armenia, Russia and Azerbaijan signed a tripartite declaration predetermining the end of hostilities in Nagorno-Karabakh, after which, as we mentioned before, new realities emerged in the South Caucasus region. According to point 9 of the announcement, all communications in the region should be unblocked. According to a number of official comments of Armenia, Armenia was in favor of a wider regional de-blockade, which objectively cannot happen without the participation of Turkey [9]. The above-mentioned circumstances, as well as the apparent agreement on the "3+3" (Armenia, Georgia, Azerbaijan + Russia, Iran, Turkey) format of the Caucasian regional cooperation proposed by Turkey and Iran and approved by the Russian Federation

after the end of the war, created positive conditions for Armenia and Turkey as well from the point of view of starting a new phase of settlement process [3]. After a series of statements made by high-ranking officials of Turkey and Armenia about the positive impulses exchanged in a series of public speeches during 2021, the parties announced the appointment of mutual special representatives to start bilateral negotiations on the normalization of relations. Deputy Speaker of the National Assembly Ruben Rubinyan was appointed as a representative from the RA side, and Ambassador Serder Kilic from Turkey. On the recommendation of RA, the first meeting was held in Moscow on January 14. After the meeting, the parties made a statement with almost the same content, that is. "During the first meeting held in a positive and constructive atmosphere, the special representatives exchanged their initial thoughts on the settlement process between Armenia and Turkey through dialogue. The parties have agreed to continue negotiations aimed at a full settlement without preconditions." The Russian Foreign Ministry also issued a statement regarding the meeting, where it was also noted that a range of "non-political" issues were mainly discussed in the negotiations [11].

***The risks and opportunities for Armenia in the Armenian-Turkish normalization process:*** Taking into account the importance of the issue in terms of the national and state interests of RA, let's try to present the risks and opportunities in the current Armenian-Turkish process in our opinion. Thus, we will use the typing methodology to better visualize the risks and opportunities.

**Economic risks:** **Security risk** – In the event of the restoration of goods circulation between the Republic of Turkey and the Republic of Armenia, there are threats from the point of view of the safe transportation of goods exported from Armenia to Turkey. To neutralize them, businessmen will be required to insure the goods additionally, and the state will make additional efforts to deliver the goods to a safe place. As for the products imported to Armenia, it is necessary to pay extra attention to their phytosanitary status, from the point of view of being safe for the life and health of Armenian consumers.

**The risk of using soft power** – One of the most important tools of expansion in the modern world is the use of soft power in the context of subjugating states without hard power. In this regard, the large-scale entry of active economic investments, as well as Turkish capital into RA may lead to partial control of the RA economic system by Turkey, which will affect economic diversification and become a serious problem from the point of view of national security. To neutralize this risk, it is

necessary to conduct an effective and protective tax and fiscal policy.

**Import dominance risk** – Taking into account the large-scale nature of the Turkish market compared to the RA economy, in the presence of favorable conditions to be created after the settlement of relations, there is a risk that in the RA-Turkey trade cycle, the volume of imports from Turkey will dominate in RA, and not exports. In this case, great damage can be done to local producers, most of whom are representatives of small and medium businesses, as well as disrupt the creative nature of the RA economic system, turning it into a consumer economy.

**Economic opportunities:** In the case of the opening of the Armenian-Turkish border, as well as the normalization of relations, a path opens for the Republic of Armenia to a new large market that implies new economic opportunities. This, in its turn, means that additional efforts should be carried out by Armenian businessmen and the state to protect local producers from economic expansion and increase their competitiveness in the new market. In our opinion, it is theoretically possible to see economic opportunities for Armenia with the perspective of the opening of the Armenian-Turkish border only in the case of the correct management of the above-mentioned big risks. However, taking into account the fact that the political factor will inevitably prevail over the economic factor of Armenian-Turkish relations in the current regional-political situation, we do not consider this perspective to be realistic in the near future.

Overall though the availability of a new market, reduction of logistics costs, availability of a short access to the sea, overcoming the blockade of RA, participation in regional and geo-economic large projects will could lead to the development of the RA economy.

**Security risk** – Economic expansion, demographic expansion.

**Security opportunity** – According to some theorists, the fact of establishing positive and neighborly relations between neighboring states and regions itself increases the level of predictability in regional and interstate relations, which in its turn is a security opportunity for any region previously and currently at war. However, taking into account the pragmatic policy pursued by the current Turkish authorities in the neighboring regions, we consider the prospect of security opportunities for Armenia in this regard to be unrealistic in the near future.

**Geopolitical opportunity** – All major geopolitical centers - USA, RF, EU -, and regional players (Iran, Georgia) have welcomed the current process of the Armenian-Turkish settlement, which means that new opportunities are created in terms of

conducting a more proactive foreign policy of RA. However, all the big and middle powers are positioned in this or that issue first of all taking into account their own interests, therefore, in this regard, Armenia should carefully calculate its own state interests and move accordingly.

**Ideological risk** – The settlement of Armenian-Turkish relations is and has always inevitably been connected with certain undeniable historical realities, such as the fact of the Armenian Genocide. This issue continues to be of key importance for a number of Armenians in the Republic of Armenia, as well as in the Armenian diaspora. In this regard, it is necessary to emphasize that neither at the current stage of the Armenian-Turkish normalization process, nor at any other previous stage, was the issue of Armenian genocide mentioned as a historically undeniable reality, in this regard, there has always been Turkey's strong resistance. Hence, this and Turkey's continuous denial of the fact of the Genocide, will inevitably delegitimize the normalization process among the broad masses of the Armenian society, and it will not find public support, which is of vital importance when undertaking any attempt to normalize relations between two neighboring states.

**Conclusion:** As a conclusion of the article, we can note that the policy of normalizing relations with Turkey without preconditions, carried forward by all RA leaders, seems to have entered a new phase. The willingness to continue negotiations without preconditions announced by both sides at this stage of normalization process is not, however, a sufficient basis to claim that the processes are going smoothly and that problematic points will not arise in the near future. In our opinion, a well-considered analysis of existing risks and opportunities allows us to claim that in case of proper management of existing risks, the process derives from the long-term state interests of the Republic of Armenia. However, the current phase of the Armenian-Turkish settlement, in our opinion, can only lead to a certain activation of the economic sphere, the opening of land and air borders, activation of trade circulation. As long as there are serious differences between Armenia and Azerbaijan on a number of important issues, the prospect of full political settlement of relations between the Republic of Armenia and the the Republic of Turkey and establishment of diplomatic relations is not realistic in the near future.

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