

spring 2007 volume 4 • issue 1 ISSN 1555-0427

CAUCASUS

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context



THESE
AND MORE

inside

LEVON TER-PETROSSIAN
First President of Armenia

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Minister of Foreign Affairs of Azerbaijan

SERZH SARKISSIAN
Prime Minister of Armenia

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Caucasus Context

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Cover photographs © Jon Sawyer, Pulitzer Center on Crisis Reporting
Publication design: Freerayn Graphics

ABOUT THE WORLD SECURITY INSTITUTE (WSI):

The World Security Institute (WSI) is a non-profit organization committed to independent research and journalism on global affairs. Given the extraordinary growth of global interdependence, WSI provides an innovative approach to communication, education, and cooperation on the social, economic, environmental, political and military components of international security. Through a variety of publications and services, WSI provides news and research-based analysis to policy-makers around the globe – from decision-makers in Washington, D.C., and Moscow to scholars in the Farsi- and Arabic-speaking world to scientists in China. WSI serves as an authoritative and impartial monitor of security issues, while continuing to meet the increasing worldwide demand for information and independent ideas.

ABOUT THE WSI CAUCASUS PROJECT:

In an effort to address the issue of regional integration and foster mutual trust among the three South Caucasus republics, WSI, in collaboration with the Washington University in St. Louis, established the WSI Caucasus Project. This is a comprehensive multidisciplinary initiative that aims to defeat the barriers preventing Armenia, Azerbaijan and Georgia from cooperating and build bridges of tolerance and understanding between the communities of these three states. The WSI Caucasus Project is an effort to establish citizen-to-citizen contacts among neighboring, and in many instances rival countries, by harnessing the energies of the progressive young generation. This generation tends to look beyond subjective local interests and envision the benefits that a unified Caucasus could bring to their countries. Improved relations at the public level will ultimately lead to better chances for resolving the existing regional conflicts and problems in the future.

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EDITORS' NOTES

Starting with this issue, *Caucasus Context*, aside from its print edition, appears in a new electronic form, and it also becomes part of the publications of the World Security Institute. With the generous support and guidance of Frank and Nadia Columbus of Nova Publishers, the journal was able to weather its successful initial stage as a print publication, and we now embrace the digital age, as well.

The changes in *Caucasus Context* go beyond its new electronic incarnation. In addition, the editorial board has undergone important changes. In an attempt to ensure broader coverage of the South Caucasus, we have recruited a managing editor from each of the three countries in the region: Lilit Petrosyan from Armenia, Fariz Ismailzade from Azerbaijan, and Zurab Karumidze from Georgia. And as an outside voice, James V. Wertsch will round out the team of the four editors. In addition, the following distinguished experts and diplomats have agreed to serve on the editorial advisory board: Zeyno Baran, Amb. Carey Cavanaugh, Amb. Harry Gilmore, Fiona Hill, Charles King, Akbar Noman, and Amb. Kenneth Yalowitz.

This issue of *Caucasus Context* goes into some of the matters that make the South Caucasus into such a complex – and often frustrating region of the world, namely issues of national identity. These issues have made the region a place that has fascinated writers, historians, and artists for centuries, and they have also been the source of countless conflicts.

Much of this issue is devoted to one of the most tragic areas where these forces have played out with the collapse of the Soviet Union: the Nagorno-Karabakh conflict. Jon Sawyer, the director of the Pulitzer Center on Crisis Reporting at the World Security Institute, traveled around the South Caucasus in the summer of 2006 to conduct a series of interviews with some of the major actors in this dispute. His strategy was to pose the same basic set of questions to each of several interviewees in order to explore the points of dispute and the differing arguments of the parties involved. The result is the set of fascinating comments found in the interviews of political leaders and other key individuals in some way involved in the conflict negotiation process from Armenia, Azerbaijan and Nagorno Karabakh. We also provide a 1998 statement by Levon Ter-Petrossian, the first president of Armenia, which has never been published in English

before and which, as many experts contend, predicted a turning point in the Nagorno Karabakh peace process.

Another article in this issue of *Caucasus Context* comes from Medea Kochoradze and concerns a different set of inter-ethnic relationships in Georgia, which, however, have a major impact on the country's relations with its neighbors – Armenia and Azerbaijan. The journal is rounded out by Jon Sawyer's personal reflections of his trip in the South Caucasus and his general impressions. The common theme that runs throughout all these pieces is the power of national identity politics in the region.

The Editors

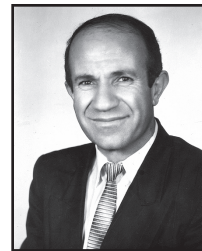
STATEMENT:

PRESIDENT LEVON TER-PETROSSIAN

NATIONAL SECURITY COUNCIL SESSION JAN. 7-8, 1998

FOREWORD BY ASHOT SARCSYAN¹

IN the summer of 2006, a selection of speeches, articles, and interviews dating from 1988 to 1998 by the first president of the Republic of Armenia, Levon Ter-Petrossian² was published in Yerevan. This publication is first of all an unparalleled and valuable documentary of the events that led to Armenia's independence and of the challenges that the founders of independent Armenia had to face during the first several years of statehood. The chronological order of the original documents included in the collection represents a systematized and reliable history of the 10-year-period during which Armenia was a serious player in world history as well as in the history of the former USSR. This publication also allows a glimpse of the vision and insight of the founding president of the Republic of Armenia, whose judgments and predictions made back in the 1990s prove to be more than relevant to the Armenian reality of today.



Ashot Sargsyan

From the outset, Ter-Petrossian has been one of the leaders of the Karabakh Committee, the governing body of the Armenian democratic movement, which in 1988-1990 shook the foundations of the Soviet Union. In the summer of 1990, under Ter-Petrossian's leadership, the Armenian National Movement, the political legatee of the Karabakh Committee, succeeded in ensuring one of the first democratic elections in the USSR and in putting an end to 70 years of communist domination in Armenia. On Aug. 4, 1990, Ter-Petrossian was elected the chairman of the Supreme Council of Armenia and on Oct. 16, 1991, through direct universal vote, he was overwhelmingly elected the first president of the Republic of Armenia.

Ter-Petrossian played an active role in peacefully dismantling the .USSR and

1 Dr. Ashot Sargsyan was a member of the Armenian Supreme Council and the Armenian Parliament during the period of 1990 through 1999. He is a Senior Scientific Fellow at Mesrop Mashtots' Matenadaran Institute of Ancient Manuscripts in Yerevan, Armenia.

2 Dr. Levon Ter-Petrossian was popularly elected the first president of the newly-independent Republic of Armenia on Oct. 16, 1991, and re-elected on Sept. 22, 1996. After his resignation in February 1998, he was succeeded by Robert Kocharyan.

led Armenia toward independence. He governed the country through bold political, economic and social reforms and laid the foundations of democracy in Armenia. Ter Petrossian's administration was burdened with the vital task of overcoming the energy crisis and rehabilitating the ruined economy due to the Nagorno-Karabakh war and the blockade imposed on Armenia and Nagorno Karabakh by Azerbaijan. Ter-Petrossian was the leader of Armenia until seemingly insurmountable hardships were essentially overcome and challenges were adequately met.

With his background as a scholar, Ter-Petrossian brought the insight of a historian to his observations of modern reality. In addition, he is simultaneously a skilled analyst and a political figure who found himself both in the middle and in charge of events during the period most challenging to the establishment of independent Armenia. It is due to this unique blend that the assessments, conclusions and predictions made by Ter-Petrossian more than a decade ago are still pertinent and accurate today.

In Ter-Petrossian's visionary speeches and other documents included in the recent collection, one can see the birth of a new comprehensive doctrine, which was juxtaposed to the ideological adversary of the Armenian democratic movement. The latter was not the communist ideology but the false concepts that grew from the traditional Armenian way of thought – the statehood-denying value system, which was founded and sanctified for centuries. The doctrine presented by Ter-Petrossian and his followers stressed the importance of relying on self, instead of outside powers; deterring wars and establishing positive relations with all neighbors; entrenching and consolidating the values of democracy and liberal economy; conducting realistic policies; prioritizing the citizen as the principal object of state concern. These policies were at the heart of Armenian statehood under Ter-Petrossian's leadership, but were drastically revised after he left his post.

Ter-Petrossian devoted the greatest part of his time and effort to the resolution of the Nagorno Karabakh conflict and, from the outset, firmly took the path toward its political settlement. Numerous materials in the collection attest to this fact. One such text is the president's concluding statement at the session of the National Security Council of Armenia³, held on Jan. 7-8, 1998, shortly before his resignation, which is presented below. This statement has not been published before and demonstrates the tremendous importance the first president attached to the political resolution of the Karabakh

3 The National Security Council, established in 1991, is an advisory body to the president of Armenia, responsible for all the important political decisions taken by the president. Members of this body include key officials of the Armenian government and parliament. The mentioned session took place over two days (Jan. 7 and Jan. 8, 1998) discussing the "means of settling the Nagorno Karabakh conflict." Information containing state secrets has been omitted from this published version.

conflict and his determined efforts to bring the conflict to its peaceful ending. It also discloses in detail the arguments presented by the opposition in the president's inner circle. This address once again demonstrates Ter-Petrossian's conviction that the path toward freezing the Nagorno Karabakh conflict advocated by his opponents was not only fraught with numerous hazards for both Armenia and Nagorno Karabakh, but also could lead to their destruction. The statement below takes on an increased importance today, as the grim predictions it contains are, unfortunately, coming true – a fact which should have a sobering effect on politicians and the public alike.

PRESIDENT TER-PETROSSIAN'S STATEMENT AT NSC

Before turning to the statement itself, I don't think it would be out of place to summarize some views expressed here over the last two days which are important from the point of view of the comprehensive clarification of the issue under consideration. I beg your pardon in advance if in some cases the summaries don't represent word-for-word reproductions of the views, but they are accurate in terms of content. Thus:



President Levon Ter-Petrossian

- “The blockades don't affect Armenia's economic development. It's a matter of the government doing its job and mobilizing its resources properly” (Robert Kocharyan, Prime Minister; Vazgen Sargsyan, Minister of Defense⁴);
- “The Karabakh conflict is not an impediment to foreign investment. Securing the inflow of investment will depend on an active and large-scale marketing policy, in particular, on making maximum use of the potential of the Internet” (Robert Kocharyan);
- “It is possible to increase the budget of Armenia two or three times through fighting against the shadow economy and toughening the process of the tax collection” (Robert Kocharyan; Vazgen Sargsyan);
- “If Diaspora-Armenia relations are cemented it will be possible to receive \$400 – 500 million in assistance annually” (Robert Kocharyan; Vazgen Sargsyan);
- “Emigration doesn't threaten Armenia anymore and, on the contrary, trends

4 Titles of the officials are noted as they were in 1998.

toward immigration into Armenia are visible. The evidence of this is the fact that if last year there were three or four first grade classes in schools, this year six or seven first grade classes were filled" (Robert Kocharyan);

- "It is impossible to completely isolate Armenia. Russia and Iran will help us. And if for some reason Russia stops supplying armaments, we will get weapons from Iran" (Vazgen Sargsyan);
- "The example of Israel shows that it is possible to develop even under conditions of isolation" (Robert Kocharyan);
- "A policy of actively freezing the situation should be carried out in the process of the Karabakh settlement" (Vazgen Sargsyan; Serzh Sargsyan, Minister of National Security);
- "We don't need to compromise on the Karabakh issue now. We will compromise when we are compelled to" (Vazgen Sargsyan);
- "The preservation of the status quo in Karabakh doesn't represent a danger to us" (Arkady Ghukasyan, President of Nagorno Karabakh);
- "It is impossible to maintain the lifting of the blockade – Azerbaijan might infringe upon the arrangements under any pretext" (Arkady Ghukasyan);
- "The step-by-step approach might increase the danger of war. It will be difficult to fortify the new positions" (Serzh Sargsyan);
- "The people of Karabakh will misunderstand the step-by-step approach; an exodus will start" (Oleg Yesayan, Chairman of Nagorno Karabakh Parliament);
- "We are convinced that we can be independent; it is unacceptable for us to remain within Azerbaijan" (Leonard Petrosyan, Prime Minister of Nagorno Karabakh).
- I have already remarked upon some of these views, so I don't think it's necessary to repeat my objections. I will try to reflect on others in my statement.

Let us turn now to the main subject. As I said in my opening remarks, there exist three possibilities for the Karabakh settlement:

1. The package deal;
2. The step-by-step (phased) option;
3. The preservation of the status quo.

I am not planning to talk today about the advantages and disadvantages of the first two options, because first, you all are familiar with them, and second, our observations and reservations regarding these options are expressed in our formal replies presented to the co-chairmanship of the OSCE Minsk Group (we have distributed these documents among you). Besides, it will be meaningful to discuss the said variants only after we have clarified whether we are prepared or convinced that the Karabakh issue ought to be resolved today, or whether it is necessary to wait, in other words, to preserve the status quo for the time being in the hope that time will work in our favor and the Karabakh question will be solved by itself – the world will sooner or later reconcile to the *fait accompli*. Since it appears to me that many of you are leaning toward the third option I will focus on it exclusively.

Theoretically, I do not deny that the preservation of the status quo, perhaps, could have been the best way out, because in contrast to the first two options, which are based on the idea of a compromise, it presumes an exclusively victorious solution. But this is true only in theory. In practice, before choosing this path, we are obliged to answer the question of whether Armenia, which is the only guarantor of the existence of Karabakh, will be able to preserve the status quo for a long period of time, while securing its own viability, economic prosperity, and military power, and at the same time overcoming the hardships imposed by the blockades and withstanding growing international pressure. You might consider me a pessimist but I do not believe in such miracles. And here is why.

An analysis of the macroeconomic indices of the last years have led me to the conclusion that in its economic development Armenia is, one might say, already in collision with physical limits that are not dependent on the effectiveness of government action or other subjective factors. I'll talk more about these limits later on; for the time being let us study the macroeconomic indices.

	1994	1995	1996	1997
GDP growth compared with previous year	5.4%	6.9%	5.8%	3%
Industry growth compared with previous year	5.3%	1.5%	1.4%	1%
Export growth compared with previous year	38%	25%	7.2%	-20%
Import growth compared with previous year	54.9%	71.1%	27%	4%

* 1997 data is preliminary

The table clearly shows that although there is continuing growth according to almost all the indices, the rate of growth is slowing down visibly. And the trouble is, not only will this trend continue, but also in one or two years, a trend toward economic recession will also manifest itself

What is the reason for this? Is it that we haven't done our work well? Is it the failure or slowing down of economic reforms? I don't deny that there is room for improvement here, and by working more effectively and speeding up the transformations, we might achieve some positive shift. But this will not substantially impact the economic development of Armenia, a phenomenon which, in my opinion, is dependent upon more objective and deep-laid factors.

These are the factors that I term the physical limits of the economic development of Armenia: the deepening political isolation of Armenia, caused by the Karabakh conflict; the blockades; and the absence of foreign investment. Unless these factors are removed, whatever government comes to power in Armenia, whatever geniuses are at the helm of the government, all the same, not only will they not succeed in ensuring the natural course of the economic development of the country, but also it will be impossible to solve the present social problems.

Salaries, pensions, and allowances will remain at the same pitiful levels, earthquake zone reconstruction will drag on for years to come, and unemployment will increase. The salary of state employees today is about \$20 per month. Even if we succeed in providing for a 30-40 percent annual increase in this field, just imagine what salaries we will be paying in five years. Will they be \$40-50? Taking into consideration depreciation of the dram and the inevitable inflation it is not hard to imagine that in five years this \$40-50 will have the same value as \$20 does today; in other words, there will be no improvement of living standards, that is, of course, if God saves us from their deterioration. If I'm not mistaken, some one here has come up with the idea that our people will keep enduring for the sake of Karabakh, and that there is no danger of social revolt in Armenia. I too believe that our people will not endanger the existence of Karabakh for the sake of improving their living conditions. But people's social discontent will manifest itself in another way – through the resumption of emigration.

I wonder what it is we are pinning our hopes on, when we boycott or, to put it mildly, defer the settlement of the Karabakh conflict. On the conviction that the blockades don't hinder the economic development of Armenia, that foreign investment can be secured with the right marketing policy, that the budget can be tangibly increased through toughening taxation discipline, that the Diaspora will be able to provide hundreds of millions in assistance, that Russia and Iran will help us and will lead us out of isolation, that we will succeed in what Israel has succeeded in, that we should compromise only

when we are compelled to? These assertions seem so solid that I think it is necessary to address them one by one.

In my opinion the unsettled state of the Karabakh conflict has a negative impact on the economic development of Armenia in many respects.

First, the blockades cause an approximate 30 percent rise in the cost of cargo transportation to and from Armenia which, by itself, is a huge burden for both our manufacturers and businessmen. This figure is neither far-fetched, nor is it a guess; it is the result of serious economic calculation. To make certain of it, you can read the lengthy inquiry presented by the ministry of transportation and the study by the World Bank which have been prepared at my request for our session.

And if you don't trust these documents you can visit any factory, any construction site, any store, and ask them to what extent the blockade impacts their work.

The blockade hinders the export of large-sized products in particular. Strange as it may sound, at this moment we have goods worth about one billion dollars that we are unable to export because of their large dimensions. These are molybdenum ore, building materials, bentonite, perlite and wine (air transportation of molybdenum concentrate and cognac is still somewhat justified). Not to mention the Nairit plant, which to operate profitably would require one train a day to and from the plant.

Of course, our burden would have lightened if at least the Abkhazian railroad – whose disorder is not related to the Karabakh conflict – had resumed operation. Armenia and Russia have exerted perceptible efforts in this direction, but these efforts have not received significant attention from the government of Georgia. Therefore, taking into consideration this bitter experience as well as the continuing strain in Georgian-Abkhazian relations, I am confident that the railroad will not operate for at least another five years. Thus, we cannot rest our hopes upon it, and we are forced for the time being to be satisfied with the existing expensive transportation routes. Not only do we have no outlet to the sea, but also we are at present virtually deprived of the railroads. And without railroads it is hard to imagine a more or less viable economy.

Second, as regards the allegation that the inflow of foreign investments is not dependent on the Karabakh conflict, and that we can ensure them if the government of Armenia pursues a more active and wide-ranging marketing policy, while not denying the necessity of carrying out such a policy, I believe that its outcome will, nevertheless, be insignificant. No one can deny that the possibility of the resumption of military operations in Karabakh makes Armenia a zone of risk from the standpoint of foreign investment. Foreign capital cannot but take into consideration this situation, a fact which has been repeatedly expressed at the level of experts from international financial organizations. In addition, I have already noted that the blockades cause a roughly 30

percent rise in the price of cargo transportation to and from Armenia which, in its turn, inevitably influences the intentions of foreign investors – how can businesses that are susceptible to fluctuations of one cent remain indifferent in the case of a 30 percent rise in cost. And finally, we must realize cool-headedly that even irrespective of these circumstances, Armenia as a three-and-a-half-a-million person market is not in itself attractive to foreign investors. In the event of the settlement of the conflicts, a 15-million-strong market can take shape in the South Caucasus, which, undoubtedly, could become a fertile field for foreign investment. A factory would be built in Armenia, another one in Georgia, a third in Azerbaijan, which could equally service this common market. Besides, under these conditions, it would be possible to implement large-scale regional projects which are much more attractive to foreign capital than investments made in a specific country. In particular, because such projects, which indirectly promote regional security and stability, are politically significant as well as economically expedient.

Third, the existence of the conflict deprives Armenia of its most natural and favorable economic partners – Azerbaijan, Turkey, and, partly, Iran. Natural and favorable, first of all for the simple reason that they are our immediate neighbors. It is no secret that in all normal states, immediate neighbors account for a share of at least 50 percent in foreign economic relations. But in the case of Armenia, this share is practically zero. I have had opportunities to evaluate the potential and prospects of Armenian-Azerbaijani economic cooperation; I will refrain from reiteration. I don't think anyone can deny the tremendous potential of Armenian-Turkish economic relations; it might perhaps play a secondary role in the process of Turkey's economic development, but for Armenia, it is undoubtedly of vital importance. According to calculations made by our Union of Industrialists, in the event of reopening communication routes between Armenia and Turkey, the commodity circulation between the two countries might reach about \$600 million within a year. In other words, in the course of one year, the foreign trade turnover of Armenia might grow by 50 percent (today it amounts to \$1.125 billion). Which means major opportunities for the development of industry, additional jobs, and prospects for solving social problems.

It should also not be forgotten that besides being natural economic partners – which is a value in itself – Turkey and Azerbaijan have also special importance for Armenia as the shortest transit routes toward Europe and the Arab states in the first case and toward Iran, Russia, and Central Asia in the other. In this respect, in my opinion, it isn't worthwhile to cherish great illusions regarding the Meghri motorway, since it is evident that the Julfa railroad is capable of transporting cargos in one or two weeks in much larger volumes and at a much lower cost than the motorway can in the course of one year.

And, finally, fourth, and in my opinion, most painful and dangerous – because of the Karabakh conflict Armenia is being left out of regional organizations, condemning itself to isolation that grows worse day by day. Currently Armenia is a member of only two regional organizations, the Commonwealth of Independent States (CIS) and the Black Sea Economic Cooperation (BSEC). The CIS, with all its importance in political and security matters, in fact plays no role in the economic development of Armenia. And BSEC has not yet moved beyond its status as a club for expressing good intentions. As regards the Armenia-Iran-Turkmenistan and Armenia-Iran-Greece trilateral cooperation projects, they are still in the formation stage, but even in the event that they are fully implemented they cannot have a substantial impact on the economic development of Armenia. I believe it is clear to all of us that from the economic standpoint, much more practical and important are GUUAM, TRASECA, ECO, the international oil consortiums, whose doors so far are, unfortunately, closed to us.

By boycotting or even protracting the conflict settlement, we will not only be unable to escape our isolation, but we will deepen it more and more. I am not talking about just economic isolation, since it is clear that economic isolation will also have undesirable political consequences. I do not rule out that even in isolation, Armenia might be able to participate in certain projects of regional organizations, but I have in mind not symbolic participation but full-fledged membership, for only then can we anticipate tangible results.

And now let us consider the other assertions made here.

The fact that it is necessary to fight against the shadow economy and toughen tax discipline is unlikely to meet with objection. But that it will make it possible to significantly increase the budget seems highly questionable. Through such measures, it is possible at best to achieve temporary results, since it goes without saying that budget growth depends not as much on administrative methods as on general trends in economic development. And such trends, as I have said earlier, cannot exist in a situation of continuing blockades, lack of investment, and political and economic isolation. In addition, I believe that getting carried away regarding administrative methods in this domain may be extremely dangerous. In this respect, certain measures taken by the government lately have already aroused my concern. Bearing in mind certain inclinations on the part of the relevant authorities servicing the domain (the Taxation Administration, the Customs Inspection, the Ministry of Interior, and the Prosecutor's Office) I have no doubt that implementing administrative methods will lead to serious abuse of power, and as a consequence, we will have job cuts, outflow of capital, decline in commodity and capital turnover, and, ultimately, a decrease in tax proceeds; in other words, we will get the exact opposite of what we hoped for. All this will result in the

further deterioration of the already dismal social conditions of the people, and in a new wave of emigration.

It is not clear either what the expectation of huge amounts of assistance from the diaspora (about \$400 million to \$500 million) is based upon. We are told that so far we have not worked with the diaspora effectively, we have not built our relations with it appropriately, and because of this, up to now we have received insignificant assistance. Even if we consider these criticisms to be justified, I don't think that anyone more or less familiar with the diaspora would claim that it is capable of providing Armenia with \$400-500 million in assistance annually. The Hayastan All-Armenia Fund has been able so far to secure about \$10 million in donations from the diaspora annually. Perhaps if we work better, if we conduct the relationship better, by the most optimistic estimate it would be possible to raise this amount to \$20 million a year at most. "Why so little?" you will ask. Because, in addition to Armenia, the diaspora has numerous other concerns as well: it is obliged to provide for the expenses of various national institutions, the church, schools, clubs, political parties, press, hospitals, and homes for the elderly, as well as to financially support the lobbying activity expanding from year to year. Accordingly, the expectation of hundreds of millions dollars in aid from the diaspora is not only mythical but also dangerous, if it is viewed as one of the important guarantees of the economic development of Armenia.

The issue of how much hope we can pin on Russia and Iran vis-à-vis the Karabakh settlement and the economic development of Armenia also remains open to me. True, Russia has hitherto provided Armenia with vital help, in particular, in securing the viability of the energy system, in the formation of the army, and in furnishing it with ammunition. Since independence, Armenian-Russian relations have developed in a completely favorable atmosphere and are today at their peak. Armenia has succeeded in making optimum use of these relations, which, perhaps, is one of the most important achievements of the independence period. But unfortunately, this situation cannot go on forever. First, I'm obliged to repeat that Russia will never recognize the independence of Karabakh, if for no other reason than because it has about 20 Karabakhs within itself. Further, today Russia has such vital links to the West, and to international economic organizations in particular, that it is unable to stand sharply against OSCE or UN plans for the settlement of the Karabakh conflict. It can be seen that Russia has lately manifested an absolute solidarity with the settlement plans proposed by the United States and France within the framework of the co-chairmanship of the OSCE Minsk Group. Out of the same desire to avoid unnecessary problems with the West, Russia will also one day be forced to stop supplying Armenia with armaments. Moreover, I don't rule out – on the contrary, I consider it quite natural – that taking into consideration the matters of

exploiting Caspian oil and constructing oil pipelines, Russia will henceforth exert great efforts toward establishing good relations with Azerbaijan, and in that case Armenia will lose its advantage of being Russia's only ally or strategic partner in Transcaucasia.

As for the assertion that if Russia stops supplying us with armaments, we will get the weapons from Iran, I think it too lacks objective grounds. True, against the background of Iranian-Azerbaijani contradictions, the strengthening and economic prosperity of Armenia are in Iran's national interest. It is also true that at the time of the tightest blockades imposed on Armenia, the Meghri road was one of the most important factors in our survival. But at the same time one should not forget about two circumstances. First, the limited capacity and the extreme costliness of the Meghri road cannot provide for serious cooperation between our countries. Second, in Iran, in addition to national interest there also exists a perception of Islamic solidarity. For this reason, no Iranian government will dare to provide a Christian nation with weapons for use against any Islamic nation, unless, of course, that government is out of its mind. And last, if Iran is able to provide us with weapons, why hasn't it done so up to now?

I am not sure to what extent the comparison between the situation in Israel and in Armenia is appropriate. True, Israel, while in a state of military confrontation with all its neighbors, managed to secure its economic development and military power, but it has never been subjected to the kind of blockade that Armenia is experiencing. Israel has hundreds of kilometers of maritime borders and several high-capacity military-commercial ports. How can we talk about the isolation of Israel when it also gets about \$4 billion in assistance from the Jewish Diaspora and approximately as much from the US government? I don't want to go on and on, but let us also not forget about the powerful presence of the Jews in the political systems of the world super powers, in international financial institutions, in the mass media, and so on.

Most stunning, however, is the assertion that we should make compromises on the Karabakh issue when we are compelled to. Isn't it clear what forced compromise means? Forced compromise means surrender. But during a surrender, you concede nothing, or if you do concede, you get nothing in exchange, but humbly and obediently accept whatever is thrust upon you. Is our bitter experience of the past not enough? Are the shameful treaties of Batumi and Alexandropol, where earlier there had been a chance to find more favorable solutions but the individuals in charge at the time had missed those opportunities, not enough? I have to repeat the simple idea of my most recent article: one must make compromises when one is strong. Tomorrow Armenia won't be stronger than today. Therefore, any solution of tomorrow will be worse than today's solution.

Hence, all arguments against the necessity of a speedy resolution of the Karabakh problem are, in my opinion, beneath criticism. Moreover, I view a tendency in these

arguments to stray from the essence of the matter and stir up a formal debate about the package and the step-by-step settlement options. Although I have promised not to touch upon these options, since a lot was said on the subject I have to offer some explanations.

The issue is presented as though Armenia favors the step-by-step approach and Karabakh is for the package deal. The fact that Armenia (true, with certain fundamental reservations) accepted the package proposal and Karabakh itself categorically rejected it is being consigned to oblivion. After the rejection of the package deal we were presented with the step-by-step option and Armenia (again with fundamental reservations) accepted it, whereas Karabakh rejected it again and is now insisting on returning to the package option. A question arises: why then does Armenia continue to insist on the step-by-step solution? My response is: first, we believe that the Karabakh problem ought to be solved today, and today there is no other solution but the step-by-step settlement and second, we are convinced that an agreement between Karabakh and Azerbaijan over the package solution will not be reached for a long time, perhaps ever. The proposal to return to the package deal, therefore, has as its object not solving the problem but gaining time. Do you think it is hard to gain time? Do you think I cannot preserve the status quo for three or four years until my term in office is over? But what will happen after that? In what stalemate will the next president find himself?

I will now conclude. The two days of discussion have given me serious grounds to doubt whether the opponents of the step-by-step option have the intention of resolving the Karabakh conflict at all. Many of you don't particularly conceal this fact, which is evident from the views I have summarized at the outset of my statement. The seeming debate about the package, the step-by-step, or other options is, I'm confident, just a veil for protracting the settlement process, for maintaining the present situation, i.e. the status quo, for as long as possible. I have a painful presentiment about what a terrible danger to the existence of both Armenia and Karabakh this represents. Today, like before Batumi and Alexandropol, we are missing, perhaps, the last opportunity for an auspicious resolution of the Karabakh conflict and for the economic development of Armenia. And we all are going to be held responsible before our people.

INTERVIEW:

ELMAR MAMMADYAROV, FOREIGN MINISTER, AZERBAIJAN
BAKU, AZERBAIJAN, JULY 17, 2006

PREPARED BY JON SAWYER

Elmar Mammadyarov, Azerbaijan's foreign minister since 2003, previously served as ambassador to Italy and as a senior member of Azerbaijan's diplomatic missions to Washington and the United Nations. He did doctoral work at Brown University and is fluent in English. The interview took place in a formal conference room at the Foreign Ministry. The building, which is located in downtown Baku, was in the midst of a major renovation, including the erection of a fountain highlighted by a large globe in the plaza out front. Mammadyarov, a key player in the long-running negotiations over Nagorno Karabakh, received his guest in a double-breasted pinstriped suit, looking every inch the polished career diplomat he is.

Jon Sawyer:

The international community has been attempting to resolve the Nagorno Karabakh dispute for a long time. You have been involved in the process for much of that time yourself. Did you imagine this would take so long, and can you comment on missed opportunities along the way?

Elmar Mammadyarov:

When the hot conflict started here, during the time of war, I was working at our mission at the United Nations. Everyone was focusing then on the Balkans. We raised this issue – we said there was an ethnic cleansing here too, and suffering of people – but the big countries then were only involved with the Balkans.

Never mind that in 1993 the UN Security Council adopted four resolutions, which clearly indicated the position of the international community with regard to the conflict. The resolutions gave clear support for the principle of territorial integrity, that the Armenian army should immediately withdraw, and that IDPs [internally displaced persons] should be allowed to return to their homes with dignity.

That was the staged proposal at the time. The chairman of the Minsk Group

then was an Italian diplomat – he was not actually a diplomat, rather a member of parliament. He proposed the initial steps. Unfortunately this deal was never implemented.

The conflict had started, its first phases beginning in 1988. Then came the war and then in 1994 a cease-fire, and after that negotiations. We came close to an agreement several times. In 1997 there was a serious attempt, a proposal that was presented to the OSCE [Organization for Security and Cooperation in Europe]. All countries except Armenia recognized the principles put forth in that proposal.

JS: In your view what is the current state of negotiations?

EM: Now, negotiations are going along. We can't agree on these basic principles. In reality, mostly what we're discussing now is the same we've discussed all along, with some different iteration. The only thing we have agreed on is that we should discuss the final status of Karabakh in the later stages. The first-stage negotiations have focused on preparing the way, by reaching agreement on the preliminary steps that must be taken:

1. That Armenians will withdraw all of their troops from all of the territories beyond the administrative borders of Nagorno Karabakh;
2. That international peacekeepers will be deployed to NK;
3. That reconstruction and rehabilitation of the territories will begin;
4. That displaced persons will be allowed to return in dignity to their homes – including to NK and in particular to Shusha¹;
5. That normalization of life has begun.

And after normalization has taken place, and people feel that they are living without threats, without fears, then we will move to the final stage of negotiations, about the permanent status of Karabakh. Of course we consider it a part of Azerbaijan; Armenians have a different position. So OK, this is the question. But in reality this will be a very good ending, a way of bringing peace and stability in the region.

¹ Shusha is a previously predominantly Azeri-populated town in the mountains above Stepanakert, in Nagorno Karabakh, currently under the control of the Karabakh Armenians and is known as Shushi.

Unfortunately, the latest I have heard myself, in Paris, from my Armenian colleague, has created a lot of doubts, as to how serious the Armenians are in regard to real peace, how serious the Armenians are in regards to making a deal to resolve this conflict.

JS: What is the sticking point in negotiations?

EM: This is illogical, what I heard. We're talking about the return of the IDPs. They agreed to the IDPs returning to areas beyond [the territorial limits of] Nagorno Karabakh; they also agreed to the return of the IDPs to NK itself. They agreed to the goal of forming an inter-communal existence. But then in Paris they said we object to the return of IDPs to NK. I said that is very illogical – not only from the point of view of negotiation tactics but as well as from the point of view of the logic of human beings. When we talk about rehabilitation you say yes, you agree on rehabilitation of the property of displaced persons. But who is going to do this rehabilitation? You're going to invite the Swedes, or the Finns, to do this rehabilitation? A step-by-step approach to the rehabilitation of the territory should include the recognition that the people who used to live there are permitted to return to their homes; they should be involved themselves in the rehabilitation of the infrastructure, starting with the roads, their homes, the water supply. To do otherwise is contradictory to international law: You cannot disregard the right of people to return to their homes.

But here we are. I hope that the position which they have taken on these elements is simply dictated by their internal politics – but in reality I think we need to continue negotiations from the point of view of what I call educating the Armenians, that they will come to understand what needs to be done. For us it's very important. I'm always trying to understand and recognize what kind of strategy they have in mind. If they have a strategy to annex Nagorno Karabakh I do not believe it is a serious strategy. It is a suicidal strategy because we will never be able to agree to that.

JS: How do you mean, “suicidal”?

EM: We have based our policy on the norms and principles of international law: with regard to support of territorial integrity, with regard to respect for the rights of indigenous people, with regard to respect for national minorities. What I can

feel is that on the part of Armenia it's only tactics. But tactics do not come to an agreement. It's an attempt to postpone, to win time. Yet winning time I do not believe is truly in the national interest of Armenia.

In terms of the latest developments in the country, in the region, and in the world, the Armenians sometimes totally miscalculate what we see as the true ongoing processes in the world. From our point of view what we see is 'Look, the conflict with Armenia is a very sensitive issue, very sensitive for Armenians and for us. This is the major problem for us – I can say it is the only problem, today, in terms of our policy priorities.'

But in reality we have to be more realistic. We have to say that this is one of the regional conflicts that we can see, of which throughout the world there are a hundred of them. But meanwhile there is also energy security, and the pipeline that has just recently been inaugurated and is already starting to operate. And the hope is that that will be followed by the gas pipeline, followed by the railway construction. These are real projects, which definitely – like it or not – will change the whole geopolitical reality in the region. And one should recognize this.

You see, it's a question of time. I personally do not believe that time is working in favor of Armenia in this matter. Because, policy-wise, I cannot say they have any strategy.

JS: The Armenians look to Kosovo, to East Timor – territories that either have won international recognition or appear headed that way. They cite the support for this perspective from leaders like Russia's Vladimir Putin.

EM: You can imagine, in the case of East Timor that Indonesia was always there. In my work at the United Nations, I followed closely the work of the committee on decolonization. The resolution on this to Indonesia was to keep their hands off. Then Indonesia made the decision itself to give up on East Timor. And by the way I cannot exclude the possibility that in 50 years someone will say let's give it up, we don't need this territory, because of developments in the overall situation. But in reality that should be done appropriately and in accordance with the law.

The time of the Wild, Wild West, when the Colt revolvers or machine guns or Kalashnikovs made the law, is gone. The people in Yerevan sometimes are

thinking outdated thoughts, from maybe 50 years ago, like this is Yalta again. They're thinking that at the moment they have military strength, the machine guns, and that therefore they can draw the borders as they wish. I do not believe that is any longer the sole factor in international relations. I do not believe that this is a seriously considered element.

The second point, which is the more dangerous development, is what is happening in Azerbaijan itself. What I call the impact of BTC [the Baku-Tbilisi-Ceyhan pipeline connecting Azerbaijan's fuel resources to Turkey and on to Europe] is very important for public opinion in Azerbaijan. We are starting to change – the Azeri people, psychologically, are starting to change – what I might call our Vietnam syndrome. We are finding out – the nation and our people – that we are not a failed state.

We can establish a well-organized, well-developed political system, a well-organized economic system – and this is very, very strongly followed by my president – which is based on European values. One of the priorities of our foreign policy is to consider deeper cooperation with the European and Euro-Atlantic structures; to pursue further possible integration. We're trying to be careful with our wording, not to get ahead of ourselves. We understand that the first question is to us, that we have to reform our political and economic system and then prepare our people for the further, full, integration into these structures. This is a very important element in our vision, our strategy, how we see our country in the next generations, the next decades. And we're doing this.

I believe for example that democracy in Azerbaijan is at least not less than in other countries of the former Soviet Union, and even in some cases more well-established. Let's talk about opposition parties. They are much stronger in Azerbaijan than in Armenia or even in Georgia, even if Georgia is the love baby of so many Americans. I don't know of any opposition group in Georgia that is as serious or in as strong a position as those here, nor in Armenia either. If such parties exist I haven't heard of them.

So in reality, I think that is what we see, this is how we're thinking about the future. And besides that, the government is doing a pretty good job. One of the major tasks, portfolios, of President [Ilham] Aliyev, something he promised in his inaugural speech, was that at the end of 2007 there should not be even one single tent camp

left in Azerbaijan [for persons displaced by the Nagorno Karabakh war]. The population is saying that this is what they want and so we are creating that housing for them. And when they do return to NK they will simply take their belongings and move back.

JS: Is President Aliyev's commitment that every one of the displaced persons will be in some kind of permanent structure, and out of the current camps?

EM: One of the three tranches from the oil fund of Azerbaijan is dedicated to creating better living conditions for the internally displaced. They will be dispersed around the country.

JS: So in your view the international criticism is unfair, and the allegation that your government has purposefully kept the displaced persons isolated, much like the Palestinians in Lebanon or Jordan, as visible reminders of the war's unfinished business?

EM: In reality it's a social and humanitarian problem, for sure. Can you imagine, almost 20 percent of our territory was taken. As foreign minister I am very often faced with IDPs, in particular, saying that I should create situation where they can return. And for sure, this has informed our statements in international organizations; it is part of our speeches, to assure the IDPs that we remain committed to their return. But in reality, in terms of the economic development of our state, this can be a dangerous situation. People, psychologically, have overcome the situation of the 1990's. Their position is now more challenging, particularly with regard to pressing the government and its leadership to take stronger steps to regain our territory.

JS: That is one of the reasons the Minsk Co-Chairs released the framework principles, to get people of the region to understand that concessions are required on both sides. Has it helped?

EM: I was asked this question by our journalists. I said I don't feel any problem with releasing the details [of the Minsk framework principles]. I think it was made in a timely way – and never mind the nervous reactions from the Armenian side, which obliged us to make statements in return from the Foreign Ministry here. In reality the ongoing discussion in the community is a positive development. I feel myself that our position is very just, that we are standing on international law.

We're making all our efforts in regard to secure the return of our territories – in the first place the seven Azeri regions [outside Nagorno Karabakh] now occupied by Armenia.

JS: On the Armenian side they insist that the Minsk principles envision Armenia retaining interim control of Kelbajar and the Lachin corridor, the most sensitive of the seven occupied territories.

EM: They're mixing up the two elements [of the framework principles]. We say it's illogical that you try to keep these territories as hostages for a final settlement. They say it's because of security and we say if you have security concerns tell us and we'll address them, together with the international community. But you cannot take these territories as a hostage; to do so sounds like blackmail. Second, we have been standing on the concept of peace, to create conditions in which we can talk to each other. It will be difficult but to do so we cannot build a wall between the two countries. The most important element of the framework principles is for the two countries to start talking with each other. Unfortunately the Armenian government is considering the case of Nagorno Karabakh as a done deal – that they won the war and therefore they should retain the territory.

I read carefully the statements by the [Minsk] Co-Chairs to the OSCE permanent council. It's very clear. They talk of special modalities for Kelbajar and Lachin, meaning special modalities for the peacekeepers there, because the Armenians have raised security concerns in those regions and we say OK, we'll address them. We even proposed more. They always talk about the necessity of a corridor, with unimpeded access. We say OK, that's a serious issue. We say OK, let's do the road, from Soviet times, one that would connect Azerbaijan through Nagorno Karabakh and on through Armenia, Nakhchivan and on to Turkey. That's an existing road; we just need to invest a small amount of money. It would be excellent PR. We could call it "the road of peace." It would give us access to our territory in Nakhchivan and Armenians would get access to Nagorno Karabakh and to Turkey. We see it as win-win-win. They say it's not serious.

I say consider what's happened in Bosnia. The coming of the UN there was met with a lot of suspicion, skepticism, but it's now better. The party of war should transform to the party of peace.

JS: In that same spirit, why not agree to Nagorno Karabakh's call for direct talks with them?

EM: I don't feel any problem with this. I said OK, let's agree on the seven territories, on the peacekeepers, and then we'll talk -- with our people, our subjects. It's a simple question we would put to them: What do you want? Is it political development, economic development, your own flag? Sit down and start negotiating. It's no big problem.

At the moment most of the army people on the line of control are Armenian. So we negotiate directly with both of them, through the Armenians. I personally favor that our people talk to the people of Nagorno Karabakh, when we're talking about issues directly related to them. I have no problem with that.

JS: If there's no problem, why is this seen as such an obstacle on the other side?

EM: It's the sensitivity of it, the fact that every eighth person in Azerbaijan is an IDP. We live in a part of the world that is not colorful; it's only black and white. There are no grays, no subtle shadings. It's black or white, like it or not. That's why we need more efforts here, to create more trust. I proposed as part of negotiations that we take 10 people to Shusha. Let's see if they can find a common language. And probably they will find it easier than we imagine because they've known each other for years.

JS: But what about direct talks now, with the government of Nagorno Karabakh?²

EM: From the legal point of view, the question is who does the talking. It can't be the Foreign Minister because that would acknowledge Nagorno Karabakh as a

² The chapter on Intensification of CSCE Action in Relation to Nagorno Karabakh Conflict of the 1994 CSCE Budapest Summit Declaration (Section II – Regional Issues) welcomed the "confirmation by the parties to the conflict of the cease-fire agreed on 12 May, 1994, through the mediation of the Russian Federation in cooperation with the CSCE Minsk Group." The statement was signed by the representatives of Armenia, Azerbaijan and Nagorno Karabakh, recognizing all three as parties to the conflict. Since then, there has not been produced an alternative document legally challenging this format of negotiations. However, *de facto*, the involvement of the Nagorno Karabakh authorities in the peace process has decreased significantly during the past years, especially since Robert Kocharyan became president of Armenia. Currently the peace process is centered mostly on Armenia and Azerbaijan.

separate, “foreign” entity. But we have a ministry of the interior and of culture, and perhaps they could serve that function. Definitely there is a role for internal conversations.

I pledge support for a special fund dedicated for NK. The whole budget from Yerevan for NK is \$27 million. I propose to make it \$100 million a year – our own millennium challenge grant.

JS: On the subject of confidence-building, there have been controversies recently over alleged arson against Azeri properties along the border and also accusations from the Armenian side that Azeris have destroyed ancient khatchkars, the stone crosses that are such a symbol of Armenian heritage. Have you considered the possibility of joint assessment teams to investigate these accusations, as a means of building trust among the peoples?

EM: Why shouldn't we try that? I proposed it to the Council of Europe. Only I said, don't do it just for the khatchkars alone. Go to Armenia, and to the occupied territories too, and address our claims as to ruined Muslim cemeteries and the photographs we have showing that they put cattle in our mosques. We have photographs of a monument created in Karabakh in 1968, to mark the 150th year since Azeris were removed from Iran to NK, under the protection of the Russian czar. This was a monument that was exploded. We also have photos showing Arabic names on a grave, and then the same stone with the cross and crescent taken off. We can give you hundreds of such facts. What I'm talking about is the strategy and concept of negotiations. As soon as you start yelling and screaming in cases like this it's not a help. And so on about the allegations of arson, or of the destruction of cultural treasures, I've said let's ask for international observers. But there's no response from Armenia.

JS: In your view, what role have the Russians and the Americans played in attempts to resolve the Nagorno Karabakh conflict?

EM: Good question. One thing I can't agree with is that when Russia says it doesn't want to make pressure on any side as to conflict resolution; that it should engage only when both sides voluntarily agree and accept an agreement, to say that at that point Russia is ready to be the guarantor. To me that's the wrong message, the wrong signal – particularly to the Armenians; because everyone knows that

militarily, economically and politically they are very much dependent on Moscow. I would be happy if Russia said yes, we are ready to interfere. On the bilateral side the Russians recognize that occupation is occupation – and cannot be defended.

JS: But what about President Putin's many references to Kosovo's pending independence, as a precedent for the frozen conflicts of the former Soviet Union?

EM: Each conflict has its own roots. To some extent separatism has played a role in each of them. It's the legacy of the Soviet Union. But in Kosovo they still have [many] Serbs there, whereas there's not a single Azerbaijani still in NK. We have 30,000 Armenians still in Baku. As for the Kosovo model, I think we have to do our own work and do it ourselves. Again, it's very important to understand, to recognize, what the Armenians' strategy is. If there's a strategy that they want to annex a part of Nagorno Karabakh, or NK itself, then that's a very different situation.

Armenian Americans are also doing a lot. They still have a lot of leverage. I understand the difficulties of the internal politics of the United States. You've got a big and rich Armenian diaspora that can manipulate Congress. But on the other hand, having a deep knowledge about the financial situation in Armenia, the state itself and its budget, I can say they are moving slowly toward the status of a welfare state, living only from the grants and credits that come from foreign dollars.

JS: But Armenia itself is showing strong economic growth.

EM: Of course, on a per capita basis. They lost half their population. Per capita GDP [gross domestic product] goes up, of course – it's a simple economic explanation. But again this is very interesting: What is the strategic economic development plan for the state of Armenia? Every country is finding its niche in the world economy, what area is most useful to develop. This is especially the case for small states. We recognize that energy is the main component in our budget. We recognize that sooner or later it will finish, that we need to pay attention to assure a more diverse economy and to prevent overheating of the economy. We're talking agribusiness; we recognize the need for that. We have \$50 million this year invested in that, \$100 million planned for next year. We use agricultural equipment we bought from Japan. As a result we've gotten a boom in the agricultural sector plus a boom in transportation infrastructure. We've started developing transport lines north-

south and east-west and we've almost finalized contract for the last 132 km to reconnect the rail line through Georgia to Turkey.

But as to these sorts of criteria for development, did you hear anything reasonable in Armenia? IT [Information Technology], they say. Excellent. Or a gas pipeline from Iraq through Armenia. That's a \$125 million project, which they've just sold to Gazprom. That is, they sold part of their national security. The decision to give this to Gazprom means that their treasury is empty. They can't come up with \$125 million even to build a pipeline that's essential to their national security.

JS: What do you see as the implications of a possible U.S.-Iran conflict, for the south Caucasus in general and for Azerbaijan in particular?

EM: It would be the worst possible scenario. I hope they will not [go that route]. The signals we receive now are that all of the Big Six [the United States, Russia, the United Kingdom, France, Germany and China] are interested in doing this by diplomatic means.

JS: Why do you call this the worst possible scenario?

EM: Because it's our neighborhood. Because 40 percent of the Iranian population are ethnic Azeris. Because Iran is the only route by which we can make a land connection to Nakhchivan – otherwise it's only via air or by way of Georgia and Turkey. We recognize the right of Iran to develop a peaceful nuclear energy program in full cooperation with the International Atomic Energy Agency.

JS: You were stationed in Washington from 1998 to 2003, during the run-up to the U.S. invasion to Iraq. What lessons do you draw from events in Iraq?

EM: Of course you know you're speaking to a foreign minister, and foreign ministers don't like military solutions. But as I said earlier there are frustrations among the general public, here as in America, and it can happen that the demand for military action will grow very strong. The president has to follow public opinion.

JS: Is the current rapid build-up of military spending in Azerbaijan a reflection of those frustrations, and those demands?

EM: With regard to increased military spending, this is part of the Armenian propaganda. They have lots of opportunity, judging from the ill-prepared articles that have appeared in the Western press. They criticize us too much, which shows the influence of the Armenian diaspora. I spent six and a half years in Washington. I learned a lot about the Armenian diaspora.

The military budget of Azerbaijan is going to rise because of the rise in the whole budget. Defense takes about 10 percent of our whole budget, which is not much different than most NATO countries. Everything is going up. I hope the Foreign Ministry expenditures will go up, too. We're starting to be a regional leader and we should behave as such. This is obvious. Can you imagine we'd increase the budget and keep military spending the same, especially given that we are in conflict with our neighbor and our territories are occupied? This is ridiculous.

JS: What about the promotion of democracy here in Azerbaijan? Do you resent the engagement by the United States and other outside groups, and the criticisms they often make?

EM: People more deeply involved than I see this as a legacy of the Soviet Union. It's a question of generations. Definitely this will be done in an evolutionary way. With a new generation there will be better understanding of how to address these issues. Education is very important. I'm not so naïve as to say that we have achieved everything the European Union is asking of us. But it's important not for the EU but for us – to use this standard of development of the state.

If it's only criticism for the sake of criticism then I don't accept it. If it's constructive criticism – how to deal with police, services, elections process – all that is useful.

Is the help useful? Through the years, yes. The Council of Europe is doing a good job. We meet with them often, to finalize our action plans, on instituting the rule of law, democracy, and so on. It's steadily developing. We're inside the process. That's what is most important, taking into consideration our history, culture, and religion.

What is good for the United States sometimes cannot work in Azerbaijan. We should take into consideration the realities on the ground, the level of democracy we have.

INTERVIEW:

ARKADY GHUKASYAN, PRESIDENT, NAGORNO KARABAKH
STEPANAKERT, NAGORNO KARABAKH, JULY 12, 2006

PREPARED BY JON SAWYER

Arkady Ghukasyan became president of the self-proclaimed Nagorno Karabakh Republic in 1997 and was reelected in 2002. Short and balding, with a mustache and thick glasses, Ghukasyan comes across as a tough-mannered technocrat. He wears a short-sleeved shirt, no tie, and sits beside a large bare desk; on a side table to his left are five old telephones. He smokes brown filtered cigarettes throughout an hour-long interview.

Jon Sawyer:

Why was the Nagorno Karabakh conflict not on the agenda at this year's G8 summit in St. Petersburg, and what do you see as the role of your government in resolving the conflict?

Arkady Ghukasyan:

This is a question that first you should ask of the presidents of Armenia and Azerbaijan. It's difficult for me to comment ... I suppose the main reason that the presidents will not come to St. Petersburg is that there are more points of disagreement than agreement between them.

It is quite clear and understood by us that without the participation of Nagorno Karabakh in the negotiating process it will be very difficult to find a resolution of the conflict. We are very sure of that. But I would not try to interfere in this process, because if they eventually have an agreement and it is acceptable to us, advantageous to us – in that case the result is more important than the format of the talks. But what we see and hear from the Azerbaijani government is far from this reality. In any case I believe that talks will go on – because the alternative to peace talks is another war.

JS: Do you think Russia and the United States are truly committed to solving this conflict?

AG: I suppose they do have a commitment. I suppose that all of the Minsk Group co-chairs and partners and mediators – the United States and Russia among them – are trying to find a peaceful result. But this is a case in which not everything depends on the mediators. Lots of issues depend on the parties themselves.

JS: In June, broad “principles” of a possible Nagorno Karabakh settlement were publicly released by Deputy Assistant Secretary of State Matthew Bryza, the U.S. co-chair of the Minsk Group charged with moderating the negotiations. Was it a good idea to go public with the principles and what was your reaction to the principles themselves?

AG: The first purpose of his statement was to get societies in the countries familiar with the peace talks and the proposals on the table now. Second, because there was much talk about the proposals of the Minsk group in Armenia and Azerbaijan, and different points of view, this was an attempt to bring some clarity to the proposals of the Minsk group and to the talks going on. Because in the negotiating process the situation was that one party said ‘This is white’ and the other side said ‘No, it is black.’

Some questions became clear after Mr. Bryza’s statement but some very important issues were missed – which brought new questions to the peace process. [The proposal] does not mention anything about the final status of Nagorno Karabakh. Indefiniteness in the peace process cannot bring good results.

We always have to look for resolution, for the kind of settlement which will exclude the emergence of a new war. But the indefiniteness in this case is like a time bomb ... We have to reach a historic settlement. We have to establish an atmosphere of confidence and trust. But any kind of indefiniteness is a sign of lack of confidence and trust.

If the issue of territories is a concrete and serious matter, it must be compared with other concrete and serious issues. We have to see our future, to have a vision of our future, and to be aware of where we’re going. We have to find a resolution and reach a settlement which excludes possible war in the future. If we don’t talk today about the long-term status of Nagorno Karabakh, if we talk about just an agreement in general with implementation to come after, if we don’t agree on these issues – then in the future we may encounter issues which may become reasons for a new war.

JS: Do you see any willingness to confront those comprehensive issues?

AG: I do not believe Azerbaijan is ready for a final settlement today. I will give you only one example: the fact that Azerbaijan refuses to hold direct talks with Nagorno Karabakh.

This is very destabilizing. Two states discuss the future of a third independent republic without the participation of that third republic. They discuss control of territories under the control of Nagorno Karabakh without the participation of Nagorno Karabakh. This is absurd.

Any kind of settlement plan is a risk for the participants. You can't get everything you want. The problem with the Azeris is they don't want to take the risk. Whatever it sounds like, what they really want is our capitulation. They demand it.

They put out two statements on the conflict settlement talks, in fact. The first one is their demand for the return of territories and Nagorno Karabakh staying as part of Azerbaijan. And the second: If we don't do this then they say we'll resolve this by military means.

JS: Have you sought American support for including your government in the settlement talks?

AG: We not only ask for it, we demand it. I consider it natural, and much needed, to ask for it. The future of the Karabakh people is on the plate. It's clear we should decide about the future of our people. We don't think other parties will make a project for us and will just agree with it. We must participate from the beginning.

The participation of Nagorno Karabakh in the negotiating process is not for our good only. It is needed, for a good result. Everyone knows that, understands it. They say you have to be party to negotiations – but we fear it could be too late for that [including Nagorno Karabakh], because they may have agreements already on certain questions of conflict – and we may have problems with their proposed solutions.

JS: What if the United States goes to war with Iran next door? What would be the repercussions here, and in the region?

AG: Iran is our neighbor. All these pressures can have direct and indirect effects on us. We are certainly not interested in the further complicating of relations or beginning a military conflict. We want a peaceful solution of this issue. I don't think there are any direct ties between the negotiations on Nagorno Karabakh and U.S.-Iran relations. But this process of U.S.-Iran relations can slow down or speed up the processes here.

JS: What if the United States formally recognized Nagorno Karabakh as an independent state? Would you agree, as a quid pro quo, to the basing of U.S. or other international soldiers here?

AG: [laughs]. For us, our independence is important. We have no alternative to our independence, because the alternative to independence is war. And if agreeing to this or that force could prevent war, could help us, then we can negotiate on this issue. The issue is about peacekeeping forces. It's a matter of negotiation.

JS: Have you had such negotiations with U.S. officials?

AG: We don't have exact negotiation on this issue now but it will be helpful to have such talks when the other issues are solved. At the moment the Azerbaijan government is against the deployment of peacekeeping forces. But certainly after the clarification and settlement of other issues the question of peacekeeping forces would be ripe for discussion.

JS: The United States and Russia are competing in many spheres in the South Caucasus. Can they work constructively together on Nagorno Karabakh?

AG: I think it's possible. We would wish that Nagorno Karabakh could be such a field for cooperation. There's a lot of possibility for cooperation here. This is a field where we don't see exact conflict between the two countries; it's not like Georgia. It's a very important point for us, that we have here cooperation and not conflict between Russia and the United States.

JS: But wouldn't resolution of Nagorno Karabakh serve as a precedent for other conflicts, such as Abkhazia or Trans-Dniestre, where the U.S. and Russian views conflict?

AG: Such conflicts have parallels, obviously, but each of them has its own specifics. I think precedent is a very important thing. This precedent certainly can affect other conflicts, just as we have the Kosovo case affecting our region.

We cannot understand why Kosovo should be allowed independence and we are not.

In this case I'm not interested in the precedent itself but in the explanation. We are ready to put these explanations on the same page and compare them – from the legal perspective, the perspective of international law or of history. In the case of Karabakh, our explanation is much stronger than it is in the case of Kosovo.

JS: Robert Kocharyan, the president of Armenia, was previously president of Nagorno Karabakh. Azeri officials cite this as proof that the present administration of Nagorno Karabakh is merely an extension of Armenia.

AG: I think that policy based on subjective points leads to fiasco. Kocharyan today is president of Armenia. Tomorrow he will not be. Mr. Sarkisian or Samvel Babayen could be president tomorrow – and in that case this logic would not work.

You would then have to start from zero. A very subjective point is very dangerous. Yes, Kocharyan was president of Nagorno Karabakh but today he is president of Armenia and the people of Nagorno Karabakh have chosen me to represent their rights – and so Armenia cannot replace Nagorno Karabakh in that sense.

I repeat again: Kocharyan today is president; tomorrow it will be someone else. Today I am president of Nagorno Karabakh; tomorrow it will be another.

INTERVIEW:

SERZH SARKISSIAN, PRIME MINISTER OF ARMENIA¹

YEREVAN, ARMENIA, JULY 14, 2006

PREPARED BY JON SAWYER

Serzh Sarkissian was born in 1954 in Stepanakert, Nagorno Karabakh, at the time part of the territory of the Soviet Republic of Azerbaijan. From 1989 until 1993, as head of the Committee of Nagorno Karabakh Defense Army, Sarkissian was among the leaders of Nagorno Karabakh's war of secession from Azerbaijan. Following the war he returned to Yerevan and became Armenia's defense minister. He subsequently served as national security minister and head of the National Security Council before resuming his post as defense minister in 2000. He has become one of Armenia's wealthiest businessmen and is considered a leading contender in the presidential election scheduled for 2008.

The interview took place in a conference room at Defense Ministry headquarters, on the outskirts of Yerevan. Sarkissian, who smokes throughout a two-hour conversation, begins with a quip when his American visitor declines the offer of a cigarette. "It is not just," he says, "you supply cigarettes to the entire world but you do not use them."

Jon Sawyer:

Can we begin with the draft framework for settling the Nagorno Karabakh conflict? I understand that members of your government have complained that the details of the draft released so far by the Minsk Group² do not include crucial elements – among them provisions that Armenia would retain control of the Lachin and Kelbajar territories until a final settlement on Nagorno Karabakh is achieved, and that Nagorno Karabakh would have recognized "international" status until

1 The interview was conducted while Sarkissian was still defense minister, however since April 2007, he was appointed prime minister of Armenia after the untimely death of his predecessor, Andranik Markarian.

2 The Minsk Group was created in 1992 by the Conference on Security and Cooperation in Europe (CSCE, later OSCE) to encourage a peaceful, negotiated resolution to the Nagorno Karabakh conflict. The 1994 Budapest Summit decided to establish a co-chairmanship for the Minsk Group, which now comprises of top-level negotiators from the United States, France and Russia. Current co-chairmen of the Minsk Group are Amb. Bernard Fassier of France, Amb. Yuri Merzlyakov of the Russian Federation and Amb. Matthew Bryza of the United States.

a referendum determined its final disposition. Why were these principles not included in the framework document released earlier this year?

Serzh Sarkissian:

I haven't examined the framework agreement in detail. It's very grave, very serious ... If the principles are not accepted there will not be an end goal, an end result. And the principle is the following: The problem must be solved on the basis of compromises. Without that, this problem cannot be solved. I think that Azerbaijan is not ready for compromise because whatever they suggest is not a compromise. It is more like blackmailing. They say that Armenians must leave the security zones and that [the people of Nagorno Karabakh] must agree to live under their domain. The thing that they concede is that they will not resume the hostility and there will not be more bloodshed. If anyone can consider this to be a compromise, it means that I don't understand anything at all about this process.

I do think that Nagorno Karabakh forces must withdraw from these [Azeri] territories but only in the case when there are enough security guarantees.

If you look at the map very attentively, you will see that from 1992 to 1994 the Nagorno Karabakh self-defense forces did not go beyond the territories that they control now. You will see that it is a real security zone for them. They went ahead as much as it was necessary to prevent the missile [sites] that existed in that time in Azerbaijan from bombarding the peaceful citizens. We did not manage it in the north of Karabakh, the Martakert region, but wherever we managed we did that.

Of course, if there are more real guarantees for the security these forces must withdraw from the territories I have mentioned to you. And in general, I believe the Karabakh situation can be resolved if the security of the Karabakh people is guaranteed. And the resolution of this problem is possible through the three preconditions, the three prerequisites:

1. Nagorno Karabakh can never ever be under the domain of Azerbaijan.
2. Nagorno Karabakh cannot exist as an "enclave" entity – because the future existence of Nagorno Karabakh is impossible without a land link with Armenia.
3. Serious security guarantees for the population of Nagorno Karabakh, including guarantees that Azerbaijan will not resume hostilities.

Nagorno Karabakh has managed to establish a security zone which is more or less productive in establishing security. The clear condition for withdrawing from these territories is guarantees from very serious, very powerful countries of the world and NGO's (non-government organizations).

JS: If by some miracle these conditions were accepted would Armenia, on the same basis, be prepared to give up its border with Iran – so that Azerbaijan would regain a land link to its territory, Nakhchivan?

SS: No, because I do not see any similarities between Nagorno Karabakh and Nakhchivan. These are different situations. Nakhchivan is not an enclave. It is a neighbor of Turkey and Iran, and fully capable of providing its viability. Why should we make the territory of Armenia an object of bargain?

JS: To secure an overall solution. That would be the only reason to do so.

SS: To solve this question I don't think it is possible to make more serious problems occur for our country – just for the sake of solution of the Nagorno Karabakh problem.

JS: If I could come back to my first question, as to why details of the draft framework of principles were allegedly omitted from the version publicly released?

SS: It's difficult to say what was missing because I haven't seen the document, but I think it is not complete, it is not full. In the opposite case, they would publish the whole document. I just see one reason behind this, which is that the co-chairs hold to a conviction that the conditions in that document were more or less acceptable to Armenia and were not acceptable to Azerbaijan. And that is why they have published only the part which would kind of appeal to the Azeris. Maybe I'm mistaken. It's just an opinion.

JS: One element of the framework details released so far talks about holding a referendum at some future date on the final status of Nagorno Karabakh. You state as one of Armenia's preconditions that Nagorno Karabakh could never be under domain of Azerbaijan. But the framework in its current form holds out the possibility of Azeri refugees returning to Nagorno Karabakh and a vote that might end up in some kind of Azeri control. What is your comment on that?

- SS:** As far as I'm aware, when they say refugees they mean only those refugees who were moved out from the security zone territories [beyond Nagorno Karabakh itself], from Azerbaijan's own territory. I deem impossible right at this moment the return of Azeris to the territory of Nagorno Karabakh itself.
- JS:** You are saying that no Azeris will be allowed to return to their former homes inside Nagorno Karabakh, including in towns like Shushi that were predominantly Azeri prior to the war. What is your justification for that position?
- SS:** The principle is the following. There was a war. There is a great hostility. You cannot just post policemen next to each citizen of Nagorno Karabakh. I do not imagine the coexistence of Azeris and Armenians next to each other on the same territory because Azeris continue saying that Armenians are not a nation, that Armenians have never been in this territory, that they are a nation which needs to undergo extermination. It is not possible to coexist on those terms. And now in the present world we see what is taking place, in Kosovo and Palestine, if there is no demarcation between these ethnic groups. Later, when there is normalization of relations – and I am sure this normalization will take place – anyone can live wherever they want.
- JS:** If your principle is that this is the reality created by war, then isn't that an invitation to Azerbaijan to go to war again – to create a new reality? And isn't that what many Azeris in fact are thinking?
- SS:** I do not think that war is the only solution. Does it mean that if Azeris resume the war, they will advance, that they will prevail and reach Shushi? Isn't it easier to recognize the right of one nation to live by itself, by self-determination? And lastly, why would Azerbaijan have the right to withdraw from Soviet Union and Nagorno Karabakh not have that same right?

Azerbaijan has tried once to solve this question by military means. At that time the Azeris had more advantage than now or than they will have in five years – if you consider it an advantage to have more equipment, armaments and more population.

This referendum may take place in five years, 10 years or 50 years. The important thing here is that Azeris recognize the right of self-determination. So, we can come to an agreement. We can withdraw from these territories, and after that

Azeris may prove that it is better for Nagorno Karabakh to be with Azerbaijan, that is it better because there are better social conditions, economic conditions.

If the referendum takes place, it will take place on the [ethnic] ratio that existed in 1988 – not in 20 years when Azeris in Nagorno Karabakh, from 40,000 in 1988, will have become I know not how many.

JS: You said Azeris had more advantage in the last war than now, or than they will have in the next five to 10 years. You mentioned equipment, weapons, and people – but those are all areas where the Azeris are rapidly gaining ground, no? It's not clear to me why you see the situation as more advantageous for Armenia now than it was before.

SS: You can take just the figures and compare – for economic growth, for different spheres of life – for that specific period [of war] and today. Just to illustrate it with an example:

In the Soviet period, when the war started, the 4th Soviet Army was located in Azerbaijan; and the 7th Army in Armenia. It is well known that the 4th Soviet Army had more capabilities, combat capabilities, than did the 7th – several times more. The reason is that the territory of Azerbaijan, under the Soviet doctrine, was noted as the territory for the main attack towards Iran and Turkey. Armenia wasn't considered to be like this. That is why in Azerbaijan there was also an airborne division, frontier arsenals, and one air defense army. [When the war began] the Azeris managed to seize all the Soviet armaments and equipment that existed on the territory of Azerbaijan. In Armenia, we took another path. The armament which we had in Armenia, we shared it with the Russians. Half of it remained at the Russian military bases in Armenia. It was only on the remaining bases that we established the Armenia Armed Forces. As a result, Armenia had received three times less equipment, and 10 to 15 times less arms than Azerbaijan.

Armenia was kind of restricted in supporting Nagorno Karabakh. Only volunteers were fighting for Nagorno Karabakh. And if you remember that period of time, Armenia kept on announcing that it would agree with whatever resolution Azerbaijan and Nagorno Karabakh reached.

Today we have a totally different situation. I do not think in the upcoming five

years Azerbaijan will have three times more equipment and 15 times more armaments than Armenia. And now Armenia constantly announces that it is the guarantor of Nagorno Karabakh's security and will be immediately involved if a new war starts.

JS: What is the current role of Armenia's Army in Nagorno Karabakh? How many troops do you have stationed in Nagorno Karabakh and the occupied territories?

SS: Frankly speaking, we do not like dwelling on that issue. We just say that Armenia is the guarantor of the security of Nagorno Karabakh.

JS: In Nagorno Karabakh I met with President Arkady Ghukasyan. He said that in his view it is absurd that Nagorno Karabakh is not a direct participant in talks over its future status, and that it is inappropriate for Nagorno Karabakh to rely on Armenia to represent its position. What is your view on that?

SS: Of course that will be very good if Nagorno Karabakh participates as a party in these talks, because in the long run those who live in Nagorno Karabakh will determine their future and their status. But when Azerbaijan is strongly against, categorically against, the participation of Nagorno Karabakh in these talks, I think if Nagorno Karabakh participates, this circumstance would evaporate all the negotiation progress [that has been made].

And these talks are the hope for resolving the conflict. They have been one of the main reasons these 12 years that military actions have not resumed. I think in absence of these talks would mean a greater risk of resuming military activity – and the resumption of military activities is not beneficial to us. In the aftermath of any new war Armenia would suffer. Its economy, its development, would suffer.

That is why I do not think it is advisable to start a new war. To reiterate, I think it would have a very negative effect on Armenia's economy and development – even if Nagorno Karabakh prevails.

JS: Is there a split between the governments of Armenia and Nagorno Karabakh on the basic strategy, or approach, on the negotiations – the issue of whether to advance with a step-by-step solution or a package deal?

SS: The problem behind this is that many do not understand really what is meant by “step-by-step” and what is meant by “package.” They don’t understand the differences; and that is why different forces try to speculate on this.

I am the advocate of a package solution. But when we say “package solution” we do not mean that all the problems will be solved right now. When we say “package solution,” it means that all the ways of resolution are known. We know what result we will achieve, but of course the actions must be taken turn by turn. It is impossible to do everything at the same time – to withdraw the forces, to conduct a referendum, and to determine status. But when there is a package, the first step of which is the withdrawal of forces and the last stage is referendum, of course that is the correct package.

This debate over “step-by-step” and “package solutions” emerged because in 1996 the outside mediators were offering, “OK, you withdraw from these security zones and then we will make a decision on the status.” That is a totally different approach from where we have a “package solution” – where we say we will withdraw the forces and in five years we will conduct a referendum on the basis of which the final status will be decided.

I hold that [in a “step-by-step” approach] Azerbaijan may implement the first stage and not implement the second. And they may take the territories back and then reject the possibility of referendum or postpone it for five or 10 or 20 years.

JS: So, is there a common view between Nagorno Karabakh and Armenia as to what the framework for settlement should be?

SS: I say the following: that my opinion and the opinion of Mr. Ghukasyan do not differ greatly on the principal issues, which are that this problem must be resolved on the basis of compromise and that Nagorno Karabakh cannot be in the domain of Azerbaijan. We may have different opinions on other issues but not on these main principles. When these main principles are accepted, then later we will see which opinion the population supports, which version is more acceptable for the population. If I were in Gukasyan’s position, I would of course be stricter.

JS: In your view have the United States and Russia acted in good faith, along with

France, in their roles as co-chairs of the Minsk Group? Do you have any concerns about any of them in terms of pushing toward a fair and final settlement?

SS: Everything is possible. Better results were also possible. But I'm an advocate of the view that Russia, the United States and France have played a very significant role in keeping the peace in these past 12 years. The best condition for Armenia is when NATO/USA/Russia relations are on a very good basis, very favorable basis. Our neighbors have adopted different tactics: They try to benefit from the contradictions that occur between these powers. We try to do the opposite.

JS: But in neighboring states, especially in Georgia and Iran, the United States and Russia are in more or less open conflict. How does that affect Armenia?

SS: Of course it is bad. It has a bad impact on Armenia. Unfortunately we have little role in this. That is why I mentioned that the most favorable conditions are when Russia and the United States are in agreement. With two neighbors out of four [Azerbaijan and Turkey] we do not have diplomatic relations. We do not have open borders or roads with them. So we have two ways out to the world – through Iran and through Georgia. And naturally, stability in Iran and Georgia becomes very important for Armenia. Any complexity in these countries immediately affects Armenia.

JS: Who is responsible for deteriorating relations? In the case of Georgia, is it Georgian President Mikhail Saakashvili? The United States? Russia?

SS: The bad relations that Georgia and Russia share have quite a long history already. Unfortunately, I do not see when these relations will be ameliorated. Of course one should be very cautious, especially in our region. The Russians have their security view and Georgians have their own. It is difficult to be a judge from the sidelines and say that the actions of this one were wrong and that those of the other were right. Either way, it is very bad that as a result we also are affected.

JS: On the Iran side, if the United States gets to the point where we initiate bombing of Iran's nuclear sites, and we ask for support from Armenia, what would be the position of the Armenian government?

SS: I think it will be one of the worst days for Armenia. First, Iran is a very important

economic partner for Armenia. We get our energy supplies from Russia today and these pipelines cross very complicated regions. Iran is extremely important for Armenia as an energy source. We have made a huge effort to diversify our energy supplies. Secondly, we have a big Armenian community in Iran. Third, Armenia is a small country to be able to receive refugees. Such a tumultuous situation in Iran is not a desirable one, taking into consideration the Nagorno Karabakh conflict. I do not think that the Armenian government is capable to assist the United States in this event. We will be in a situation that no one can envy.

JS: Many analysts saw the G8 summit in Moscow (in July 2006) as a catalyst for reaching settlement on Nagorno Karabakh. It didn't happen. Some on the American side now say no progress is likely until after parliamentary elections in Armenia in the spring of 2007 and presidential elections in both countries in 2008. Is that a fair assessment?

SS: I do not think that elections will be an obstacle for the resolution of the problem. Regardless of parliamentary or presidential elections in Armenia, people must be able to express their views on the Nagorno Karabakh problem. Any political force is obliged to express his views on the problem. But no political party can campaign on the pledge that Nagorno Karabakh cannot be in the domain of Azerbaijan – and then in parliament, three or five months later, suddenly say that no, Nagorno Karabakh can be in the domain of Azerbaijan. If there is an opportunity for resolution of this problem, I don't think the election process will get in the way. Of course, no solution will be fully accepted by the public. For any solution we must struggle.

JS: Do you anticipate that you will be a candidate for president?

SS: Everything depends on the results of the parliamentary elections. If the political party I participate with in parliamentary elections [the Republican Party of Armenia] gets very little margin of vote, of course I will not go for presidential elections. But if this political party succeeds in getting enough votes it is not excluded that I will be a candidate. So, we need to wait for the parliamentary elections.

JS: The United States is involved in Armenia with projects to promote democracy and civil society. There is some praise for Armenia's progress but also criticism. What is your response?

- SS:** I respond to criticism in the following way. If it is appropriate criticism we need to take it into consideration and try to fix what was missed, what was not done. When the criticism is inappropriate and it is aimed at different goals, of course I respond to it negatively.
- JS:** In a recent comment, President Vladimir Putin of Russia, mocked the U.S. statements on support for democracy around the world. He said this was the 21st century equivalent of 19th century defenses of colonialism which in reality were not much more than a cover for imperialism.
- SS:** I haven't seen [the Putin] comment, but I do not think a colonization process is going on. But one thing is very apparent – that the demands, requirements, are stricter toward us from Western Europe and the United States than they are to themselves. I understand it.

I understand it because we are a newly independent country. Not all the institutions have been established in Armenia. The courts are not fully independent. We have a path to pass. I can bring specific examples. It was a stipulation on Armenia to abolish the death penalty. It is maybe right. But there are countries in Europe that still have the death penalty and there are states in the United States that have the death penalty. In any case the United States and Europe are very far from us and so the governments of these countries form impressions about us in the following ways: by contacts with other organizations, maybe by public opinion surveys, perhaps by analyzing our legislation etc. But this process is not always taking place objectively, in an unbiased way.

I would love to bring an example here also. It is the wrong thing to do myself but I cannot withstand the temptation.

Recently polls were conducted in Armenia by Gallup Organization, or maybe by a branch in this region, in cooperation with different organizations here. And very serious questions were put in this poll – addressing the Nagorno Karabakh problem, addressing our economy and our internal and external affairs. I got hold of the results of this poll and many things were in it.

It turned out that 70 percent of those who were polled were unemployed. And 70 percent of the remaining 30 percent were those who earned only \$200. Once

I knew that, I understood everything. It could not be an impartial picture of our society because in our country although we have unemployment it is not 70 percent, and of course there are people in poverty but nothing like the percentage in this survey. On this basis, it was not strange to me that this group of people said jobs were more important to them than independence for Nagorno Karabakh. Yet the inaccurate results of this poll will go on the table of authorities around the world, and these people will not have the time to look at the background, of how the poll was conducted. They will look just at the results.

It reminds me of another anecdote, about the man who was diagnosed with cancer and who then asked his barber what was the cause. And the barber said: it's because you shave at home.

INTERVIEW:

SAMVEL BABAYAN, CHAIRMAN, “DASHINK” POLITICAL PARTY
YEREVAN, ARMENIA, JULY 14, 2006

PREPARED BY JON SAWYER

LT. *Gen. Samvel Babayan was the commander in chief of the Nagorno Karabakh Defense Army from 1992 to 1999. He spent a total of 55 months in detention after being convicted on charges of attempted assassination of Karabakh President Arakady Ghukasyan. Babayan was pardoned in 2004, but never accepted the accusations against him. In 2005, he founded and is now the leader of the “Dashink” (Alliance) political party in Yerevan, Armenia. Dashink is located in an elegant building staffed with young and energetic party members. Babayan received us on the second floor, sitting at a T-shaped desk and chain smoking cigarettes.*



Samvel Babayan

Jon Sawyer:

I have read about your experience, your importance to the battle for Karabakh's independence and am eager to hear your views on the current status of Karabakh and the government's approach to it. It seems there will not be an agreement soon, since there is dispute over the elements of the framework agreement proposed by Matt Bryza. What is your take on it?

Samvel Babayan:

First of all, I think it's important to say that it does not matter who makes the proposals or what different government members think. Our goal should be the resolution of the problem. And in this context, I think the framework proposals are not tailored correctly because the people of Armenia and of Azerbaijan are not ready for the resolution strategies suggested in them.

I believe that first of all, the mediators have to come to terms with the authorities elected by the Karabakh population, because it's Karabakh's future that is at stake. Mediators have to see what compromises Karabakh is prepared to accept, work from there, and then talk to Baku and Yerevan. As long as Karabakh is excluded

from the negotiation process, with only Armenia and Azerbaijan at the table, we are not going to have an agreement or any progress. Unless this is done, we will have a stalemate. The resolution proposal needs to be drafted in Stepanakert, stating what concessions the Karabakh people are ready to make, and then presented to Baku and Yerevan. Since Karabakh people are the ones who made the biggest sacrifice during the Karabakh war, it is crucial to take into consideration their interests and future.

All this time, the mediators have tried to blame Yerevan and Baku for the failures in the negotiation process. But what they need to do is to put the issue before Stepanakert. The mediators need to take responsibility for the negotiation process in order for any progress to be achieved.

JS: I have heard opinions declared by high officials in Armenia that they already represent Karabakh in the negotiation process and that if you insert Karabakh in the negotiations, you would have to go back to square one. Americans say the same thing, that Armenia is doing a good job representing the interests of Karabakh. Why at this late stage has this become such an issue?

SB: If Yerevan and Stepanakert shared the same view, I wouldn't have any problems. However, I don't think that they are on the same page on how the negotiations should be conducted. If there were no differences in the views of these parties, why would the Karabakh authorities insist that they be involved in the negotiations? Otherwise they would let Armenia negotiate for them.

However, I would not like to talk about the differences in views between Yerevan and Stepanakert. I cannot comment on what others think, or what their disagreements are. If you ask me how I see the resolution of the Karabakh conflict I can answer but I wouldn't like to speculate on what Yerevan or Stepanakert think.

JS: What is your view on how the Karabakh conflict can be resolved?

SB: First of all, the mediators will have to negotiate directly with Stepanakert. They need to come to terms on what concessions Stepanakert is ready to make. Then, they draw the map of Karabakh as a separate unit, leaving out the territories that Karabakh agrees to return to Azerbaijan. Five to 15 years will be needed to restore the demographics of Karabakh and its social and economic situation, and this unit

operates under the mandate of the mediators, for example, under the EU mandate as a disputed region. For that period, Karabakh will communicate directly with Brussels. Once the entire South Caucasus is ready to integrate into the EU, a referendum will be held in Karabakh granting the locals the right to decide their future.

To be clear, by restoring the demographic situation I mean the return of all refugees and Azeri IDPs [internally displaced persons] to Nagorno Karabakh and security area. The refugees and IDPs will, however, return to those areas that comprise the new Nagorno Karabakh map. This process for the aforementioned group will be organized and carried out on the basis of maximum possibility of choice and volunteering principal: exchanges of houses and provision of other houses in Nagorno Karabakh.

JS: During the last 12 years, Nagorno Karabakh enjoyed virtual independence. And your proposal is talking about the return of refugees, changing the map, joining the EU. Are these concessions that you think will be acceptable to Karabakh?

SB: Karabakh maintained its self-determined independence for about 20 years. After the agreement, Karabakh might need to give up some of its independence for peace. While under the EU mandate, yes, it will have less independence than now, but it would still have right to self determination eventually through a referendum.

JS: During my travels in Karabakh I don't think I met anyone who accepted the idea of a plan that would put off the right for self determination for 20 or 50 years.

SB: The plan that I suggest does not affect the right of self determination of Karabakh people. But in five to 15 years, once they are strong in economic and political institutions, they will get the opportunity to make the final decision on their status. I do not think it is serious or reasonable to conduct a referendum tomorrow or next year.

For the plan that I suggest, the key point is that the Karabakh people will have their self-determination right fixed in the document during the negotiations. That is basically what Karabakh people want, the right to self determination, no matter how far away in the future it is. With this, it won't matter when the referendum is, because that right will already exist in the form of a legal document.

JS: Could you talk a little more about how you think the demographics in the region should be restored?

SB: Before the war, there were 494,000 Armenians living in Azerbaijan. By restoration demographics, I mean the return of Armenians to Baku and other cities that are now pure Azeri. These people should also have the right to go to Karabakh and to the areas included in the new map, and exchange their apartments in Baku for Azeri IDPs who had lived in Karabakh. In this way, the demographic situation from before the war will be restored.

JS: But could Azeris return to their homes in Shushi or Aghdam if they choose?

SB: An Azeri who lived in Shushi before the war and was forcefully displaced due to the war will have the right to return to the city (or any other place in Karabakh). Since Karabakh was the reason for why they were displaced, the Karabakh authorities will have to carry the responsibility of hosting and accepting anybody affected by the conflict. The same is true for the Armenian population, especially those expelled from Baku and unable to return there. If these Armenians choose to relocate instead to Karabakh, they will have to be granted the opportunity. And the international mediators will have to monitor their entire relocation in order to avoid or prevent any complications.

Those returning to Karabakh, regardless of their nationality, will have the right to do so and will receive passports from the authorities in Stepanakert and will become citizens of this new unit.

JS: How about the 470,000 (or so) Armenians from Azerbaijan – will they require a passport permission from Baku in order to return to their home villages in Azerbaijan?

SB: Yes, if they decide to go to Baku or Sumgait, they will have the right to do so, but the Azeri government and mediators will have to give them security guarantees. As long as this is secured, the Armenians will have the right to return if they desire. They will just need to show their birth certificates to confirm their birthplace, since no one has their old Soviet passports anymore.

JS: Will the Azeris returning to Nagorno Karabakh receive security guarantees?

- SB:** In this case, the security guarantees will be given by Stepanakert. Karabakh will not be able to tell them, “no, you can’t return,” and the authorities will be required to provide the safety of the expatriates, since that piece of land is under their governance. At the same time, every citizen of the new Karabakh will have to respect the laws of the unit.
- JS:** You are the first official with whom I have spoken who believes that Azeris can return to Karabakh. This is especially surprising given your background as one of the individuals who has contributed so much to the fight for Karabakh’s independence.
- SB:** The difference between me and the officials you have talked to is that the latter, when talking about Karabakh, imply Shushi and the Lachin Corridor. But I perceive Karabakh as a bigger unit. Yes, if you talk about Karabakh with those you talked to, from the perspective of Shushi and Lachin – which before the war were predominantly populated by Azeris – that might not be feasible, but if you talk about the bigger Karabakh, which was populated with both Azeri and Armenian people, it is a different story. In this bigger Karabakh, Lachin, Kelbajar and Shushi are composite parts and their fate is non-negotiable. Those people who insist that Kelbajar, Shushi and Lachin are subject to negotiations are going to bring the process to a stalemate.
- JS:** If I’m following you correctly, if I were an Azeri, I would accept this proposal, and urge all Azeris to return to their homes, and then I would use that five or 10 or 50 year period to build up the population, so that ultimately, when the self-determination vote occurred, there would be enough Azeris voting to ensure that Nagorno Karabakh remained part of Azerbaijan.
- SB:** I wish the Azeri government had that will and desire, to support my point and solve the conflict according to this plan. As for your predictions, five to 15 years from now we would see how the situation will go. No matter how it goes, we have to create a democratic country. No one country can force another to do something. We have to live together peacefully and democratically.
- JS:** Do you see the new Karabakh as a multi-ethnic state or do you presume that most of the Azeris will choose not to come back and that the territory will be mostly Armenian populated?

SB: I don't think putting the question the way you did is right. I think that in five to 15 years, everything will depend on the social and economic situation in Karabakh – whether it will attract the Azeris and Armenians as an economically strong region, or not. In other words, the economic developments in this new Karabakh will determine how many people will return and reside there. And, I think there will be Azeris who will choose to come back to their houses.

JS: And do you think there will be Armenians welcoming them?

SB: I think and I believe it is feasible in the future because generations change over time. One of the biggest goals of the mediators has to be confidence-building measures between Armenian and Azeris, to promote cooperation and understanding between them and to eliminate notions of hatred.

It is the same as if to say “we are not going to be neighbors with Azerbaijan.” Is that possible? I don't think so.

JS: But it is different to say you will establish good relations as neighbors, knowing what Karabakh is. Quite different to have a de facto competition over the next 10 to 20 years as to what Karabakh will be. That seems to me an invitation to conflict.

SB: There will indeed be a competition, but the competition will be in the economic field. And first of all, it will benefit the people who live in Karabakh, both the Azeris and Armenians.

JS: Won't the competition also be on the cultural and educational and religious front?

SB: The official language of this new Karabakh will be Armenian, but Azeris or other minorities will not have any issues if they speak their own language, or teach or learn it. If, however, in 10 to 15 years, Azeris become the majority, the entire population of the new Karabakh will do a referendum and can decide whether to change the official language or not.

JS: Looking back 12 years ago, leading the fight, would you have accepted a situation of such ambiguity? A deal where no one knows who will ultimately prevail in Karabakh?

SB: The issue here is that Karabakh cannot be a part of Azerbaijan. Karabakh was not the initiator of the forceful displacement of Azeris, it was a response to Sumgait. If during those years, Azerbaijan had agreed to the peaceful proposals of the Karabakh government, then this issue would have been solved at that time. The Azeris who lived in Karabakh would have stayed there, because Karabakh people never demanded that they leave. But everything went the other way.

JS: Still, it strikes me as a “Humpty-Dumpty” situation. Everything is broken apart and I don’t see how you can put the pieces back together again.

SB: I don’t know if I am a wisher or a dreamer or not. The issue is we have to draw the map of Karabakh first and give it the right for self determination. Then, the unit needs to be fixed – economically – and let all the IDPs and refugees return to this new Karabakh. Both Azeris and Armenians have to be treated equally. We cannot arrange the return of the Azeri refugees without meeting the needs of the Armenians as well.

JS: Do you think that the participation of the United States and Russia in the peace process have been in good faith? Or was the Karabakh conflict yet another arena of competition for these states?

SB: I believe they negotiated in good faith, but I think they did not understand this issue completely, deeply.

I believe the problem, the secret, lies in Azerbaijan – they are not ready for concessions. I say that the Azeri government should forget about Nagorno Karabakh for a while. They should agree to draw new borders for Karabakh and agree to some concessions. After that, once they have gained the trust of the Karabakh Armenians, they could go forward with the peace settlement.

But now they are just putting their fists on the table, and do not agree to any negotiations.

JS: What are the prospects of war now?

SB: I do not believe that right now is a dangerous time for war. But I think if Azerbaijan continues its stubbornness, holds to its view of no concessions, it might lead to

war eventually.

JS: Initiated by them?

SB: Of course, it is not to our advantage to start a war. If something happens, Azerbaijan will be the initiator.

JS: How does the U.S.-Iran conflict impact the Karabakh peace process and the overall situation in the region?

SB: The goal of the United States is to quickly solve the Karabakh conflict, so it can have a firm ground in the South Caucasus, and establish its influence and presence in the South Caucasus for the purposes of dealing with Iran later on. If there is peace in the South Caucasus then the United States will not have issues while dealing with Iran. It will be much easier to deal with Iran.

JS: Do you think the United States, by supporting Saakashvili in its open conflict with Russia, is succeeding in the goals you describe?

SB: I don't think that is so. I believe that the South Caucasus have to be regarded as one unit. You cannot give preference to Georgia or Armenia or Azerbaijan. Otherwise, this will ignite the competition between these countries and interethnic conflict will be inevitable.

I do believe competition exists. Moreover, it's exacerbated by the politics of the United States, Iran and Russia, who are fighting for their area of interest in the South Caucasus. The solution lies in the hands of the leaders of the South Caucasus, themselves. They should not give in to this competition. They should use investment to promote the economy in the region and not be servants of interests of great powers.

JS: Does Saakashvili function in the interests of great powers? The United States?

SB: Currently, Saakashvili relies on the United States to resolve Georgia's conflicts and restore its territorial integrity. But I believe this approach will only exacerbate the conflicts existing in Georgia, which could lead to the entire country falling apart.

JS: Is there a similar situation in Armenia vis-à-vis Russia?

SB: My position is that we need to withdraw the Russian bases from the territory of Armenia. We should not allow the great powers to compete over whose bases are in the country, or in the region as a whole, because it will only lead to more conflict.

South Caucasus republics have to come to agreement to exclude the presence of third party military bases. As a result, we will shift the competition between superpowers from the military sphere to the economic sphere.

For example, Armenia is currently blockaded from the Azeri side. But Armenia has water resources which are of great importance to Azerbaijan, which is poor in water resources. Armenian politics should be directed toward becoming completely independent in electricity and toward overall regulation of water resources. Afterwards, Armenia can negotiate with Azerbaijan for concessions. We will give them electricity and water in return for their opening of transportation routes.

This will also help to simplify the customs borders and create a free-trade zone in the South Caucasus by the example of EU. Eventually, we want to be integrated in the EU, but first we must be integrated among ourselves.

JS: And as part of that, would you also reopen the border with Turkey?

SB: The border with Turkey was not closed by Armenia and it should be Turkey's decision to open it. And if such policies are followed in the South Caucasus, Turkey will be interested in participating.

JS: What about the genocide issue? Can you have relations without having the genocide acknowledged?

SB: First, I haven't heard the Armenian government say that Turkey has to recognize the genocide before we establish diplomatic relations. Second, I believe that we should start relations with Turkey after it opens the border, which is their decision. At the same time, Turkey's recognition of the genocide is not only important for us, but for the entire international community.

JS: During all this time, since the first days of the Karabakh conflict, have your views on the usage of military force in resolving conflict changed?

SB: Karabakh has never been the first to use force, all this time. The use of force was initiated by Azerbaijan. If a cease-fire was violated, it was first done by Azerbaijan. We organized self defense to protect our people.

Fifteen years ago, we were forced to take up arms and defend ourselves. Azerbaijani aggression made us take the response we did. But we have to realize that an army is created not to initiate war but to restrain hostilities in hopes to prevent wars. Military force of each country, of our country, has to be strong and powerful so that our neighbor loses its appetite to attack us.

And once you have a strong military, this brings parties to the negotiating table because they will not want to risk war.

NAGORNO KARABAKH THE “FROZEN CONFLICT” THAT REMAINS UNTHAWED

JON SAWYER¹

STEPANAKERT, Nagorno Karabakh – In a high-school conflict-resolution simulation on one of the former Soviet Union’s more intractable “frozen conflicts,” the most difficult assignment fell to 15-year-old Tigran Grigorian.

It was his task to represent the government of Azerbaijan, the country that had ruled the territory of majority Armenian-populated Nagorno Karabakh for the better part of a century until losing it in a war with Armenia in the early 1990s that claimed some 25,000 lives.

The war precipitated the exodus of virtually all ethnic Azeris from Nagorno Karabakh, a mountainous region a bit larger than Rhode Island that lies between Azerbaijan, Armenia and Iran. The 138,000 people who remain, overwhelmingly Armenian by ethnic origin, are split between those who favor full independence and those who call for union with Armenia. No one even acknowledges the possibility of again being subject to Azerbaijan.

Under the circumstances, Grigorian did a good job representing Azerbaijan, in an exercise at Andrei Sakharov School #8 that was led by Seepan Parseghian, an Armenian-American student at Stanford University who has spent the past two summers in Nagorno Karabakh’s capital city Stepanakert.

Grigorian told his classmates that Azerbaijan was prepared to negotiate power-

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Sawyer was selected three years in a row for the National Press Club’s award for best foreign reporting. His work has been honored by the Overseas Press Club, the Inter-American Press Association and the School of Foreign Service at Georgetown University. Sawyer received a B.A. from Yale University in 1974 and has held fellowships at Princeton and Harvard universities. He and his wife, children’s book author Kem Knapp Sawyer, have three daughters.

sharing in Lachin and Kelbajar, two formerly Azeri territories critically important for transit and water that Armenia has held since the war as part of a security buffer – but only if Armenia first gave up six other Azeri territories in the buffer, Grigorian said, and only if the former Azeri residents of Nagorno Karabakh were given assurances that eventually they could return to their former homes.

“I’m ready to discuss the issues of Kelbajar and Lachin after the final status of Nagorno Karabakh but the other six territories must be returned first,” the would-be diplomat said. “These territories were always part of Azerbaijan; they should not be left outside.”

The classroom simulation was impressive, and moving, the earnestness of the debate and willingness to grapple with tough issues a hopeful sign that perhaps a new generation with no direct experience of the war might succeed where their elders have failed. Or perhaps not -- judging by a conversation after class with Grigorian in which he volunteered that he himself was adamantly opposed to any of the concessions he had just demanded, in his role representing an Azeri diplomat.

“I’m a real Armenian and I think like a real Armenian,” he said. “This whole territory was liberated by our soldiers. A lot of people died during this conflict. I don’t think we must give back these territories – because the territories were won with our blood.”

And if war should come again, would Grigorian fight?

“Absolutely. Sure,” he said. “If war begins I’m sure I will fight for our freedom.”

Similar contradictions were the norm in a tour through the region, and that was also the case in interviews with senior leaders in Armenia, Azerbaijan and Nagorno Karabakh. Every show of compromise and conciliation would be matched by an assertion of disputed fact or a non-negotiable demand that betrayed just how far apart the parties remain.

The points of agreement among the leaders, and among many individuals across the region, were equally striking:

First, that mounting tensions elsewhere between the United States and Russia (over neighboring Georgia and Iran, for example, and competition for energy resources and markets) threaten to undermine the two countries’ past partnership in attempts to resolve the Nagorno Karabakh dispute. Second, that a U.S. military confrontation with Iran next door would be an unmitigated disaster for all sides in the South Caucasus.

A U.S. military attack on Iran “will be one of the worst days for Armenia,” said Serzh Sarkissian, Armenia’s defense minister at the time of the interview and now a leading prospect for his country’s presidency. He noted Armenia’s reliance on Iran for energy and as a trading partner, and the fact that large numbers of ethnic Armenians live in Iran itself and that many would flee to Armenia in the event of war. “We will be

in a situation that no one can envy."

A U.S.-Iran war "would be the worst possible scenario," said Elmar Mammadyarov, Azerbaijan's foreign minister. Ethnic Azeris comprise over a third of Iran's total population. Many in that community have chafed already at their perceived marginalization on both economic and political grounds. Iran is also the only land route between Azerbaijan's main territory and the Azeri enclave of Nakhichevan that lies between Armenia, Iran and Turkey.

There was little evidence of such common ground on the issue of Nagorno Karabakh.

Sarkisian railed at Azerbaijan's obstinacy and refusal to compromise. Then he stated as a "precondition" or "prerequisite" of any settlement that "Nagorno Karabakh can never be under the domain of Azerbaijan" – thereby rejecting in advance Azerbaijan's central demand, for a referendum on Nagorno Karabakh's final status in which former Azeri residents as well as ethnic Armenians would be allowed to vote.

Mammadyarov insisted that Azerbaijan's drive to reclaim its lost territories was based on international legal norms. "The time of the Wild, Wild West, when the Colt revolvers or machine guns or Kalashikovs made the law, is gone," he said. "The people in Yerevan sometimes are thinking that at the moment they have the military strength, the machine guns, and that therefore they can draw the borders as they wish. I do not believe that is any longer the sole factor in international relations."

Mammadyarov did not shy from heavy-handed threats of his own. He noted Azerbaijan's rapid economic growth and even more rapid ramping-up in military strength, both of them in sharp contrast to the situation in Armenia. "If they have a strategy to annex Nagorno Karabakh, I do not believe it is a serious strategy. It is a suicidal strategy – because we will never be able to agree to that."

Arkady Ghukasyan, who this summer completes two terms as president of Nagorno Karabakh, said that the peace negotiations to date have skirted the real issues, most importantly the final status of Nagorno Karabakh. The lack of precision, he said, "is like a time bomb. He also said that no solution is possible without first agreeing to Nagorno Karabakh's full participation in the negotiations, a demand that Azerbaijan has so far rejected because it says that would be tantamount to acknowledging the territory's independent status. Armenia has not pressed the issue of Nagorno Karabakh's participation – a stance that obviously rankles Ghukasyan.

"Two states discuss the future of a third independent republic without the participation of that third republic," he said. "They discuss control of territories under the control of Nagorno Karabakh without the participation of Nagorno Karabakh. This is absurd."

With 8 million people Azerbaijan has nearly three times Armenia's population of 3 million (and probably the real gap is wider than that, given the continuing out-migration of Armenians). Azerbaijan has a significantly larger armed forces as well – 95,000 soldiers in uniform, compared to 53,500 for Armenia and some 20,000 for Nagorno Karabakh.

One common characteristic across the region that makes miscalculation and renewed war more likely is a newfound sense, almost certainly exaggerated, of self-confidence:

Nagorno Karabakh takes pride in its record of elections, its well-trained military and its mere survival, despite its failure to obtain recognition of its statehood from world organizations or even its patron Armenia.

Azerbaijan, routed by Armenia in the war, now sees itself as on the move, awash in cash from a new oil boom and the darling of those who see Baku as the pivot point for taking Central Asia's oil and gas to the markets of Europe.

For Armenia it was the war itself, their victory over Azerbaijan, the "liberation" of Nagorno Karabakh and the conquest of a fifth of Azerbaijan's total territory – all of which served to disrupt the circle of political failures and dispel a culture of victimhood that has characterized most of Armenian public agenda since the mass slaughter of Armenians by Turks early in the 20th century.

But at the same time Armenia is more isolated than ever, its borders closed with both Azerbaijan to the west and Turkey to the east and trade with its traditional ally Russia subject to Russia's growing tensions with Georgia. Armenia and Azerbaijan are both countries with autocratic governments, rampant corruption, intolerance for dissent or media criticism, and elections marked by widespread fraud.

And in those countries, as in Nagorno Karabakh, a generation of people live with the consequences of lives disrupted, antagonisms unresolved, and a conflict frozen in part by their very separation from each other.

In the Azerbaijani town of Barda, close by the border with Nagorno Karabakh, the family of Mammadov Bayram was preparing last summer to leave "Turkish Tent Town," the refugee camp where several thousand Azeris displaced by the war have lived since 1994. The Azeri government, finally making good on old pledges, had built 2,000 four-room houses a few miles south. The new houses were far better than the windowless stucco room where Bayram and his extended family of 12 all slept, a place that was prone to snakes in winter and unbearably hot in summer. But Bayram and his family looked to the move with dread, as one more instance in which they were made to serve as pawns in someone else's game.

"Between the Armenian and Azeri force there is a line six kilometers wide," Bayram said. "The government wants to put us on the line between them."

On the other side of the line lies Aghdam, the previously largely Azeri town on the edge of Nagorno Karabakh where Bayram once worked as a driver and where he and his family lived in a seven-room house surrounded by gardens. The house is now gone, the town a ruin.

"I have seen people killed," Bayram added. "I had to carry them in my car. I don't want to see people killed anymore; peace is all we want. These people who say there should be war – these people have never seen a war ... If these people had been in a war they would never ever want war again. It's terrible. Terrible."

On the other side of the line, in Nagorno Karabakh itself, a multi-cultural pre-war history is in process of steadily being wiped away. The Muslim cemeteries a few miles west of Aghdam lie in ruins, tombstones shattered and overgrown with grass. In Shushi (known to Azeris as *Shusha*), the hill town above Stepanakert whose fall to Armenian forces in May 1992 marked a decisive shift in the war, a gleaming new Armenian church stands in stark contrast to abandoned mosques and the ruins of apartment blocks where ethnic Azeris used to live.

Nairi Hairumyan also spoke of loss, as she took a visitor through the streets of Shushi.

An ethnic Armenian now working as journalist, she survived the 1992 siege of Stepanakert by Azeri gun emplacements in Shushi above. She and her infant son spent weeks in basement shelters. Her husband, a soldier, was not so lucky. He was killed in combat, fighting to regain control of Stepanakert's water supply, just a month before Shushi fell.

Farther west, across the Armenian border, journalists from across the region gathered in a Yerevan hotel. They were participants in what remains a highly unusual undertaking, face-to-face conversations across the ethnic and national divide. Alekper Aliev, an Azeri journalist, said the hardest thing was persuading his editors to let him report what he had found – that Yerevan was not the economic basket case portrayed in most Azeri media reports. "I used very soft words about Armenians but my editor said I must use strong words," Aliev said. "We are enemies – how can I use good words, to say our enemy is paradise?"

Is reconciliation possible, and if so how?

A surprising note of optimism came from a highly unusual source: Samvel Babayan, a military hero of the Armenian side in the Nagorno Karabakh war and later a commander in chief of the Nagorno Karabakh Defense Army. He subsequently spent 55 months in detention on charges of attempted assassination against President Ghukasyan. Pardoned in 2004, he now lives in Armenia and leads a new political party there.

Among dozens of individuals interviewed, Babayan was virtually alone among

ethnic Armenians in suggesting that Nagorno Karabakh should ultimately welcome the return of its displaced Azeri residents. This former military man, again almost alone, said that in his view an emphasis on confidence building and economic opportunity could lead, eventually, to the restoration of a multi-ethnic state.

“I think that in five to 10 years everything will depend on the social and economic situation in Karabakh – whether it will attract Azeris and Armenians as an economically strong place, or not ... I think there will be Azeris who choose to come back ...

“It’s the same as if to say we’re not going to be neighbors with Azerbaijan,” Babayan said. “Is that possible? I don’t think so.”

THE INTERNATIONAL RELATIONS DIMENSION OF POLITICAL DEMOGRAPHY: THE EXAMPLE OF GEORGIA

BY MEDEA KOCHORADZE¹

Demography, viewed as a political phenomenon, in addition to ethnic, national and religious characteristics, has a dimension often not considered, namely one of international relations. Georgia, with its enclaves of ethnic and religious minorities that exhibit different levels of social, economic and political activity and different levels of actual integration, as well as “readiness” for integration with the titular Georgian nation, serves as a good example of this thesis.

GENERAL CHARACTERISTICS OF THE ENCLAVES

The enclave of ethnic Armenians, who make up 5.7 percent of the Georgian population, lies in the historic Javakheti province of the Samtskhe-Javakheti region of southwest Georgia. The region has a total population of 207,600. The province of Javakheti consists of two districts, Akhalkalaki and Ninotsminda, and has a total population of 95,280, with Armenians making up 95 percent of the population. Most of the inhabitants belong to the Armenian Gregorian Church, though under Ottoman rule, some converted to Catholicism. The local population is predominantly engaged in subsistence agriculture – breeding livestock and cultivating potatoes. However, due to poor road conditions, remoteness and undeveloped economic and social contacts with the rest

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of Georgia, trade relations with other regions are marginal. Javakheti's southern border is simultaneously Georgia's international border with two countries – Armenia and Turkey.

The enclave of ethnic Azeris, who account for 6.5 percent of Georgia's population, lies in the Kvemo Kartli region, also in the southwest part of Georgia, and to the west, borders the Samtskhe-Javakheti region. The total population of Kvemo Kartli is 497,530, while the ethnic Azeri population is 223,337, making up 45.1 percent of the region's population. Azeris are the fastest growing ethnic group in Georgia due to a high birth rate and immigration from Azerbaijan. Azeris are mainly concentrated in the districts of Marneuli, Gardabani, Bolnisi and Dmanisi. Most Azeris are Shiite Muslims, though some of them are Sunni; the spiritual leader of the Azeris is Sheikh Allah Shukur Pasha Zadeh of Baku. Living on good, arable land, the local population is engaged in versatile agricultural farming. Due to its relative proximity and better social and economic contacts with the center, trade at Tbilisi farmers' markets is a major source of income for the region, which has international borders with both Armenia and Azerbaijan.

If compared in terms of demography, the following differences between the two minority groups can be highlighted. The Azeri population is characterized by greater longevity, with a higher birth rate and a greater retention of citizens in their residential areas. If compared to each other in terms of political participation, the Armenian population seems to be more politically motivated and organized, and more independent from the central government in Tbilisi. However, this motivation and independence often translates into a negative stance toward central authorities, and at times, has bordered on secessionist claims.

SOCIAL AND ECONOMIC PROBLEMS

The two enclaves share some common problems, but they also differ in many of the challenges they face.

The problems shared by both groups include:

- underdeveloped and dilapidated economies still unable to recover from the collapse of the Soviet Union;
- reliance on farming as the main source of income for the predominantly rural population;
- widespread unemployment;
- poor command of the state language, Georgian;
- insufficient access to information;

- lack of knowledge of basic laws, regulations and civil rights;
- absence of cultural, recreational, entertainment and sports activities, especially for the youth;
- lack of access to adequate education and healthcare;
- insignificant representation in the central government – both in the legislative and executive branches; and
- overall lack of attention from the central authorities (except for sporadic visits from high-level officials).

These common problems are predominantly social and economic in nature, and many of them, such as underdeveloped economies and unemployment, are characteristics of other regions in Georgia as well. However, the local population often perceives these problems as being a result of ethnic discrimination by the central authorities. The feelings of “second-rate citizenship” and resentment toward the predominantly Georgian population are quite strong in both regions, though the degree to which this resentment is expressed differs. The Armenian-populated Javakheti region is more organized and outspoken in voicing its discontent. The Azeri population, on the other hand, is characterized by low social-political activity and higher conformity with directives from the authorities, with grievances seldom being expressed publicly.

Problems that are specific to each region are both economic and political in nature. The major problems specific to Javakheti can be ranked in the following order:

- withdrawal of the Russian base from the town of Akhalkalaki;
- high emigration rate;
- a problematic visa regime with Russia;
- difficulties with repatriating the Meskhetian Turks; and
- the controversial Kars-Akhalkalaki railway construction project.

Problems specific to Kvemo Kartli are:

- the government ban on privatization of border-area fertile land; and
- complex procedures at customs checkpoints at the Georgian-Azeri border.

All of the above problems have serious, negative economic and social implications for the local communities.

Though formally citizens of Georgia, members of the two ethnic groups hardly identify themselves as Georgians and bonds with their countries of origin – Armenia

and Azerbaijan – remain very strong. The strength of the bonds with their nation-state is generally explained by economic and social factors. For example, Armenian and Azeri nationals often seek education, healthcare, and income in Yerevan and Baku, the capitals of Armenia and Azerbaijan, respectively. A sense of ethnic self-identification of both groups that reside in Georgia has been especially intensified by the Nagorno-Karabakh conflict, which increased tensions between the groups even though Georgia was not directly involved.

CAUSES OF REGIONAL PROBLEMS

Georgian sources often cite the sluggish economy and isolation from the rest of the state as the main causes of the minorities' problems. Indeed, the backward economy and isolation are important factors hindering integration of the densely populated Azeri and Armenian communities into Georgian society. However, as mentioned above, these are characteristics of several regions in Georgia, especially its mountainous areas, though the syndrome of "second-rate citizenship" is not an issue in other regions. The development of an industrial and agricultural economy, the creation of jobs, improving equality in access to information and legal services, and bridging the cultural gap between the center and ethnic communities are the outstanding demands of the Armenian and Azeri communities.

Concluding from the above comparison, it is possible to argue that there may be an additional factor playing a major role in the complex, ethnic interrelations of Georgia; it is the system of international relations that the country is involved in. The nature of the social and political activities, and the predominant attitudes of ethnic minorities toward the titular nation, are greatly preconditioned by external relations – on the one hand, between Georgia and countries of the minorities' historic origin (Armenia and Azerbaijan) and, on the other hand, among the countries of the South Caucasus and other major regional players, such as Russia, Turkey, Iran and the United States.

INTERNATIONAL FACTORS

Javakheti region

The major players with direct or indirect impact on Tbilisi-Javakheti relations are Armenia, Russia, Turkey and the United States.

The role of **Russia** is perhaps most prominent in Javakheti. Russia, which is trying to maintain its influence in the post-Soviet space, including Georgia, resorts to a variety of forms of leverage, especially the control of territories. This is evidenced by Georgia's two ethnic-political conflicts in Abkhazia and South Ossetia, with Javakheti posing as

an additional area which could be effectively used by Russia. Russia has maintained a military base in Akhalkalaki, though after long and strenuous negotiations, Russia is expected to withdraw from the territory by the end of 2008. The pull out of the base is a major blow to Russian interests in Georgia and, so far, Moscow has been successful in using the social and economic concerns, as well as nationalist sentiments of ethnic Armenians in Georgia, to incite regional tensions.

Armenia is the strategic partner of Russia in the South Caucasus and has agreed to host part of the Russian base in Akhalkalaki as the withdrawal process proceeds. Armenia's impact on Javakheti is two-fold, having both social-economic and political impacts on the province. In the social-economic context, there will be an impact on: electricity supplies to the Samtskhe-Javakheti region, small trade across the border, close family contacts across the border, the flow of Javakheti students to Armenia for higher education, and the flow of Javakheti able-bodied men to Armenia (as well as Russia) for seasonal work. The political impact is characterized by two patterns:

- stabilizing pro-Tbilisi rhetoric of Armenian government officials, emphasizing Georgia's sovereignty and the unacceptability of any interference in Javakheti's affairs. However, at the same time, Armenian officials often show suspicion of Georgia's international projects, such as the development of military cooperation with Turkey or the construction of the Kars-Akhalkalaki-Tbilisi railway; and
- de-stabilizing activity of certain Armenian nationalist parties (like the Armenian Revolutionary Federation - Dashnaktsutun), that appeal to nationalist sentiments of Javakheti-Armenians and provoke occasional calls for full autonomy from Tbilisi.

The **United States** is generally perceived in the region as Georgia's strong supporter vis-à-vis Russia. It is feared that given this support, Tbilisi may choose strong-arm tactics in dealing with Javakheti. Georgia's aspirations toward NATO and its military, trade and energy cooperation with **Turkey**, a NATO member, is also perceived with apprehension from minority groups and other regional states. Many local Armenians fear that Turkey, from the South, which refuses to recognize the Armenian genocide in the first decade of the 20th century, and the Azeri populated Kvemo Kartli region, from the East, who are hypothetically vengeful for Azerbaijan's loss of Nagorno-Karabakh in the 1990s, will form a tight Muslim semi-circle around Javakheti and pose a serious security threat and squelch its national identity. Against this background, the region's leaning toward Russia has become stronger.

Kvemo Kartli region

The major players with a direct or indirect impact on relationships between Tbilisi and the Azeri-populated district of Kvemo Kartli are Azerbaijan, Iran, Turkey and the United States.

The political impact of **Azerbaijan**, which mostly emanates from the Azeri government, is generally positive, as it is calling on the Azeri community to support and integrate with the rest of Georgia. This support is largely preconditioned by partnership relations between Georgia and Azerbaijan, primarily based on the implementation of the Baku-Tbilisi-Ceyhan (BTC) pipeline project. This mostly positive, political role of Baku runs parallel with the social-economic role of the Azeri society at large, which encompasses personal contacts and small trade across the border, and the flow of young people seeking higher education to Baku and other cities of Azerbaijan. Azerbaijan's nationalist political parties, such as Mussavat, are not known to be engaged in any destabilizing activities in the region. This could be also one of the reasons why, unlike the Armenian community, Azeris in Georgia are not inclined toward anti-Tbilisi activities, such as organizing protests and establishing public movements with demands for autonomy or secession from Georgia.

Turkey and the **United States** are perceived positively by the Azeri community, whose opinion has been shaped by the good relations of these countries with Azerbaijan. Both Ankara and Washington are seen as supporters of Baku, especially in the context of multi-million dollar Caspian energy projects. From the very early days of independence, Azerbaijan took Turkey as a role model for how to develop better ties with Georgia. These ties have been strengthened even further with the development of the BTC pipeline, linking Azerbaijan, Georgia and Turkey. Georgia's partnership both with the United States and Turkey has had a positive impact on Azeri-Georgian interethnic relations and encourages the Azeri minority toward integration.

A separate role is being played by **Iran** in this connection. On the one hand, Iran has played a stabilizing role in Azerbaijan by participating in the settlement process of the Nagorno-Karabakh conflict and also providing assistance to Azeri refugees. At the same time, despite early predictions, the confrontation between Iran and Turkey for spheres of influence in the South Caucasus never developed. Iran signed an economic cooperation agreement with Georgia, and with the development of Western energy interests in the South Caucasus, Iran started exploring opportunities for supplying its gas to Europe via Georgia's transit routes. On the other hand, Iran, with its significant Azeri population, has a potential problem of irredentism with Azerbaijan. Therefore, Iran has a vital interest in preventing the emergence of any nationalist sentiments amongst the Azeri Diaspora in Kvemo Kartli, and in promoting its economic and political integration

with Georgian society. Meanwhile, Iran has recently become quite active in attempting to spread its religious ideology amongst the Shiite Muslims of Kvemo Kartli. Several Shiite religious schools (Madrassas) have opened in the region and young Azeris also have the opportunity of continuing their religious education in Iran. The potential threat of spreading fundamentalist Islamic ideology in Kvemo Kartli is a destabilizing factor for the region. This ideology does not encourage the integration of the local minorities into Georgian society or increase their social and political role within the country.

CONCLUSION

Recommendations on how to overcome the existing interethnic difficulties, which are frequently offered to the Georgian authorities, generally focus on the social and economic aspects of the problem. Another approach, which should be taken into consideration by the government, is to increase the national self-identification of the minorities as Georgian citizens and increase the level of their “positive” participation in the political and social processes involved in the country’s relations with the international community. Georgia’s foreign policy with Azerbaijan and Armenia, as well as Russia, Turkey, the United States and Iran, should pursue a separate direction aimed at interests and concerns of its ethnic minorities. If Georgia wants to develop a cohesive and pluralist democratic society, the interests of Georgia’s ethnic minorities should form an integral part of the country’s national interests in the international arena.

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