

# The South Caucasus: Problems of Stability and Regional Security

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**Abstract:** The establishment of irrevocable democracy, the rule of law, free market economic relations, and the protection of fundamental human rights have not yet assumed key significance in the South Caucasus countries. Consequently, all pressing problems of the region continue to intensify, keeping the region politically and economically unstable. Given contending geopolitical and geoeconomic interests, the region may develop into a center of clashes jeopardizing the currently manageable political instability. The focus of this article is to highlight the main threats to regional security and stability.

**Key words:** Nagorno-Karabakh, NATO, South Caucasus

## Opposing Foreign Policy Vectors

**D**ivision lines separating Armenia from the region became particularly pronounced in 1999, when the other Caucasus republics, Azerbaijan, and Georgia, walked out of the Russian-led Collective Security Treaty (CST), declaring their intentions to instead integrate with Euro-Atlantic security structures. In 2003, the CST was reorganized into the Collective Security Treaty Organization (CSTO), formed as a counter to the North Atlantic Treaty Organization (NATO) and the eastward expansion of European influence. Armenia is the only country in the South Caucasus whose foreign policy serves the goals of the CSTO, and Armenian authorities see it as the only international framework ensuring the country's national security. On the other hand, Georgia and Azerbaijan are striving to minimize threats to their security by seeking the development of relations with NATO.

Armenia's only relations with NATO, through its Individual Partnership Action Plan (IPAP), have been a part of Moscow's attempt to initiate cooperation

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between NATO and the CSTO. Armenian authorities state that the country's defense system stems from the assumption of NATO-CSTO dialogue. It is obvious that Armenia also hopes for the implementation of a June 18, 2004, decision of the CSTO's Collective Security Council, the core of which is a structural transformation of a one-level individual partnership, effective under the frameworks of the Euro-Atlantic Partnership Council (EAPC) and the Partnership for Peace program (PfP) into the format of a two-level individual-collective partnership with NATO. This is because every CSTO member country is also a member of the Euro-Atlantic Partnership Council (CEAP), whereas Armenia is the only CSTO member developing an IPAP with NATO.

There is little doubt that regional stability will be possible in the South Caucasus when the three states of the region belong to the same international security system. The harmonization, synchronization, and coordination of the foreign policy priorities of the three states can prevent the South Caucasus from developing into a hotbed of geopolitical clashes. This means that Armenia should revise its foreign policy. Armenia's IPAP, however, is not sufficient, and the country should declare its intention to join NATO. While doing this, Armenia should continue to develop its place in and relationships with international and regional organizations, which in the future may take on key security functions. Under these conditions, Armenia's membership in GUAM (Georgia, Ukraine, Azerbaijan, and Moldova) would indicate Yerevan's desire to take up a realistic foreign policy.

If Armenia continues to remain isolated from the regional integration processes, the divergences in the interests of the three states will continue to deepen, and the line that separates confronting geopolitical blocs and security systems will run along Armenia's borders. Unfortunately, the authoritarian regime presently in power in Armenia has reduced its foreign policy to tighten its grip. As a result, Armenia has become the main conduit of Russian policy in the region, thus restricting its foreign policy to the bounds of the Kremlin's interests. The recent redeployment of Russian military forces and hardware from Georgia to Armenia reflects Armenia's continuing economic and political isolation, and is evidence of the growing polarization in the region. There is also the fear that Russia may step up its efforts and use Armenia in its confrontation with Georgia, making Armenia the most destabilizing country in the Caucasus.

### **The Ethno-Political Conflicts**

The resolution of the major South Caucasus conflicts, Nagorno-Karabakh, Abkhazia, and South Ossetia, could lead to an accelerated pace of democratization and political and economic integration of the region. The Nagorno-Karabakh conflict, however, remains the key regional conflict for a number of reasons. First, unlike Abkhazia and South Ossetia, Karabakh involves two of the three regional states—Armenia and Azerbaijan. As such, the conflict is a major impediment to regional integration and the implementation of regional projects. Second, the conflict is an obstruction to communication, which is the main geopolitical and economic asset of the region. Third, unlike the other conflicts where only Russia plays a major role as an international actor, in the Karabakh case, Turkey, Iran,

Russia, the United States, and France are involved and pursue a settlement based on their individual interests.

The Nagorno-Karabakh conflict continues to remain frozen, mostly because neither the Armenian nor the Azeri president is interested in actually concluding a negotiated resolution of the conflict. Their power is derived from the conflict, and any change of the status quo is perceived as a threat to their legitimacy. The hopes of the OSCE Minsk Group, the main mediating body, that significant progress would be achieved in 2006 hinge on progress already made during talks between the Armenian and Azerbaijani foreign ministries and presidents. Yet, every time the conflicting parties seem close to agreement and are expected to shift from talking to decision making, the process has entered a deadlock, proving that the negotiations are imitational.

The latest comments from the Armenian and Azerbaijani sides should be understood in this context. The Armenian authorities have stated that Armenia may either formally recognize the independence of the Nagorno-Karabakh Republic (NKR), or formally annex it, while arguing that Karabakh was actually recognized long before. Azerbaijan, in turn, has stated that its willingness to continue negotiations constitutes its main concession while highlighting its plan to double the 2006 military budget to \$600 million, arguing that being strong militarily will allow it to solve any problem. It would appear that the hardline stances being adopted might be an attempt by each side to push the other to reject the Minsk Group proposals.

Today's realities demand a methodology of a step-by-step resolution through mutual compromises and on the basis of territories for security, as any settlement will require ironclad security guarantees for Karabakh's Armenians. This is the only way the conflict may be resolved. Any positive shift would provide a new impetus for the process of regional integration.

### **Armenian-Turkish Relations**

Although the Karabakh conflict is the key to regional stability, Armenian-Turkish relations are the main factor in South Caucasus regional security. Presently, Turkey is trying to extend its influence to the Caucasus, particularly with respect to the resolution of regional conflicts. Solutions to those problems are largely contingent on Turkey's political and economic relations with Armenia. Turkey, however, appears unprepared for the establishment of diplomatic relations with Armenia, even though the opening of the border between the two countries is in Turkey's national and economic interests. Unregulated Armenian-Turkish relations are one of the obstacles Turkey must overcome for European Union ascension as well. Furthermore, Turkey takes a completely biased approach to the settlement that considers only Azerbaijan's interests and perspectives. A revision of that policy will yield greater stability and security in the region.

The present Armenian authorities, however, are not genuinely interested in the normalization of ties with Turkey. Levon Ter-Petrosian, the first president of Armenia, was very progressive in his attempts to normalize relations with Turkey. Turkey interrupted negotiations in that direction following Armenian

military successes in Karabakh in 1993. Subsequent attempts were halted after the 1998 palace coup in Armenia. The unwillingness of the present Armenian leaders to normalize ties with Turkey may be explained by three reasons. First, normalization would have a positive impact on the Karabakh conflict, which President Robert Kocharian does not consider to be in his political interest. Second, the opening of the border would pose serious threats to the criminal-oligarchic system prevalent in the Armenian economy and protected by various elements of the Armenian political hierarchy; thus, the opening of the border would have not only economic and financial ramifications, but also political ones. Third, Moscow is not interested in the normalization of Armenian-Turkish relations. Russia's influence on the South Caucasus is anchored on the following four factors: unresolved regional conflicts, the questionable legitimacy of the Armenian and Azeri authorities, the presence of Russian military bases in all three countries, and the problems in Armenian-Turkish relations and the closed border between the two countries. In addition to Russia and, obviously, Azerbaijan, Iran also is not particularly interested in the normalization of Armenian-Turkish relations.

The opening of the border and the establishment of diplomatic relations between Armenia and Turkey without preconditions is the only realistic way to break the present deadlock. Armenia should make clear that recognition by Turkey of the genocide committed at the end of the Ottoman period against Armenians and the reparations ensuing from such recognition are not preconditions for the establishment of relations. Turkey should unlink its policy toward Armenia from that of its support for Azerbaijan in the Karabakh conflict. It is possible and hopeful that Washington's consistent efforts in this respect will yield results. The development of Armenian-Turkish relations will not only help cement regional security and stability, but also restrict the political and economic influences of both Russia and Iran.

Iran's domestic issues and processes also will likely have a significant impact on the region. President Mahmoud Ahmadinejad has stated Tehran's intentions to continue its uranium enrichment program and has taken a hard stance on relations with the United States. This may aggravate relations not only with Washington, but the EU as well. Europe will probably not tolerate a non-secular Iran pursuing or possessing nuclear weapons. Should Iran be subjected to the fate of Iraq, or any pressure that uses force, the potential fallout would be devastating for Armenia, given its place in both the Russian and Iranian orbit.

The situation is becoming more complicated in view of recent statements by the Shanghai Cooperation Organization (SCO) against the military presence of NATO and especially the United States in Afghanistan, Kyrgyzstan, and Uzbekistan; this organization has recently awarded Iran the status of observer. This means that the possibility of transforming the Moscow-Tehran tandem into a Moscow-Tehran-Beijing axis is present. It could then mean the merging and coordination of actions by both the CSTO and SCO, which would restrict the foreign policies of member states. This would be fraught with problems for the South Caucasus, especially for Armenia.

### Democratic Heterogeneity of the South Caucasus

The dominant problem, in addition to those elaborated above, is the democratic heterogeneity of the South Caucasus. Today, the democratic progression for those countries—and perhaps for the whole former Soviet Union, with the exception of the Baltic countries—may be divided into three stages.

In the first stage, having gained independence, each country had the opportunity for evolutionary, democratic development. This was lost following a shift away from democratic reforms. The second stage of imitational democracy is characterized by the emergence and consolidation of authoritarian regimes, whose main task is the maintenance of power at any cost, even if it paralyzes and causes the degeneration of political, economic, social, and other structures.

Following the Rose Revolution and the Orange Revolution, Georgia and Ukraine moved out of the second stage and into the third, a second chance for evolutionary development. This stage has also represented an opportunity to develop closer relations with Europe. So far, Georgia and Ukraine have failed to materialize this opportunity.

The stage of imitational democracy continues in Armenia and Azerbaijan as the authorities assure the international community that all opportunities are being seized. The incumbent powers, however, are the main obstacle for the implementation of real reforms.

The distinctive features of imitational democracy may be enumerated as follows:

1. No actual separation between the branches of power in the government, and the subordination of the judiciary and legislature to the executive
2. The superiority of the principle of advisability over the principle of legality
3. The growing influence and power of the Kremlin on the power structures in those states, resulting in the loss of some elements of their statehood, independence, and sovereignty
4. Criminalization of political structures and politicization of criminal groups
5. Maintenance of power through breaches of the political system, such as vote rigging
6. Attempts at amending constitutions for maintaining the presidential superiority and prolonging presidential terms
7. Well-managed corruption systems as a mechanism of government control
8. Disintegration of market economies and the establishment of oligarchic systems of economic management
9. Persecution of civic institutions

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Any reform or positive shift poses a real threat to authoritarian regimes. That is why the significant assistance provided by the West to both Armenia and Azerbaijan to institute political reforms does not produce the desired results.

The holding of a referendum on constitutional amendments in Armenia in November 2005 indicates that the stage of imitational democracy there is coming to an end, as the present political leaders do not hesitate to show their authoritarian character. Despite the OSCE's expressed willingness to send observers to monitor the referendum, Armenia's Central Electoral Commission (CEC) did not extend an official invitation. This is, perhaps, the best illustration of the belief of the authorities that they could push through the referendum by resorting to large-scale falsifications. The most remarkable feature of the referendum was its Soviet-style voting. Despite a minimal voter turnout, the CEC declared that 1.5 million people, or 65.3 percent of the population, cast ballots. According to the Public Information Center, set up for the calculation of vote-rigging instances, only 374,667 voters, or 16.3 percent of the population, went to the polls.

Statements by foreign organizations concerning the Azeri parliamentary elections indicate that the voting there was altogether unsatisfactory. Based on the political system in place, some observers have called for the political isolation of Azerbaijan. However, it is unlikely that exhortations from the outside will work in either Armenia or Azerbaijan.

Only internal, surgical intervention achieved through the will of the people can work. Such was the case in Georgia and Ukraine. Armenia and Azerbaijan will only have an opportunity for evolutionary development should they undergo surgical intervention. Yet, transforming the political system and replacing the oligarch-dominated economies is more difficult than changing the cast in power. Nothing other than legitimate and democratic authorities in both Armenia and Azerbaijan, elected by the people and enjoying their confidence, will be able to effectively withstand negative external influences and serve the peoples' interests, as well as push for a solution to the Nagorno-Karabakh crisis. This would then create a more conducive environment for the settling of conflicts in Georgia, which Russia does not wish to see resolved. At that point, the process of regional integration would become irreversible.

A compulsory condition for the creation of stability in the Caucasus is the abandonment of individual pursuits of security solutions by the three states. The three countries must realize that they cannot pursue security and prosperity at the expense of their neighbors. The authorities and political forces must also realize and attempt jointly defining common interests, deciding on unified strategies to make the region a single geopolitical unit. Only through these steps will the three states have real prospects for becoming a full part of European security systems, or a full part of Western political, economic, and security structures, such as NATO and the EU.

#### NOTE

This article is based on a speech delivered by the author at a meeting of the Atlantic Council of the United States in Washington, DC, on July 26, 2005.