Balance of Power, Democracy and Development: Armenia in the South Caucasian Regional Security Complex

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Abstract

Since 1991, three regional security complexes have emerged on the Eurasian geopolitical extension if the former Soviet Union in Europe, Central Asia and the South Caucasus. The pattern of enmity/amity, well as the nature of a regional security complex (RSC), created the structural context of each of the above-mentioned complex. In addition to the crucial factor of "foreign penetration," the process of state building including the transition from Communism to democratic rule and free-market economy played a central role in the formation of the new Eurasian regional security complexes.

This essay uses the RSC analytical framework to look closely to the interactions between the three South Caucasian republics. It sustains that the dominant patterns in South Caucasus are those of rivalry and enmity. Foreign penetration, on the other hand, is high. Relations of balance of power, hence, would characterize the South Caucasian Regional Security Complex.

How in conditions of a balance-of-power situation is possible development? What are the dilemmas to confront? What role does democracy plays in maximizing development in a balance-of-power situation? These are the questions among others that this essay, focused on Armenia in the context of the South Caucasian Regional Security Complexes, addresses.

Keywords: security complex, balance of power, South Caucasus, development

Introduction

The decade following the dissolution of the Soviet Union on December 25, 1991, defined the new geopolitical dynamics in the Eurasian heartland. This dynamics consisted of the simultaneous and interactive processes of transition to market economy and the struggle to reach to a new balance of power in the geographical area where the fragmentation of the once imperial structure led to the emergence of fifteen independent states. A widely common path consisting of "shock therapy" privatization and liberalization characterized the process of economic transition of all of the former Soviet republics; the domestic and foreign aspects of the struggle for power to consolidate the national borders, and within them a particular structure of hierarchy and domination, however, have been different across emerging three regional division lines in Europe, Central Asia and the South Caucasus. The former Soviet republics, thus, were grouped regionally; only the Russian Federation remained an intervening actor in the three regions. This regional variation in the political struggle ended up determining the contours of the new structure of the balance of power in the formerly Soviet space of Eurasia; which, in turn, strongly conditioned the development of each of the fifteen independent states, albeit in different forms and grade for each state.

The legacy of the Cold War explains this difference between a regionally nuanced struggle for power and a broadly uniform process of economic transition. The post-World War II bipolar structure institutionalized unwritten rules of engagement that made the 'long peace' (Gaddis 1989) between the rival superpowers possible. Among these rules was avoiding direct confrontation, which could escalate to a nuclear war with the only horizon of the Mutually Assured Destruction. Nuclear dissuasion, hence, implied the mutual respect for zones of influence, especially the ones that were considered sensitive from a national security perspective. Thus, despite its hawkish rhetoric, even the 'roll-back' strategy of the Reagan administration targeted the overextension of the empire, as it was perceived in Afghanistan and elsewhere, not the proper territory of Soviet Union. Yet, once the imperial structure collapsed mostly under the pressure of its internal contradictions, the vacuum of power made inevitable the inclusion of the former Soviet space in the global political competition. On the other hand, while at least during the post-Cold War decade of 1991-2001 relations with the Russian Federation remained a priority for Washington, and other international and regional players, the emergence of new state actors made policy centralization towards Moscow unnecessary, and the diversification of the agenda inevitable. Accordingly, in addition to the internal processes of political struggle in the

former Soviet republics following the collapse, international systemic conditions shaped the multilateral structure of the new balance of power in the Eurasian heartland.

But the Cold War also confronted two opposed ideologies implying two different worldviews and models of society and economic development. The October Revolution in 1917 was one of the greatest utopias, a historical experience that though, according to the British historian Eric Hobsbawm, will not be repeated, represented, at least in the beginning, "hope" for humanity (2005). The Soviet model of development, indeed, remained, at least until the 1980s, an alternative to capitalism, and as such inspired many of Third World countries. Nevertheless, it is now all too clear that this model ended up in a failure as it proved to be unable neither to compete with the innovative spirit of global capitalism, nor to reform the system to protect society against the vices of centrally planed economies. Whether Perestroika would have worked in another historical context, and hence provide a reformist model of a 'socialist market,' is a debatable issue. Yet, once the system as a whole collapsed, the inevitable conclusion was the ideological victory of the Western camp and the triumph of the liberal democracy and free market model of development. Nevertheless, the important issue here is not whether this model proved to be more successful, at least competitively. It did. The issue is whether the "shock therapy" mode of implementation of economic reform was the only alternative. The Eastern European experience, mostly in Poland, showed that indeed there was an alternative that could have avoided painful financial collapses, sharp social polarization and the "piratization" the economy (Goldman 2003), of which suffered the former Soviet republics in the 1990s.

The emphasis on differentiating between the uniformity of the economic transition and the regionally nuanced political process has important analytical implications. First, it avoids the predominant ideological reductionism that links free market with democracy and, hence, emphasizes the complexity of the transitional phenomenon. Second, it shows better the domestic/international interplay whereas systemic pressures and internal struggles for domination condition the economic development. Third, by highlighting the structural constraints of the transitional process, it allows linking political decisions to economic considerations, and, thus, evaluate their overall impact on society. A regional approach to the transitional process and the resulting context, therefore, offers a wider perspective to study the prospect of development in the Eurasian heartland of the former Soviet space.

International Relations (IR) Theory offers a wide range of conceptual tools to study processes of regionalization. Most of these tools refer to the process of regional

integration, and, hence, put the emphasis on opening borders and liberalizing the flow of goods and, to a lesser extend, persons. Nevertheless, since the end of Cold War, regional perspectives of IR Theory started to address other issues such as political relations, social movements and security. These approaches often refer to the process of regionalization of international politics in terms of "regional orders" (Lake and Morgan 1997; Soligen 1998), "regional complexes" (Buzan 1999; Buzan and Weaver 2003), or "security communities" (Adler and Barnett 1998). Accordingly, and no matter whether they part from a structural, institutional or constructivist perspective, the regional approaches in IR Theory sustain that the regional level of interaction among political units explain far better the outcome of the process than either traditional theories such as Realism, Liberalism or Marxism, or conjectural and case by case analysis. The former is too broad to capture the complexity of the political phenomenon, whereas the latter fails to see how crucial have become transborder linkages between units for the understanding of the evolution of each one of them.

This essay uses the regional security complex (RSC) analytical framework to address the challenges that Armenia faces in the South Caucasus. It sustains that due to the dominant pattern of relations of enmity with Azerbaijan and rivalry with Georgia, balance of power considerations gain priority. Foreign penetration in the region, on the other hand, is high and structured in turn of the U.S.-Russian relations, the European Union (EU) policy, and, to a lesser degree, Turkish and Iranian interests and power projections. The process of state formation in the 1990s, finally, conditions strongly the domestic political and economic development. How do these regional, global and domestic interplays react with each other? What possible impact do they have on the present and the future of Armenia? How in these conditions can Armenia develop? These are the questions that the conclusion of the essay tries to answer.

In what follows I first describe the RSC analytical framework. Next I apply it for the South Caucasus to define the global, regional and domestic levels of interaction. The third section analyzes closely the security dynamics on these levels. The conclusion combines the elements of the framework to determine their impact on Armenia along the guidelines of the questions formulated above. The aim of the paper is not to provide precise policy prescriptions, rather to discuss critically some components of Armenian domestic and foreign policy and help looking for novel venues.

I. The RSC Framework of Analysis: A Conceptual Approach

The regional perspective of IR Theory sustains the existence of regional subsystems relatively autonomous from the global system. A regional subsystem lies between the general tendencies of the global system and the unit-level inter-state interactions. The distinctive feature of a subsystem is the geographical proximity of the component states, a situation, which provides a unique dynamics to their interactions based upon power relations and amity/enmity patterns. A regional subsystem, thus is defined in terms of a "security complex" as "an empirical phenomenon with historical and geographical roots. In theoretical terms, they can be derived from both the state and the system levels. Looked at from the bottom up, security complexes result from interaction between individual states. They represent the way in which the sphere of concern that any state has about its environment, interacts with the linkages between the intensity of military and political threats, and the shortness of the range over which they are perceived. Because threats operate more potently over short distances, security interactions with neighbors will tend to have first priority. Seen from the top down, security complexes are generated by interaction of anarchy and geography. The political structure anarchy confronts all states with the security dilemma, but the otherwise seamless web of security interdependence is powerfully mediated by the effect of geography. Unless capabilities for transportation are very unevenly distributed, as they sometimes are, all states will thus tend to be thrust into closer contact with their neighbors rather then those further afield." (Buzan 1999, 191)

Based upon this initial definition of regional complexes, Buzan and Waever (2003) deepen the analysis of the amity/enmity following the logic of the securitization framework.[1] They, thus, define a Regional Security Complex (RSC) "by durable patterns of amity and enmity taking the form of subglobal, geographically coherent patterns of security interdependence." (Buzan and Waever 2003, 45) Within this approach, and along with power relations, durable conflicts and long-term historical rivalries, the security

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[1] "Securitization" is a conceptual approach to security studies initially proposed by the Copenhagen School of IR and, later, fully developed as an analytical framework by Buzan, Weaver and de Wilde (1998). Very broadly, it sustains that security dynamics can best be understood in a framework combining five levels, defined as "ontological referents for where things happen rather than sources of explanation in themselves" (1998, 5), the international systems, the international subsystems, the units, the subunits, and the individuals; five sectors "identifying the specific type of interaction" (1998, 7) –military political, economic, societal and environmental; and regions. "Securitization" on the other hand refers to an extreme version of politicization in terms of which "an issue is presented as posing an existential threat to a designated referent object," whereas "the special nature of security threats justifies the use of extraordinary measures to handle them." (1998, 21)

dynamics in a RSC also depends on the way actors, mostly but not exclusively states, construct their identity.

The RSC framework specifies four interrelated levels of analysis: (a) the domestic order in terms of stability and vulnerabilities that define its security fears; (b) state-to-state relations; (c) the region's interaction with neighboring regions, a level that is relatively limited except when major changes of security interdependence are underway; and (d) the role of global powers in the region. These levels in turn define the essential structure of an RSC that embodies four variables: (a) boundary, which differentiates the RSC from its neighbors; (b) anarchic structure, meaning that the RSC should be composed of two or more autonomous units; (c) polarity, or the distribution of power among the units; and (d) social construction, or the definition of patterns of amity and enmity among units. Finally, there are three possible evolutions open to any RSC: (a) maintenance of the status quo; (b) internal transformations in either the distribution of power among interacting units or the patterns of amity/enmity; and (c) external transformations, which occur when the boundaries of an RSC changes by contraction or expansion.

The RSC Theory defines also types of security complexes based upon variations in polarity and in patterns of amity/enmity leading to either standard or centered ones.[2] The former "is broadly Westphalian in form with two or more powers and a predominantly military-security agenda." (Buzan and Waever 2003, 55) Whereas centered RSCs come in three, and may be four, main forms. "The first two forms are the special cases in which an RSC is unipolar, but the power concerned is either a great power (e.g., Russia in the CIS) or a superpower (e.g., the United States in North America), rather than just a regional power." (Buzan and Waever 2003, 55) The third type of centered RSCs involves "a region integrated by institutions rather than by a single power" (Buzan and Waever 2003, 56), as is the EU. The distinctive feature of these centered RSCs is its high level of institutionalization and the development of a security community, whereas though competition persists among units it avoids balance of power behaviors. In its highest level, which in today's real world empirically does not make much sense, a security community defines a common identity. Buzan and Waever, furthermore, study cases that do not fit

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[2] It is worth reminding that the RSC Theory as developed by Buzan and Waever borrows conceptual elements from both Kenneth Wlatz's *Theory of International Politics* (1979) and Alexander Wendt's *Social Theory of International Politics* (1999). The variations in polarity, from unipolar to multipolar, of an RSC are the structural element of the Theory borrowed from Waltz, whereas the variations in amity and enmity ranging from conflict formation to security regimes and security communities reflect the three ideal types of interaction defined in Wendt's book: the Hobbessian world of enmity, the Lockean world of rivalry and the Kantian world of amity. The authors, however, take their distance from these ideal types stressing that

within these types, arising from a number of global powers scattered through the system. "The more such powers there are in the system, the less room will be for standard RSCs; the fewer, the more room. Having great powers scattered through the international system creates two possibilities other than centered complexes: *great power regional security complexes*, and *supercomplexes*."[3] (Buzan and Waever 2003, 59) The former is a bi or multipolar complex with great powers as regional poles, whereas the latter expresses a strong interregional level of security dynamics arising from great power spillover into adjacent regions.

II. The South Caucasian RSC

Based upon their detailed conceptualization of the RSC Theory, Buzan and Waever consider the "post-Soviet space" as one of the three parts of the supercomplex the "Europes" –the other two, according to the authors, being the EU, and the Balkans and Turkey. Within this approach, whereas the whole post-Soviet space is a constellation, with Russia as the great power and the other fourteen former Soviet republics grouped in four different subregions: the three Baltic states –Estonia, Lithuania, and Latvia; the three western group of states –Ukraine, Belarus and Moldova; the three South Caucasian republics –Armenia, Azerbaijan and Georgia; and the five Central Asian states – Kyrgyzstan, Kazakhstan, Turkmenistan, Uzbekistan and Tajikistan. "For most of the states, security concerns relate mainly to other states in the subcomplex plus Russia. What define the wider RSC, grouping them all together, are the unifying factors, first, of Russia and the Commonwealth of Independent States (CIS) and, second, that a coalition attempting to rein in Russia necessarily cuts across the regions." (Buzan and Waever 2003, 397) Historically, the debate in turn of the Russian identity construction evolved in turn if its pro-European or pro-Eurasian orientation; nevertheless, "the global arena is today much more important than Europe for Russia's attempts both to secure a larger role outside its region and to legitimize its regional empire." (Buzan and Waever 2003, 398) Thus, in addition to the EU, China and Japan and their respective RSCs in Asia are increasingly active in the evolution of the security dynamics in the post-Soviet space.

Interestingly, the authors downplay the role of the United States in this dynamics. "In contrast to most other regions of the world, the one superpower, the USA, plays less f a role in this region, although a question mark has emerged in Central Asia and the

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"conflict formation is rather wider than Wendt's Hobbessian model, and security regime is probably a rather narrower idea than his Lockean model." (Buzan and Waever 2003, 54)

[3] Italics in original text.

Caucasus, mostly due to oil interests and, after September 2001, the war on terrorism."
(Buzan and Waever 2003, 398) Even before September 2001, the US impact in the
formation of the post-Soviet space has been notable, let alone in terms of the debates that
generated the perspectives of the expansion of NATO. The US impact is much more
visible, of course, after September 2001 with the installation of military bases in Central
Asia, the "Train and Equip" program in Georgia, the participation of some former Soviet
republics to the Coalition Forces in Iraq and the support to 'color revolutions' in Georgia
and Ukraine. Hence, when considering the security dynamics in the post-Soviet space the
role of the United States as the global superpower in the post-Cold War gains much more
importance than what do Buzan and Waever assign to.

When considering the US factor in the security dynamics of the post-Soviet space,
certain modifications to the analysis of each of the subregions that the authors offer
become inevitable. Including the analysis of the Caucasus that the authors consider as one
subcomplex of two parts –the North Caucasus and the South Caucasus. Thus, when
applying the four levels of analysis of a RSC, as well as the four factors of the basic
structure of the same, only the South Caucasus acquires analytical legitimacy to be defined
as a RSC. Let alone considering that only in the South Caucasus are there state actors that
give a true meaning of "anarchy" in its conceptual understanding. There, thus, are no real
"state-to-state" relations in North Caucasus, which lies within the territorial limits of the
Russian Federation notwithstanding the separatist movements and the confuse situation of
Chechnya. Nor is there, for the same reason, foreign penetration or global influence of
other great powers or the superpower in North Caucasus. Only the transnational element of
Islamism in its Jihadist variant[4] is the ideological mobilizing factor visible mostly through
the militant websites on the Net.

This is not the case for the South Caucasus. The four levels of analysis of the RSC
framework there are very clear and offer no ambiguity when considering the security
dynamics from this conceptual perspective. Thus, the domestic order emerged from the
process of state building after independence; this process, on the other hand, still
determines much of the stability and vulnerabilities of the domestic order. The state-to-
state relations level, in turn, is mostly a situation of "conflict formation" as all three
republics have territorial claims and/or ethnic problems as yet another legacy of Soviet
times. Though the Caspian and Black Sea regions interact with the Caucasus either through

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[4] The "Jihadist variant" of militant Islam is a term used to describe the Sunni fundamentalist sector that
following the Al-Qaeda model of political struggle relies mostly on terrorism to pursue its major aim, which
consists in the reunification of the Islamic nation –the "Umma Islamiya"- and the rebirth of the Caliphate.

energy corridors or in attempts of cooperation forums, the level of interaction is not significant; it does not have an impact on the state-to-state relations so to make these relations within the complex more coherent and the region as a whole more compact. Russian-US relationship within the context of the War on Terrorism, finally, and, to a minor extent, EU's Neighborhood Policy determines the grade of foreign penetration in the South Caucasus.

These levels of analysis, in turn, define the essential structure of the South Caucasus in terms of: boundaries –the international frontiers of the three South Caucasian states; anarchic structure –three independent states, three self-declared independent states (Nagorno Karabagh, Abkhazia and South Osetia), and three, probably four, autonomous units (Ajaria, Marneouli, Javakhk and the Talish factor); polarity –the status of the balance of power measured in terms of the military strength of each of the states; and social construction –patterns of amity and enmity among the states, the self-declared independent states and the more or less autonomous units. These analytical elements, finally, allow foreseeing the possible evolutions of the South Caucasus RSC in terms of status quo, internal transformation, or external transformation.

The next section takes a closer look to three levels of analysis to describe the security dynamics in the South Caucasus RSC.

III. The Security Dynamics in South Caucasus

To look closer to the security dynamics in the South Caucasian complex, we need to emphasize three of the four analytical levels of the RSC framework: the global level and foreign penetration, state-to-state relations and the regional balance of power, and the domestic order, or the consequences of the ongoing process of state building. As mentioned above, the third level, interaction with other regions, does not seem too meaningful for the South Caucasus. Not at least in terms of its impact on the security dynamics of the region as a whole.

The global level of analysis of the South Caucasus RSC is defined first and foremost by the pattern of Russian-US competition/cooperation relationship: while both have strong interests in avoiding the proliferation of strategic weapons and cooperating in the War on Terror, they also cannot avoid competing for influence in the post-Soviet space. Initially, the new Russian foreign policy wanted to reshape the "Near Abroad" (Aron 1998), with the creation of the Commonwealth of Independent States (CIS) and the Treaty on Collective Security (known as the Tashkent Treaty, signed in 1992). Yet the initiative faced the challenge of the eastward expansion of the North Atlantic Treaty Organization

(NATO) through the Partnership for Peace (PfP) program and the emergence of the Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova (GUUAM) initiative supported by the US State Department. Despite the success of several enterprises such as the common system of air defense, Russia was not able to consolidate the CIS; instead, it created the Collective Security Treaty Organization (CSTO) in October 2002 with those CIS states that have chosen to continue the military cooperation with Russia after 1999. The CSTO since then became much more institutionalized and internationally recognized then the former Tashkent Treaty. Moreover, the new organization began cooperation with NATO especially in Afghanistan.

Analyst Marcin Kaczmarki considers this move a proof of a "much more realistic" Russian foreign policy. "Russia wants to build a strong organization, not endangered by desertions of states wanting to join NATO. However, its potential allies still remain weak states, which forces Russia to finance the modernization of their military forces." (Kaczmarki 2005) This leaves room for the US to move forward with the expansion of its influence either through NATO expansion, or the "strategy for bases" and military ad-hoc cooperation. Formally conceived within the broader national security strategy in the War on Terrorism, the US bases in the former Soviet bloc might, as Ted Galen Carpenter from the Cato Institute believes, indicate also a strategy to encircle Russia, which "must still prove itself as a democracy and a friend of the West." (Tully 2005)

This US-Russian pattern of cooperative/competitive relationship creates a very precarious stability in the South Caucasus, because neither the strategic alliances are durable, nor do they create dividing lines along which a balance of power situation could be consolidated. While all three countries, and to some extent the autonomous units, do have some space for strategic maneuverings, it is the global US-Russian interplay that strongly condition the decision-making process for each actor in the complex.

The European presence and influence in South Caucasus is somehow different from the US global politics. Shaped through the European Neighborhood Policy (ENP), Europe's 'expansion' to the post-Soviet space is not exempt from security concerns as the article I-57 on the 'Union and its neighbors' of the December 2003 European Security Strategy declares. It is also continues a series of initiatives addressing Europe's relations with its neighbors since 1989. "The ENP departs from these precedents in that it does not set up an overarching framework or conference that entails regular meetings of all the neighbors at any level. The EU has jettisoned a grand, multilateral approach in favor of bilateralism: the ENP concentrates on developing bilateral relations between the EU and individual countries, in an attempt to influence their internal and external policies." (Smith

2005, 761) In its origins, the ENP was born only early 2002 and aimed at the European countries of the post-Soviet space; only in July 2004, and after lobbying by the Caucasian countries and the successful "Rose Revolution" in Georgia, the Council of Europe extended the initiative further to Armenia, Georgia and Azerbaijan. Europe's strategy of security and stabilization excludes any direct involvement in the process of conflict resolution and circumscribes Brussels's role in the active support given to the Organization of Security and Cooperation in Europe (OSCE) initiatives. Nevertheless, it still is perceived as a threat at least in some circles in Russia. Not surprisingly Russia has declined to participate in any of the programs the ENP offers preferring a more equalitarian basis of relationship and engagement. Even if the European security strategy is different from the US in its form and content, Moscow sees EU's westward expansion as part of the wider "West" (along with the US and NATO) trying to undermine its power and presence in areas Moscow considers vital for its national security (Pikayev 2005). There is no proof of a European direct engagement in the so-called "color revolution" in Georgia or Ukraine, yet after the successful access to power of the new leadership both countries did receive more attention, and both ambition joining the EU in the future. Given the serious troubles the European process suffered after the French and Dutch 'No' to the Constitution (May-June 2005) and the social discontent the Turkish future membership has created, there is no prospect for further European expansion no matter how strong the desire of inclusion is in Georgia, Ukraine or any other former Soviet republic.

Despite initial efforts by Turkey and Iran right after the fall of the Soviet Union to become leading power players in the Caucasus, none of these two countries has been able to consolidate its long-term presence and influence. Notwithstanding the ethnic factor in Turkish-Azeri relations and signals of the institutionalization of Turkish-Georgian military cooperation, the negotiations of Ankara with Brussels in the next decade or more would gain much more importance for Turkey then any power projection initiative eastward. Iran, on the other hand, faces a serious national security challenge with the US military presence in Iraq, and will care much more for the consolidation of its regional presence in the Middle East through the strengthening of the Shiite axis then about the South Caucasus. None of these countries will cease to mark their presence in the region, yet not in terms of power projection or any meaningful interventionism. If initially it was Moscow that did not want any foreign interference in its "Near Abroad" while Washington encouraged Turkish partial engagement and vetoed any Iranian presence, the strategic context of the War on Terror seems to align both the US and Russia in avoiding foreign interferences. With the US in Iraq and Russia busy in Chechnya, both countries have their own wars in two

neighboring regions, and, hence, an interest in creating in the intermediate zone of the South Caucasus a relatively stable region.

The next level of the security dynamics is the pattern of state-to-state relationship in the South Caucasus RSC. On this level, the South Caucasus is clearly a "conflict in formation" complex. As Fiona Hill's testimony to the House Armed Services Committee resumes, "it is unlikely that the so-called frozen conflicts in the South Caucasus –in Nagorno-Karabagh, Abkhazia, and South Osetia- will be resolved in this decade." (2005, 11) Obviously the pattern of relationship between Armenia and Azerbaijan is enmity, which is expressed in official discourses and public opinion. Relations between Armenia and Georgia, on the other hand, are characterized with rivalry, mostly because of the Javakheti region. Nationalist discourse and practice in the domestic order on the one hand, and the divergent orientations of the foreign policy of both countries make an amity relationship impossible in present circumstances. Georgian-Azerbaijani relations, finally, are also closer to the rivalry pattern rather than the amity despite the common interest for the Baku-Tbilissi-Ceyhan pipeline and attempts of cooperation within the GUUAM framework. The main reason is the desire for larger autonomy of Azerbaijani ethnic minority in Georgia and Tbilissi's opposition to it. More than the global level, the state-to-state relations level conditions strongly the South Caucasian countries. Because of the "conflict in formation" characteristic of the complex, no external incentive has so far been strong enough to change the patterns of relationship between the countries and start a process of regional integration. The relationship between the regional and global level, therefore, is not static; while the global factor has certainly played a key role in stopping the bloodshed by mid-1990s, and still is crucial to avoid the outbreak of fighting, local actors still can not only successfully block any progress to a final agreement but also create new situations and change the nature of foreign intermediation, or start full-scale military operations again. This regional situation, finally, is functional to local elites in all three countries, who seldom use the nationalist rhetoric and the foreign security threat factor to perpetuate in power.

Last, the domestic order level is shaped through two interconnected and ongoing processes: transition to market economy and state building. While, as in all other former Soviet countries, transition to market economy in Armenia, Azerbaijan and Georgia shared the same characteristic of shock therapy liberalization and privatization, as well as the same outcome –concentration of the wealth in the hands of minority, sharp social polarization and widespread corruption-, the process of state building in each case

depended heavily on the outcome of war. Hence, from this perspective, the question to ask is what kind of state did warfare produced in the South Caucasus?

Initially the military struggle led to three critical changes –the shift from private to public control over the means of violence; dramatic increases in the size of the armies; and more national homogeneity within the territorial borders of the state-, yet the outcome of the process in terms of internal order, as well as state-society dynamics, has been different for each of the three countries. One reason is that the national borders of the formerly Soviet republics were established back in 1924 not by warfare and territorial consolidation, as was the case in the European process of state-making in the 17th century, but rather through the strategic calculations of Stalin aiming at the reconciliation of Lenin's principle of people's right for self-determination with the unchallenged central authority of the Communist Party. Thus, while the war for Nagorno-Karabagh is of inter-state nature with the involvement of Armenia, the conflicts of Osetia and Abkhazia are seldom qualified as "secessionism;" and though in neither case the authority in Tbilissi confronted formally recognized states, Abkhaz and Oset ethnic groups clearly differentiated themselves from the dominant Georgians.

From the perspective of the collapse of the Soviet Union, armed conflict in the Caucasus has generally been characterized as "civil war," which "follows when the state's capacity to rule is undermined by ethnic rivalry, by nationalist claims, or by globalization." (Holloway and Stedman 2002, 168) Nationalism caused the Soviet breakup, "but it was a more general Soviet system that opened the way to nationalist mobilization." (Holloway and Stedman 2002, 176) All the three wars in Nagorno Karabagh, Abkhazia and South Osetia were fought for the desire of independent statehood, as the collapse of the Soviet system did not involve any redrawing of the internal borders of the former multinational state. The conflicts in the Caucasus highlighted the persistent dilemma of self-determination and territorial integrity. In fact, final solutions to the conflicts are still prisoners of this dilemma in spite of creative efforts to overcome it.

Of the three South Caucasian countries, only Armenia avoided civil war and, hence, managed to establish a relatively stable domestic order despite the political crisis of 1996 and 1999. This, according to an ongoing research, is not explained so much by the ethnic homogeneity of Armenia, a feature that neither prevented political and social fragmentation, nor widespread assassinations often with the complicity of the elite in power; "the most unifying aspect of the early Armenian independence period is that its militias were implicated in fighting a foreign war in Azerbaijan." (Fearon and Laitin 2005) This foreign threat factor prevented the bloody military coups that both Georgia and

Azerbaijan suffered to happen in Armenia. Yet, obviously, neither was it enough to avoid inter-gang assassinations and contract murders, nor can it assure perpetual stability.

In Georgia's case, the secessionist nature of the conflicts that broke out in Abkhazia and South Osetia after independence did not create the perception of an outside threat powerful enough to unify Georgian armed units. While Georgian nationalists, following the lead of the former dissident and first president Zviad Gamsakhourtia, argued for independence from Russian domination, the real war that they fought was against Abkhazians and South Osetians, not Russians. For Abkhazians and South Osetians, quite the opposite, the war was for self-determination, it was a national liberation struggle from the Georgians; hence the strength of their internal unity. Despite the "Rose Revolution," Georgia's agenda still has the nationalist perspective of denying autonomy to non-Georgian ethnic communities in the country, it, thus, simply ignores any perspective of a federated state. No wonder, then, that the domestic order in Georgia will continue to be instable.

Azerbaijan, finally, could also argue about the external threat, Armenia, trying to make out of it a factor of domestic stability, and, indeed, this behavior is quite observable in Baku's discourse and practice. Nonetheless, political crisis in Azerbaijan proved to be much more bloody than in its enemy country. A hypothesis to explain why the external threat did not provide internal cohesion in Azerbaijan could well be the oil factor. In fact, while war in Nagorno Karabagh was still going on, the Caspian oil factor suddenly emerged in international politics, and amidst a global interest to invest billions of dollars to exploit the oil fields, local fractions faced the challenge of either winning the war in Karabagh or consolidating power in Baku and dominate oil transactions. After the militarily forced resignation of Abulfez Elchibey and the return of Heidar Aliyev it was this latter's choice to give priority to the consolidation of its power in the state rather than continue the war. With the son replacing the father in power following a model common to almost all Middle Eastern oil autocracies or authoritarian regimes, the threat to the stability of the domestic order in Azerbaijan emerges mostly from the domination of a clan on the major income resource of the country, and not from ethnic fragmentation or separatism.

So, even though the domestic order in all three republics is threatened with the fragmentation of society and, hence, a state-society tensed relationship, the characteristics of this fragmentation are different. The fragmentation is social in Armenia, ethnic in Georgia, and structured in turn of the struggle to dominate the oil factor in Azerbaijan.

Conclusion: Armenia in the Regional Context

Of all the three states, Armenia is the one that lacks both natural resources and seashore. It is, thus, by far the most dependent from external factors. Yet, the military victory on the battlefield gave Armenia a considerable advantage over its two neighbors in terms of the construction of a relatively stable domestic order. Little, if anything, can Armenia do on both global and regional level, except to be flexible enough to adapt to changes and face the challenge of any modification of external factors. Thus, the prospect of the outbreak of war with Azerbaijan at any time reinforces the strategic alliance with Russia. In turn, Armenia has made valuable concessions to Russian interests including in strategically sensitive fields such as energy. It cannot even avoid Russian pressures in its foreign bilateral relations if Moscow perceives any drive to ease the Armenian dependency.

Armenia's foreign policy termed "Complementarity" aims at opening a way to precisely ease the burden of dependency on Russia. It locates Armenia on the East-West axis, in a constant exercise of balancing one outside factor with another. On the US-Russian relationship level, this policy pays in the sense that despite its military alliance with Russia, The United States does not have a hostile attitude towards Armenia. This, in turn, helps keeping Armenia on the list of the receptors of US foreign aid. It also is useful in Armenia's relations with international financial institutions. This, of course, is not the sole virtue of "Complementarity," which probably would make little if any sense without the active political engagement of the Armenian community in the United States. Moreover, it is the successful "domestic political penetration" of Armenian advocacy groups in Washington DC (Walt 2005, 213-216) that created, and still supports, the current US interest for Armenia. "Complementarity" could also be interpreted as Armenia's accommodation to the dual Russian-US pressure on the global level; and while the costs of "Complementarity" are quite obvious, its net benefits in terms of development are at least debatable. Moreover, "Complementarity" might even become a straightjacket in that it narrows the worldview of Armenia's foreign policy on the East-West axis, and, thus, turns a blind eye on the developmental opportunities that a global vision might allow to discover.

The EU also exercises outside pressure on Armenia, and this pressure perhaps is the most effective in that it provides important domestic changes in both governing structures and society. It is also a pressure that Armenia's political elite welcomes, and, as

the process of the Constitutional reform showed in 2005, it uses to overcome political and societal obstacles to change. Whether the Armenian political elite fantasizes or not joining the EU is secondary compared to the progress that the European pressure helped registering in opening new venues for the deepening of democracy or the consolidation of human rights. We can only speculate, for instance, whether the National Assembly would abolish death penalty had not been the European pressure, yet the fact remains that those deputies who were pushing for the abolition frequently used the argument to convince their colleagues to vote for the project. The same is true for the Constitutional reforms hailed as the right step forward in Brussels. Now, the European idea and model has entered in phase of crisis after the French and Dutch 'No' to the Constitution, and since then political forces and social movements have initiated a wide debate about alternative views of the process of integration aiming at a more participative model of democracy and decision making and, above all, a sustainable economic development and better redistribution of wealth. These alternative views of the European model so far have not made their way into Armenia.

The domestic order, finally, is the level in the RSC analytical framework where post changes are possible, and probably the only way to ease the burden of the regional and global pressures. It is the level where the developmental model and the governing regime could be addressed in relatively greater autonomy. This does not mean that structural pressures do not exist on this level and that practically any alternative is available. Clearly, there probably would be unbearable foreign pressures for serious violations of democratic rule, or wide scale nationalization of the economy. The question, therefore, is not whether there is an alternative to democracy and free market, but rather how to deepen the democratic rule in order to assure greater participation in the decision making process, and how to address the consequences of the economic transition in terms of an efficient struggle against corruption, the reconstruction of social safety nets, and a better redistribution of wealth. The current political and societal fragmentation in Armenia with over fifty political parties and three thousands or so Non-Governmental Organizations is also the consequence of an economic transition that led to an extreme concentration of the wealth within the hands of a minority that has a major impact on the decision making process. The Constitutional reform that should lead to major political decentralization and a boost to the role of the legislative power is a step in the right direction. Nevertheless, the issues of corruption, poverty, deteriorated social services, lack of protection for the most marginalized sectors… need to be addressed radically, much more than what the current frameworks and models that the government implement do.

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