

Chatham House, 10 St James's Square, London SW1Y 4LE T: +44 (0)20 7957 5700 E: contact@chathamhouse.org.uk F: +44 (0)20 7957 5710 www.chathamhouse.org.uk Charity Registration Number: 208223

REP Roundtable Summary

Armenia's Domestic and Regional Challenges

Raffi Hovannisian

Leader of the Heritage Party of Armenia

May 2011

The views expressed in this document are the sole responsibility of the author(s) and do not necessarily reflect the view of Chatham House, its staff, associates or Council. Chatham House is independent and owes no allegiance to any government or to any political body. It does not take institutional positions on policy issues. This document is issued on the understanding that if any extract is used, the speaker(s) and Chatham House should be credited, preferably with the details of the event. Where this document refers to or reports statements made by speakers at an event every effort has been made to provide a fair representation of their views and opinions, but the ultimate responsibility for accuracy lies with this document's author(s). The published text of speeches and presentations may differ from delivery.

The Domestic Picture

It has been said before that Armenia is a nation long on history and civilisation and short on statecraft. There is still much to do in terms of nation and state building. There are three main challenges for Armenia: democratisation, the strengthening of sovereignty, and the formulation and pursuit of the country's vital interests. The jury is still out on Armenia's progress in these three areas, particularly the first.

In the first year of independence, Armenia was considered a frontrunner amongst the post-Soviet states in democratisation. However, there has been a significant falling off. Steps were not taken to build on the positive start and consolidate the rule of law. Since 1991 there has been no classical democratic transfer of power where both sides recognise and accept the result and continuity is maintained by a political machine which continues to produce and implement policy. The fusion of power and money remains strong in Armenia. It is important that political elites take a critical look at their own country; Armenia should be held, and should hold *itself* to the highest international standards. There should be no *laissez-passer*.

Armenia is again on the eve of a new electoral season. Recent months have seen superficial indications that the ruling elite recognise that dialogue and accommodation are important for a healthy political culture. This is to be welcomed, but greater commitment is required from the elites to translate the rhetoric into reality. It will also require people power and the engagement of civil society.

Armenian elites have encouraged the population to focus on security to the exclusion of democracy. This agenda has to be modified. Armenia also needs to build an economy which is capable of keeping talented young people in the country. The brain drain is a symptom of the lack of opportunity. Armenia needs to start respecting its own sovereignty and avoid economic and political relationships which create dependencies. There is no problem for now with Armenia's membership of the CSTO and the CIS, but it needs to make the transition from a vertical to a horizontal relationship with Russia. The controlling packet of Armenia's strategic assets and thus of its sovereign capacity must remain at home. No one should have a controlling share in Armenia's vital infrastructure.

One has also to question the decision to extend the lease on Russia's base in Gyumri to 2044, ten years before the initial lease was due to expire. By extending the lease early, and for such a long period, the government has limited the room for manoeuvre of the next political generation which might wish to adopt a more multi-vectored foreign policy.

The Regional Situation

Iran is an important neighbour for Armenia. The foreign policy positions of Iran and Armenia do not coincide on every issue. However, Iran's approach to the Caucasus has been balanced and moderate.

As is well known, there are unfortunately no diplomatic relations between Armenia and Azerbaijan. One should not forget that in the early twentieth century Armenia and Azerbaijan had legations in each others' capitals. Conflict is not inevitable between the two countries. From Armenia's point of view, Nagorno-Karabakh is an example of the reversal of Stalin's legacy. There are of course conflicting narratives on Karabakh, but it is clear that it is impossible to return to the *status quo ante*. Recognition is one of the options which the international community must consider. The solution to matters such as confidence building, return of refugees, security guarantees, and border limitation must be reciprocal and comprehensive, but Nagorno-Karabakh's sovereignty and integrity are worthy of international recognition under international law: application of the *sui generis* principle to Kosovo proffers a distinction without a difference and militates against the rule of (international) law.

Armenia's most important relationship, or lack therefore, is with Turkey. There can be no full normalization without resolving all outstanding issues, including the Genocide and Great Dispossesion of the Armenian people, but establishing diplomatic relations without any preconditions whatsoever would be a mature beginning. Despite the football diplomacy, the official position of Turkey has not changed. Ankara still denies the Armenian Genocide, despite the overwhelming weight of archival evidence. However, Turkish civil society has started to challenge the official discourse. People are starting to rediscover their Armenian identities in Turkey and to recognise a complex shared history. The EU aspirations of all the countries in the region should provide an impetus to achieve normalisation.

Relations between several of the countries in the region are fraught. However, external factors should not be an impediment to internal reform. There are many internal issues which need to be overcome. All countries of the region should be held to the highest democratic standards. If they meet these, they will be better placed to knock on the doors of the world, and strengthen the regional environment. Democracy should not be the preserve of idealists, it should be one of the benchmarks by which we measure the success of the state.

Questions and Discussion

One participant asked how democratic transformation could be achieved. Are there lessons to be learnt from the Arab Spring? The speaker argued that revolution in Armenia is not desirable but perhaps possible. However, there are clearly problems with the electoral system. The ruling elite has significant administrative resources at its disposal. The key is for parties to overcome the sense of fatalism amongst the population that nothing can be changed and that their vote and voice do not matter. The opposition needs to make the case for how things could be done differently, and the benefits this would bring. The Heritage Party is in favour of participating in elections, although it recognises that the cards are stacked against it. Some people might campaign on hard-line nationalist issues, but there is a whole domestic package relating to jobs, the economy and basic human dignity which crosses party lines.

Following on from this, another expert asked whether there were plans to form a united opposition for the forthcoming elections. The speaker responded that efforts had been made to unite the opposition in the past. It would be beneficial if this were to happen again. The Heritage Party will do all it can to avoid running alone. A question was then raised about possible cooperation between the government and opposition. The speaker argued that during the political crisis in 2008, it was obvious to all that neither Levon Ter-Petrossian nor Serzh Sargsyan could have won in the first round. The Heritage Party sought to act as a mediator. Following the violence in 2008, Ter Petrossian argued that if one did not demand the immediate resignation of President Sargsyan, one could not consider oneself a member of the opposition. This has not been the position of the Heritage Party. The President has recently indicated that he is open to political dialogue, and this is to be welcomed. Nevertheless, Armenia's future must be found outside the triangle of Kocharian, Ter Petrossian and Sargsyan. It is incumbent on all political actors to create a culture of dialogue and agree to improvements to media access, campaign finances, and amendments to the electoral code which would provide a better environment for the forthcoming elections.

A question was asked about the role of Armenia's armed forces in society. How respected an institution is it? What is the level of professionalism and operational readiness in the armed forces? It was argued that Armenia needs to continue its cooperation with NATO and strive for interoperability. It would be good if Armenia were able to defend its frontiers and national interests without the assistance of others. Morale is an issue though. The Soviet era has left a legacy of a conscription army where hazing is rife. However, the army enjoys a reasonably high regard in the country because everyone's son has served in it.

Another participant asked about the measures which should be taken to strengthen the economy. It was argued that Armenia needs above all to strengthen the rule of law. It is imperative that business and power are separated, but this is not easy. More could be done to build a competitive economy. There is a broader malaise in Armenian society. People don't see their future in the country. Armenia is a small society, which means that if the will existed, one could transform the country very quickly. People are bound by a web of strong social and familial bonds. This means that society has a good safety net, but it also militates against the development of a meritocracy.

Questions were raised about the Nagorno-Karabakh conflict and the role of the Minsk Group. It was argued that one should not hope for much substantive progress in the upcoming talks. President Aliyev senior had the experience to speak to the leaders of Nagorno-Karabakh directly. A way needs to be found to engage with people in Nagorno-Karabakh. Armenia and Nagorno-Karabakh are not one and the same thing. The issue of status has already been resolved through lawful referendum; security, refugees, and territorial delimitation must be resolved in a comprehensive package. When one talks about Armenian withdrawal from the territory of the former Azerbaijani SSR, one must recognise that the territories currently controlled by Armenian forces are the points from which Armenian cities were bombarded during the war. Any solution to the conflict would have to obviate forever the possibility of a military attack on Armenia and Nagorno-Karabakh. The rhetoric from Azerbaijan does not inspire confidence on this score. There is room for each side to rethink its rhetoric. If one talks about Armenian occupation, one must talk first and foremost about parts of the Armenian patrimony currently under Azerbaijani (Artsvashen, Getashen, Shahumian, Nakhichevan etc) and Turkish (the western Armenian provinces) occupation. The countries are caught in a complex and difficult situation and need to avoid inflammatory language.

Discussion turned to Turkey-Armenia relations. Asked if there had been any real improvements following the football diplomacy initiative, the speaker pointed out that Turkey had been putting forward preconditions on engagement with Armenia for many years. When the vote took place to admit Armenia to what was then the Conference for Security and Cooperation in Europe, Turkey almost vetoed the move. Not one of the post-Soviet Armenian administrations has put forward preconditions to negotiations with Turkey. It was thus very disappointing to see the Turkish preconditions creep into the text of the Protocols. Armenia has taken the position that one should open the border and establish embassies, and use this positive momentum to overcome the outstanding problems. Unfortunately, Turkey has taken a different position. As a result, there has been no progress in the relationship. There is a real risk of returning to the drawing board. If Turkey insists on its methodology of positing preconditions to the relationship, then out of the imperative of symmetry Armenia finally should posit its own: either no preconditions or all on the table. On the other hand, Turkish society has changed markedly. There are initiatives which would have been unimaginable ten years ago. On 24 April 2011 people in five cities in Turkey came together to mark the Armenian Genocide. It is not clear at the moment what would motivate Turkey to re-engage with Armenia. It depends partly on the international community raising the issue.