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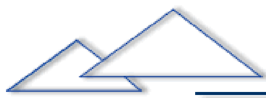

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Toward a New Concept of Armenian National Security

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Abstract

In the wake of a seismic shift in international security since September 11, 2001, there has been little study or evaluation of the concept of Armenian national security. The aftermath of the events of 9/11 and the ensuing U.S.-led global war on terror, however, have revealed a need for a comprehensive reexamination of Armenia's concept of national security. And as the traditional geopolitical landscape of the South Caucasus has weathered a series of significant changes, Armenia's traditional concept of national security has failed to keep pace with the emergence of new threats and challenges. More specifically, although Armenia faces less of a threat from direct military aggression or invasion, the new post-9/11 realities of the region have fostered a new strategic environment, endowed with significant challenge but also substantial opportunity for Armenia. This paper will attempt to sketch this new post-9/11 strategic environment and will seek to address the specific issues and influences of importance to Armenia, including the need for a new definition of the economics of national security. Although this paper originates from a rather critical starting point, the purpose is to present a creative reevaluation of the concept of Armenian national security. The goal is to enhance capacity-building with a focus on the fundamental components of national security, including defense, foreign policy, and the economics of security, in order to minimize risk and maximize opportunity for the Republic of Armenia.

The views expressed in this Working Paper are those of the author(s) and do not necessarily represent those of the Armenian International Policy Research Group. Working Papers describe research in progress by the author(s) and are published to elicit comments and to further debate.

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Introduction

The purpose of this brief paper is to examine the current threat environment facing the Republic of Armenia and to focus on the concept of Armenian national security. Section One provides an overview of national security, including current challenges, and addresses some fundamental deficiencies in both the process and policy of Armenia's concept of national security. This section closes with a proposal for a new social-centric approach to supplement Armenia's traditional state-centered security.

Section Two focuses on the shifts in the geopolitical environment and surveys a number of priority issues impacting Armenian national security, including the implications of the U.S.-Russian strategic relationship and U.S. military/NATO engagement in the region. This paper concludes with Section Three, which examines the two main imperatives driving Armenian national security, Nagorno Karabagh and Javakhk.

The History of Armenian National Security

A number of prominent historians have documented the development of Armenian national security. Driven by its rich but troubled history, the fundamental concept of Armenian national security has been dominated by the most basic and essential mission: survival. Throughout history, this mission has entailed a complex strategy of managing threats from a number of world and regional powers. The sole driving force of this mission has been a priority of ensuring the physical survival of the Armenian nation. Although this mission of national security did not often stem from statehood, or even from sovereignty, the imperative of national survival forged a resilient nationalism.

Throughout the Ottoman period, with its sporadic threat of *pogrom* and massacre that culminated in the 1915 Armenian Genocide, the Armenian perception of national security was equated with nothing more than outright survival. With the birth of the first Republic of Armenia of 1918, this historically defensive concept of Armenian national security adopted new elements of state security and military strategy. But the short duration of statehood that ended abruptly with the absorption of the first Armenian Republic into the Soviet Union halted the development of a mature national security.

The Soviet Legacy

Although the extension of security inherent in the Sovietization of the Armenian state met the primary need for survival, it also impeded the course of Armenian statehood and impaired the development of a more sophisticated concept of national security. Throughout the Soviet period, Armenia was confined within the definitive parameters of Soviet identity and policy. The net effect of this period was one of stunted development and retarded growth. This was also evident in the misdirection of national security during the Soviet period, with its inward focus on "enemies of the state," rather than focusing outward for potential threats. For the Soviet Union, as for other Communist or dictatorial regimes, such an inward focus of national security was necessary for

maintaining security and stability. Yet this resulted in an institutionalization of "*regime security*" over national security.

Thus, the foundations for Armenian statehood and national security were seriously flawed by the inherent limitations of its legacy as a component of the Soviet system. With the collapse of the Soviet Union and the emergence of a new, second Armenian state, there was no reservoir of experience and maturity to draw upon in preparation for the complex challenges facing an infant state abruptly awakening to the reality of the world in the last decade of the 20th century. Moreover, its legacy as a Soviet state led to a rather incoherent combination of strategy and statecraft at times grossly ill-suited for prudent policy or national power.

Yet Armenia was still able to withstand war and blockade, while even through the worst of the crisis adapting to an externally imposed isolation and achieving economic growth in only a few short years. And in terms of military security, Armenia was able to emerge as the dominant force in the region. But in the ten and half years since the ceasefire with Azerbaijan that essentially "froze" the Nagorno Karabagh conflict, there has been little adaptation to meet the changing nature of strategic threats and the geopolitical shifts that has so profoundly altered global security. Moreover, and most worrisome, Armenia has yet to seriously confront the dynamic pace of change in global security, geopolitics and globalization.

Defining Armenian National Security

The analytical process of defining national security is one of the more basic obligations of a state. The term national security is essentially a state's mission to meet possible threats, both internal and external. This state mission is comprised of three main pillars:

(1) to protect its territorial integrity and state borders;
(2) to provide security for its population; and
(3) to preserve stability, in both political and economic terms.

The challenge of national security, especially in today's complex environment of multiplying threats, is to ensure that both the *definition* and *defense* of national security is a dynamic, not static, process of constant vigilance and preparation.

For an infant state like Armenia, small in both size and population, national security holds an even greater role in influencing the formulation of domestic and foreign policy alike. Faced with the demands of a long-standing trade and transport blockade by its neighbors to the East and West, as well as the constraints of an unresolved conflict over Nagorno Karabagh, Armenian national security is endowed with a significance well beyond the traditional nature of small state geopolitics. Moreover, Armenia is subject to several broader challenges, ranging from shifting global and regional geopolitical competition to the emergence of a new transnational threat to the state-centered system of global security.

Section I. Challenges to Armenian National Security

The Blockade of Armenia

One of the more immediate challenges driving Armenian national security has been the blockade imposed by Azerbaijan and Turkey. Although the term blockade usually refers to the maritime interdiction, interference and denial of trade and transport to a nation's port and coastline, in the case of the blockade of Armenia, it has encompassed a total East-West closure of Armenian land borders with both Azerbaijan and Turkey.[1] The blockade of Armenia was especially powerful as it included a full disruption of trade, transport and energy links, and its effects were magnified by the landlocked nature of the Armenian state.

While the imposition of the blockade by Azerbaijan was a natural result of the conflict with Armenia over Nagorno Karabagh, its initial impact resulted in an immediate and devastating shortage of foodstuffs and basic commodities, an abrupt and severe energy crisis, and a period of isolation. Armenia was forced to quickly adapt to the sanctions and strove to accommodate the social and economic demands of crisis by concentrating on its sole remaining external trade link northward through Georgia. The structural effects, however, of such adaptation fostered a degree of mounting dependence on Georgian territory as its sole source for Russian energy and goods. This dependence was quickly exploited by the Georgians as transit and tariff fees quickly exceeded normal market rates. The second external trade route, consisting of a small border crossing point southward through Iran, was without the infrastructure necessary to provide an immediate alternative. The long-closed border with Iran through the Soviet period, the nature of the Iranian market and political regime, as well as the "rogue" state status of Iran all complicated Armenia's use of the Iranian option.

Overall, the blockade of Armenia has long surpassed its utility. Not only was Armenia able to adapt, it has achieved impressive rates of economic growth. In some ways, the effect of the blockade actually unified the Armenian (and Karabagh) population. This "siege mentality" also withstood internal divisions and enhanced outward unity far beyond that of its neighbors. Although the structural effects of such an artificial economic situation tends to foster economic development that does not correspond with an economy's natural comparative advantage or conform to a country's normal direction of trade, the lasting impact of the blockade on the Armenian economy was far less than originally anticipated.

Analyzing Turkish Strategy in Blockading Armenia

The imposition of a blockade of Armenia by Turkey in April 1993 was a far more significant development. Although the economic impact on Armenia of the closed border and the trade embargo was marginal, it was far more important in terms of international

[1] The embargo and related sanctions of Armenia by Azerbaijan and Turkey meet the minimum threshold of the most recent interpretation of the term blockade under international law, which notes the applicability of blockade on both sea and land by citing "the actual investment of a port or place by a hostile force…."

law and Armenian national security. The Turkish blockade, although seemingly rooted in Turkey's role as Azerbaijan's strategic ally, offered its own threat to Armenian national security well beyond the framework of the Nagorno Karabagh conflict or its relations with Azerbaijan. In fact, the Turkish role in the twin blockade of Armenia was driven as much by its pursuit of regional power as by its support for Azerbaijan.

The Turkish strategy underpinning the blockade of Armenia is far more complex than commonly accepted. Since its recognition of Armenian independence in January 1992, Turkish policy regarding Armenia has been one of intimidation and coercion. To this day, Turkey refuses to establish diplomatic relations with Armenia and has consistently exerted pressure on its vulnerable Armenian neighbor. The Turkish strategy has been driven by a perception of Armenia verging on paranoia, wildly overreacting to every mention of the Armenian Genocide and maintaining a stubborn campaign of historical revisionism both within Turkey and throughout the West. In contrast, Armenia has offered to enter relations with no preconditions.

But there is more to the Turkish blockade than the historical factor, however. The blockade has also offered Turkey a tool for garnering greater regional dominance, a goal especially important from the Turkish perspective given the reassertion of Russian power in the region. And aside from cementing relations with its dependent ally Azerbaijan, the blockade supports its broader effort to intimidate and influence its neighbors. Not unlike the efforts of both Russia and Iran in leveraging energy for strategic influence and control over weaker states, Turkey also utilizes the energy sector as an important vehicle for exercising key strategic power in the region. The energy sector, in terms of exploration and export, is the most obvious element in the long-term development of the South Caucasus. At the same time, however, the promise of energy is also the region's most obvious vulnerability. Thus, the Turkish blockade of Armenia should be seen as a part of a broader regional strategy that also includes both the Baku-Ceyhan oil pipeline and the "Blue Stream" natural gas project with Russia.

The Turkish strategy of leveraging energy for regional power consists of several levels. First, by seeking to exploit its own position as regional proxy for the United States, and to a lesser degree, for Europe, Turkey pursues a policy positioning itself as a reliable alternative to dependence on Russia or Iran as a main export route. The logic of this plan establishes the supremacy of geopolitics over economics, however, by stressing the importance to exclude any Russian or Iranian role in the transport of Caspian energy and ignoring the overwhelming commercial case against this cost-ineffective option.

The second factor of Turkish strategy consists of its role in the development of the region's natural gas. The natural gas sector offers Turkey a broader role in meeting its own domestic energy needs and overcoming its chronic gas shortages. Turkish strategy on this level focuses on the construction of a natural gas pipeline from the energy-rich Central Asian country of Turkmenistan, under the Caspian Sea, and on through Azerbaijan and Georgia, with a final destination in Turkey. This plan would allow Turkey to purchase roughly half of the natural gas exports entering Turkish facilities through this pipeline, while exporting the remaining energy to nearby Europe.

The third component of this strategy rests on the pillar of isolation. By specifically excluding Armenia from all energy plans, Turkey seeks to isolate the small landlocked and energy-dependent country. And this is where the joint Turkish-Azerbaijani blockade assumes strategic clarity. Considerations of Turkish geography have contributed to each of these factors, with the most obvious seen in the pursuit of control over the Bosporus, the narrow straits that connect the Black Sea to the Mediterranean. By utilizing control over these straits, Turkey exercises dominance over the weakest link in the Russian regional energy network. Faced with a reliance on the Bosporus for transporting its energy exports from its Black Sea ports, Russian tanker traffic is particularly prone to Turkish manipulation of this naval bottleneck. Turkey has exerted this defensive factor on several occasions, issuing threats to limit or even halt traffic through the Bosporus. Although untenable in terms of international law (the Treaty of Montreaux stipulates free passage through the Bosphorus at all times except during war), Turkey has been creative in arguing that tanker traffic poses grave environmental risks.

In addition to this overall multifaceted regional strategy, Turkish policies in the South Caucasus also follow a subset of tactical impulses. These tactical impulses consist of narrower bilateral policies toward the regional states, each supplementing its broader strategy. These tactical policies also reflect the same strategic agenda of achieving Turkish dominance and fostering greater dependence among its weaker neighbors. The most obvious examples of this trend are Turkey's policies of military assistance to Georgia and Azerbaijan and its complicated covert relationship with the Chechens.

Blockade as an "Act of War"

But the most significant aspect of Turkey's blockade of Armenia stems from the impact on Armenian national security. Coupled with its history of military expansion and aggression, most notable in its continued military occupation of the Republic of Cyprus, Turkey is guilty of several violations of international law, the United Nations Charter, UN treaties and resolutions and the mandates of both the European Union (EU) and the World Trade Organization (WTO). In terms of international law, the blockade of Armenia is essentially an "act of war." [2]

It is this belligerency and the destabilizing effect of Turkish strategy that defines Turkey as the most significant obstacle to regional stability and security. But more recent developments offer some promise that the traditional Turkish threat will be contained or even transformed by a larger strategic desire to join the European Union (EU). The EU offer of a long process of ascension greatly constrains Turkey to submit itself to a set of standards and requirements. Although still subject to shifts in European politics and differing EU state relations with Turkey, this process effectively places Turkey in a "straightjacket" of conformity and constraint. Thus, Turkish ascension to the EU is in accordance with Armenia's longer-term national interest.

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[2] Robertson, Horace, 1991, "Specific Means and Methods of Application of Force," Duke Journal of Comparative and International Law, Vol. 1 No. 1.

Energy Security

A second immediate challenge that drives Armenian national security is energy security. The recognition of energy as a global security concern first arose in the wake of the OPEC oil embargo of 1973. One of the more astute observers of this situation, Michael Klare, has regularly warned of the dangers posed by a disregard for energy security. According to Klare (2001), the future course of conflict in this new post-Cold War era will be driven in large part by conflicts over natural resources, exacerbated by an already steady trend toward the militarization and securitization of energy resources. [3]

Armenia's vulnerability to disruptions in energy supplies was most clearly demonstrated during the initial stages of the blockade imposed by Azerbaijan and Turkey, when energy consumption fell by 90 percent. Although the Soviet network of pipelines and energy links was designed to foster interdependence on the center by the republics along the periphery of the Soviet Union, the core Armenian vulnerability and energy insecurity is due to its serious lack of natural resources and dependence on foreign energy sources. It is this structural dependence that has elevated the strategic necessity of operating the country's Medzamor nuclear power plant and has spurred the development of hydroelectricity.

Ironically, the Armenian government has only tended to forge a deepening of energy dependence in recent years. Specifically, Armenia's recent "asset-for-debts" agreements with Russia in 2002 and 2003 ceded control over key strategic enterprises and core components of the energy sector to Russian control. Overall, the agreements resulted in the consolidation of Russian dominance over the country and allowed Russia to secure, with the assent of an overly compliant Armenian government, control or outright ownership of much of the country's energy network, including its hydroelectric plants and its sole nuclear power plant.

As a country vulnerable to isolation, Armenia shares much in common with Japan, as both have a serious degree dependence on foreign sources of oil that is offset by a pursuit of energy diversification as an essential component of national security. With Armenia's isolation compounded by its landlocked borders and Japan's by the oceans surrounding its islands, both nations are among the world's most obvious hostages to the demands of geography and the constraints of a limited resource base.

The key difference between the two nations, however, is one of energy demand. Armenia is still a relatively small energy consumer and is, therefore, faced with a less profound need to achieve greater energy independence. But although Armenia may be able to potentially garner a higher degree of energy diversification than Japan, it can neither afford nor obtain consistent energy supplies while being excluded from regional energy development. The real lesson is that Armenian national security must incorporate elements of energy security in its pursuit of national security.

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[3] See Michael Klare, 2001, Resource Wars. The New Landscape of Global Conflict (New York: Metropolitan Books).

The need for energy diversification is most evident in Armenia's dependence on natural gas. Accounting for roughly half of Armenian total energy consumption, natural gas has traditionally come from Russian and Turkmen producers. An agreement reached in 2003, however, established the Russian state-owned natural gas monopoly Gazprom as the country's predominant supplier. To the credit of Armenian leaders, there has been a renewed effort to diversify the sources of natural gas, through the planned construction of a 90-mile natural gas pipeline with neighboring Iran.

Although the project was subject to repeated delay for the past decade, the construction of the Armenian section of the pipeline began in late November 2004. The $30 million project, connecting Megri in southern Armenia to Kajaran in Iran, would provide Armenia with 38 billion cubic feet of Iranian gas annually, with plans to double this amount by 2019. In addition to providing Armenia with gas supplies from Iran outside of the Caspian export network, the new pipeline would also allow for the import of natural gas from Turkmenistan.

A Strategic Petroleum Reserve

An interesting option for lessening Armenia's vulnerability to external energy shocks may be the establishment of a secure petroleum reserve. Such an option is especially important in the event of a disruption of energy supplies from Russia or Turkmenistan, as well as in the event of a possible renewed war with Azerbaijan. The role of strategic petroleum reserves in energy security has long been recognized as a crucial step to protect against the effects of unexpected shortages or disruptions of energy supplies. But adequate stockpiles have been difficult to create and maintain, as the most vulnerable import-dependent economies are most often unable to handle the prohibitive cost.

In the case of the United States, for example, as the world's largest oil importer, it established a Strategic Petroleum Reserve (SPR) in 1975 to help prevent a repetition of the economic dislocation caused by the 1973-74 Arab oil embargoes. As an important element in U.S. energy security, the mere existence of a large, operational reserve of crude oil was seen as an effective way to deter future oil cutoffs and discourage the use of oil as a weapon. In the event of an interruption, the release of oil from the reserve is expected to help calm markets, mitigate sharp price spikes, and reduce the economic dislocation that had accompanied the 1973 disruption. It is believed that the reserve would buy precious time for the crisis to sort itself out or for diplomacy to seek some resolution before a potentially severe oil shortage escalated a crisis beyond control.

The New Threat Matrix

In this post-post-Cold War period, there are three new types of threats, each presenting their own specific and unique challenges that transcend the parameters of traditional threats posed by nation states. First, the emergence of *al Qaeda* and the attacks of 9/11 demonstrated the potency of newer security threats posed by non-state actors, such as transnational terrorist groups, and from the related dangers of weak or "failed states" as havens for terrorists. The post-9/11 threat matrix also coincides with the emergence of a

second threat, from the pace of globalization, a trend that was well underway throughout the last decade. The trend of globalization comprises its own form of security threats, with the most pertinent stemming from the threat of isolation. The third new threat, unlike the first two, originates from within the state itself. This internal threat is one of governance, and involves the need for economic or "social" security, as well as the necessity for democracy and good governance.

The Transnational Threat

The new set of transnational threats that has emerged in recent years poses a daunting challenge. It is one thing to combat the traditional military threats posed by an adversary or potential aggressor, but preparations for threats of a transnational nature require new thinking and newer methods. The demands from such transnational threats also strain the resources and capabilities of most states, even the most industrialized and developed. But for small states like Armenia, vulnerability and a lack of preparedness for transnational threats are in many ways even more pronounced.

The most obvious transnational threat in the post-9/11 world is international terrorism and, most spectacularly the globalized *al Qaeda* network. Yet Armenia has already been touched by other less sensational threats of a transnational nature. These include narcotics and arms trafficking, and international organized crime. But most importantly, Armenia is generally unprepared for two other types of transnational threats, both of which pose unique dangers resulting from the intersection of threat and globalization.

First, there is a serious threat of a public health nature, comparable to the threat of AIDS, but on a smaller scale. Multiplied by the networks and connectivity of globalization, the threat of epidemic has reached alarming proportions in recent years, with the outbreak of SARS [4] in Asia and "Mad Cow" disease in Europe and North America being the most recent. Second, the recent tsunami in South Asia underscores the need for preparedness for natural disaster. The suffering from the Armenian earthquake, and the still incomplete task of rebuilding, are painful reminders of the power of natural disaster. Such tragedy inflicts substantial damage, in both human and material terms, and it is usually not until such disasters occur that they are recognized as threats to national security. A related long-term issue is environmental security, which for Armenia is evident in the country's troubled state of its natural resources (as with deforestation, pollution, the declining water table of Lake Sevan, etc). Environmental security is also important on a regional scale, as seen in the case of the new Baku-Ceyhan oil pipeline's threat to the ecology of Southern Georgia.

The Threat of Failed & Fragile States

A second element in this new threat matrix is the strategic "failed" or "fragile" state scenario, a condition defined by weakened state sovereignty and an erosion of authority marked by a structural imbalance of power between the central authorities and outlying regions. In the case of Georgia, for example, the power competencies of the central

[4] SARS stands for sever acute respiratory syndrome.

government have been substantially reduced with a marked failure to enforce power and authority over much of the national territory.

The danger of such a vacuum in the case of these failed or fragile states was most evident in the case of Afghanistan. It was the failed state condition of Afghanistan during and after its devastating civil war that allowed the emergence of the Taliban regime and offered the Bin Laden *al Qaeda* organization an attractive logistical base. Most significantly, it was the nature of Afghanistan as a failed state that allowed the *Al Qaeda* network to transform Afghanistan into a "hijacked state." A similar, albeit less effective, situation allowed the Bin Laden organization to secure refuge and forge an operational capacity in Sudan as well.

In sharp contrast to British diplomat Robert Cooper's theory of a "post-modern" world characterized by the paradigm of a near border-less globalization, September 11th has highlighted the threats emanating from more primitive models. These more primitive models, as German diplomat Heinrich Kreft has recently defined as "pre-modern" outposts, were evident in the cases of the Taliban in Afghanistan and Hezbollah in Lebanon's Bekaa Valley. And as Kreft has further elaborated in an essay published in a journal of the German Council on Foreign Relations, "post-modern Europe and the modern U.S. and their allies must intensify efforts to resolve conflicts in the "pre-modern" world of failed and hijacked states."[5] It is from this perspective that current U.S. efforts underway in the "pre-modern" states in many far-flung regions with little or no obvious connection to U.S. national interest can best be understood.

From the Armenian perspective, the threat of new "failed" states, such as in the troubled North Caucasus, or the decline of "failing" states, as in neighboring Georgia, is a very realistic possibility. Given the dangers of renewed disruption to Armenian trade and energy links through Georgia, as well as the risk of conflict spillover from Chechnya, this aspect of a new threat matrix merits greater appreciation.

The Threat of Isolation

The third element in this new threat matrix facing Armenia is the danger of isolation. This threat involves the danger of becoming isolated and disconnected from the globalized marketplace. This threat is rooted in the economics of isolation, and is a shared threat throughout the region that involves a need to keep pace with technological and economic changes inherent in the process of globalization. Although from a regional perspective, Armenia benefits from increasing rates of foreign investment that are not resource-based like Azerbaijan nor aid-driven as with Georgia, but are attracted by the openness and opportunity offered by the Armenian economy. The Armenian IT sector holds another important advantage over its neighbors and demonstrates the necessity for interoperability with global markets and knowledge-based development.

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[5] Kreft, Heinrich, 2001, "Dealing with 'Pre-Modern States," Transatlantic Internationale Politik, Volume 2, Number 4, 5.

In terms of global security it is now accepted that "national security depends less and less on territory and natural resources and more and more on the ability to adapt and integrate into the global economy." [6] And for a country like Armenia faced with traditional limits of demography and geography, "economic issues are increasingly linked to security." [7] Yet this recognition has yet to be embraced by Armenian national security, as the current confines of Armenian nationalism have as yet failed to expand to include the demands of "economic security."

The Political Economy of National Security

Armenia faces several new internal developments that compound the need to reexamine its concept of national security. These internal challenges, in many ways the hardest to overcome, range from a worrisome trend in authoritarianism and a widening deficit of democracy, to an erosion of self-sufficiency and independence stemming from a dangerous over-reliance on Russia. As previously argued, the most serious threat to Armenian national security comes not from Azerbaijan, nor Turkey, but comes from within. It is posed by the internal threat of corruption and all of its derivatives, from the rise of the powerful oligarchs to a "rule of law" that has degenerated into a "law of the rulers."

The real threat to Armenian democracy is most clearly demonstrated by the tendency for governance by strong individual leaders over strong institutional leadership. This dominance of "strongmen over statesmen" has emerged as one of the most formidable obstacles to conflict resolution and regional reintegration. The challenges of a mounting social divide, marked by widening disparities in wealth and income constitute "economic security." These economic and social components of national security, exacerbated by a cancer of corruption, constitute a threat to Armenia's internal stability and security that has been ignored for far too long.

The nature of a country's political and economic development, or more specifically, the depth of its democracy or free markets, has also become a new factor in the assessment and evaluation of a country's place within the international community. While of course not universally accepted, this new criteria is now key to the Bush Administration's interpretation of U.S. foreign relations. This new mandate for the promotion, if not imposition, of free market democracy abroad now serves as a core element in a more muscular and, at times, unilateral U.S. foreign policy. This is further expressed within U.S. national security as an avenue toward addressing the root causes of international terrorism and instability, arguing that a lack of democracy and a closed economy produces deep discontent and despair, thereby providing a classic breeding ground for terrorism.

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[6] Strategies for U.S. National Security. Winning the Peace in the 21st Century, 2003, The Stanley Foundation Task Force Report, 9.

[7] Ibid, 9.

In practice, the promotion of democracy and free markets is further justified by the U.S. argument that "repressive regimes and nonperforming economies can indirectly feed into transnational terrorism, while an open economy that is supported by institutions and backed by enforceable rules tends to increase the welfare of most citizens."[8] But there is an obvious problem with this approach, as there is an already apparent discrepancy in its application (most evident in the U.S. partnerships with Uzbekistan and Pakistan, for example).

A related problem is rooted in the application of such a strategy. For example, in the case of a country like Algeria, democracy meant the election of an Islamist party. The question then becomes what if democracy results in the election of a radically anti-American or anti-Western (i.e. Islamist in American eyes) government? As raised by Carothers (2002) and Zakaria (1997), free and fair elections, therefore, do not by themselves ensure deep democratization, only the veneer of superficial democracy. [9]

But the relevance for Armenia is much more specific. The standard of democracy has acquired a new significance in the past two years alone, and has now emerged as a determining factor in the regime stability and geopolitics of such countries as Georgia and Ukraine. The electoral trigger that sparked "regime change" in both Georgia and now Ukraine was as much by design as by default, and the lessons of the "Rose" and "Orange" revolutions should not be lost on Armenia. Moreover, the significance also lies in the need to exploit Armenia's comparative advantage of democracy and economics within the region. Despite the serious problems and deficiencies with Armenian politics, there is, nevertheless, a widening "democracy divide" between pluralist Armenia and its more autocratic Azerbaijani neighbor. And although there is a troubling need to bolster the institutions of Armenia's infant democracy and address the serious social inequalities, this advantage should not only be highlighted, but must also be exploited.

Reevaluating Armenian National Security

In the new geopolitical landscape that has redefined the South Caucasus and Central Asia in the wake of September 11th, the authoritarian regimes generally preferred as more effective partners in the war on terror's military operations must not be granted pardons from the standards of democracy and the rule of law. The challenge now is to ensure that these new partners in the "war on terrorism" are not permitted to leverage Western needs for their military assets and security cooperation for a disregard of their deficits in democracy and poor human rights. And for small vulnerable countries like Armenia, the implications of its strategic relations with regional and world powers must certainly be more fully considered, and its political role models must be truly worthy of emulation and replication.

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[8] Ibid, 54.

[9] For more on this, see Carothers, Thomas, 2002, "The End of the Transition Paradigm," Journal of Democracy, Vol. 13 No. 1, and Zakaria, Fareed, 1997, The Rise of Illiberal Democracy," Foreign Affairs, Vol. 78.

The Need for a Process of National Security

Although there are obvious limitations of resources, both human and financial, to the development of a more sophisticated and comprehensive Armenian strategy of national security, there are some key points for consideration. The core mission, however, is to establish a coherent process of national security. This entails both organizational and ideological reforms, including a reexamination of commonly held but little questioned tenets of Armenian national security.

For example, the U.S. model of national security planning and formulation offers an important precedent for Armenia mainly because it elevates the national security process to a level of equal significance with national security policy. During the initial stage of the Cold War, the executive branch of the U.S. government first instituted the practice of publicly disclosing an articulated concept of national security. In 1947 American strategist George Kennan published the most significant interpretation of U.S. national security with an article in the journal *Foreign Affairs*. Writing under a pseudonym, Kennan laid out a broad strategy for managing the threat posed by the Soviet Union. His concept of "containment" quickly became the centerpiece of U.S. national security throughout the Cold War and was then codified by the Truman Administration in National Security Council Document 68 (NSC-68).

The practice of an annual reporting of U.S. national security was not instituted until the Nixon Administration, however. The process was later enacted into law by the 1986 Goldwater-Nichols Department of Defense Reorganization Act, requiring every Administration to submit an annual report on its national security strategy to Congress. This practice is more than a display of the transparency of U.S. governance, but as a legal requirement, forces the Administration to formulate and articulate a coherent concept of its national security goals and perspectives. Thus, it is *the process* more than the policy of national security that is enhanced by this system.

The most glaring deficiency in the current institutions of Armenian national security is their absence. With Defense Minister Serzh Sarkisian heading the Armenian National Security Council as its secretary, the body has met infrequently and, aside from the active involvement of its chief, has been largely marginalized from the formulation and considerations of the national security decision-making process. Although there has been a marked increase in the role of parliamentary committees with jurisdiction over defense and security policy, the sheer dominance of the executive branch in general, and the defense minister in particular, means that the dysfunctional nature of the national security process remains uncorrected.

One basic recommendation to improve the process of Armenian national security would be to reform the organization of the National Security Council. Currently, the Armenian National Security Council is rarely convened as a full consultative body and, even when it meets, is usually focused on the implementation of a decision already adopted. This distorted process stems from the fact that the body is headed by the powerful Defense Mister, Serzh Sarkisian, as the official Secretary of the National Security Council. Given

the Defense Minister's dominant role over much of the country's military and security policies and decisions, the practical result renders the body to be organizationally impotent.

Structurally, the specific role of the Defense Minster also reveals an obvious conflict of interest. The conflict is natural, as a government minister is empowered to represent the interests of a particular ministry, and such vested interests would only interfere or obstruct the minister's additional responsibility as the head of the National Security Council. A related conflict stems from the Defense Minister's role as the head of the inter-governmental commission for bilateral relations with Russia. There should be an obvious delineation of roles and responsibilities between positions that hold jurisdiction over such intertwined aspects of national security.

For a practical example, in the event of the National Security Council's reconsideration of Armenian-Russian relations, or the examination of issues related to the "assets-for-debt" deals with Russia, the fact that the head of the body is simultaneous serving as the Defense Minister and the head of the state commission empowered to oversee the issue at hand, there can be little real expectation of objective consideration. Although by virtue of the position, the Defense Minister automatically merits membership in the body, the National Security Council must be headed by a Secretary immune from such conflicts of interest, whether real or perceived.

There is an additional constraint on the Armenian national security process. This second obstacle is neither organizational nor institutional, but is rooted in the state of Armenian politics. The hardening of Armenian political thinking in recent years, or more accurately the increasing rigidity of Armenian nationalist posturing, has fostered a closed system of politics that has expanded to influence both the national security and defense policy processes.

This trend of vocal and strident nationalism is rooted in a pattern of domestic politics, serving political interests. In a negative sense, there is a degree of "identity politics" at work, with a crude, yet effective manipulation of public opinion by a well-entrenched elite. As one scholar has described, "it is more accurate to say that statesmen and societies actively shape the lessons of the past in ways they find convenient than it is to say that they are shaped by them." [10]

This is most evident in the national position on the Nagorno Karabagh conflict and can be seen in the discourse regarding the Armenian-held areas of Azerbaijani territory beyond the borders of Karabagh. Despite their initial seizure as tactical bargaining chips in later negotiations, the position on these areas have surpassed even their strategic purpose as "buffer zones" against any future Azerbaijani military aggression.

The point here is not to casually discard the tenets of Armenian nationalism, however. The issue is to draw attention to the danger of misunderstanding the nature of the threat.

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[10] Snyder, Jack, 1991, Myths of Empire: Domestic Politics and International Ambition (Ithaca: Cornell University Press), 17, 30.

This danger of "threat misperception" that results from a rigid nationalism has been compounded by the closed and subjective nature of national security and defense policy-making. The overwhelming need, therefore, is to institute a *process* of national security and defense that elevates Armenia's true national interest over more parochial partisan interest.

Rethinking Armenian Military Strategy

Just as the current state of Armenian national security is the product of a unique combination of a Soviet legacy, almost a decade and a half of difficult statehood so serious that it threatened national survival, and a number of domestic political influences, Armenian military policy has been shaped by a similar set of influences. As with the European experience, the Armenian military holds an essential role in state-building. More than most countries, the Armenian military is more than a fundamental pillar of the state, it is also a foundational agent of the state.

The domestic aspect of the Armenian military, however, also raises some concerns. The concern is not the traditional worry of distorted civil-military relations, as there is no current danger of the Armenian military from disregarding its role as protector of the state and defender of the constitution. The concern rests with the country's civilian-military relations. More specifically, the civilian choices in Armenian defense policy reflect fears about the distribution of power within the state more than they reflect the military needs of the state. As some scholars have established, "military doctrine is about state survival, but military policy is also about the allocation of power within society." [11]

Assessing the Armenian Armed Forces

The Armenian armed forces are a mixed professional, contract and conscript-based organization, consisting of two services: ground forces and joint air force and air defence forces. The Army is the heart of the Armenian armed forces and is the largest of the services, with more than 75 per cent of both the active military personnel and equipment. The Army is organized into five Corps Headquarters and the principal ground combat formations are the motorized rifle regiment and brigade, with the former Soviet army headquarters and divisions reorganized into a more manageable-sized combat formation.

The joint air/air defence forces are composed of a combination of combat assets that is capable of only nominally supporting offensive and defensive air operations, as it is structured on a mix of old, generally poorly maintained airframes and a small number of operational aircraft. The air element is organized into four functional commands: a fighter ground attack squadron; a transport unit; a composite helicopter squadron; and a training centre. The various air force units are built around a mix of aircraft types, including Mi-24 (attack helicopters), Mi-8/17 (support helicopters), Su-25 (close air support), MiG-25 (reconnaissance, fighter and fighter-bomber) and L-29 (armed trainers). The air defence elements comprise composite fighter/ground attack unit that incorporate

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[11] Katzenstein, Peter, Ed., 1996, The Culture of National Security. Norms and Identity in World Politics. (NY: Columbia University Press), 200.

the limited counter-air, offensive air and air defence capabilities, surface-to-air gun/missile units, and air defence surveillance radar units.

Initially, much of the equipment and command and control systems were taken over from the former Soviet 19th Independent Air Defence Army, but the capabilities of these surveillance and command and control systems have been significantly improved over the years by Russia to enhance the capabilities of the CIS air defence network. The core of Armenia's national air defence is the Russian-operated joint air defence command center outside of Yerevan, which is integrated into the Russian and CIS air defence networks. Air defense is further bolstered by a sole squadron of current generation Russian Air Force fighters (MiG-29s) and a battalion of Russian ground-based strategic air defence systems (SA-12s) that are stationed in Armenia.

The overall assessment of the Armenian armed forces continues to be very favorable, rated as the strongest army in the Caucasus, and unit-for-unit possibly in the CIS. Unlike its neighbors, Armenia is no longer dependent on a deteriorating Soviet legacy equipment set to support its ground combat capabilities. Since independence, Russia has replaced much of the older ground force systems, maintained a flow of necessary spare parts and provided technical assistance to support the maintenance of equipment and the training of technicians.

The Armenian military is essentially a single service force, with only a nominal air component of its own, and with little combined arms operational capability. Although the Army remains superior to its neighbors and can effectively defend its territory as well as Nagorno Karabagh, without an effective air component, the force has only limited offensive capability against a comparable force with an air component and will be constrained in movement by its air defence umbrella. Although this is a very professional and highly rated military, it does not yet have the battle-space awareness, the extended reach, or the operational flexibility inherent in most modern, combined arms militaries.

Assessing the Karabagh Military

The armed forces of Nagorno Karabagh, although supported economically and logistically by Armenia, have a degree of self-sufficiency and significant, small-force capability. Karabagh's armed forces are relatively well organized, equipped, trained and led. Its combat systems are generally well maintained and there is a high degree of operational readiness.

At the height of the conflict with the much larger Azerbaijani armed forces, the Karabagh armed forces became rapidly seasoned in defensive warfare, developing and enhancing its native capabilities as mountain troops skilled in guerrilla warfare techniques. These special operations capabilities were combined with impressive unit mobility. Extremely well armed, these mobile units specialized in traditional special operational warfare, with quick confrontations utilizing overwhelming firepower. Large campaign and engaged

were launched only rarely, as the Karabagh forces prudently relied on their operational and tactical advantages of mobility and fast attack.

As the military conflict with Azerbaijan turned to their advantage, the Karabagh forces were able to greatly expand their range and zone of engagement by forming a virtual "buffer zone" of demilitarized territory beyond the traditional borders of Nagorno Karabagh, thereby effectively marginalizing the Azerbaijani numerical advantage in infantry and artillery. Karabagh anti-aircraft defenses, utilizing surface-to-air missiles (SAMs) and other similar ground-launched weapons, inflicted a heavy toll and tempered Azerbaijan's air superiority in the early stages of the conflict. The mountainous terrain and related climate in Karabagh were also detrimental to any effective air campaign and demonstrated the situational awareness and operational command of the Karabagh forces.

The other significant advantage the Karabagh forces is the quality of its officer corps and strategic leadership. During the conflict, the clear majority of the Karabakh officer corps included seasoned and well-decorated veterans of the Soviet military, many with significant combat experience in Afghanistan that was applied in specific operations.

An Outdated Military Doctrine

The fundamental flaw in Armenian military policy is its reliance on an outdated and quite inappropriate military doctrine. Armenian's Soviet legacy and the respected experience of Armenian officers within the Soviet military establishment provided a useful advantage during the early formation of the Armenian armed forces and contributed greatly to the shift from defeat to victory in the conflict with Azerbaijan. But the continued reliance on an essentially Soviet military doctrine is a serious impediment to the further development of a modern military capable of defending the Armenian nation.

The Soviet military doctrine is driven by two strategic concepts: "defense in depth" and "war by attrition." Defense in depth is a defensive move commonly practiced by large states that utilizes a vast expanse of territory to lure the enemy to over-extend its supply lines, thereby exposing a vulnerability to counter-attack. The second concept of war by attrition is a related strategy that exploits the leverage of greater manpower and a deeper resource base. Both strategies are essentially defensive in the initial stage but transform into powerful offensive tactics once the opponent commits its forces. Both are concepts that force the enemy to wage war on terms chosen by the defender and exploit the defender's greater "situational awareness." These concepts served Russia and the Soviet Union well as keys to eventual victory against the armies of both Napoleon and Hitler. The Russian military of today still adheres to the basic fundamentals of these doctrines and even the recent efforts of Russian military reform have failed to move far from the limits of these concepts.

For a small country like Armenia, however, the constraints of both territory and demography render such doctrine totally inappropriate and, in the face of an actual invasion or full scale war, would be fatal. The reality of the Armenian state, both in terms of topography and territorial size, necessitates a military doctrine more suited to the

imperatives of a small country. This would suggest a military doctrine similar to a state like Israel, with an emphasis on highly mobile, rapid reaction forces able to respond to border incursions with overwhelming firepower. This would be supplemented by a powerful air deterrent, making air superiority essential in the initial stages of any thrust, and the deployment of Special Operations Forces (SOF).

Although the use of armor would be impeded by the mountainous terrain beyond the Ararat valley, the concept of armor warfare, as a tactical application of rapid, integrated and overwhelming firepower to check an aggressor in the immediate phase of attack, provides relevant lessons on Armenian strategy, however. Additional elements would include an effective command and control (C^3) network, fed by real-time intelligence and surveillance.

An Atrophy of Military Capabilities

The conflict with Azerbaijan, despite the severity of both combat and casualty, was a limited war that was generally limited to a struggle for control of Nagorno Karabagh and, aside from limited operational combat along the Armenian border with Nakhichevan, did not penetrate the Republic of Armenia in any significant way. The May 1994 ceasefire that effectively "froze" the conflict marked the emergence of an impressive Armenian military capability, with combat readiness and operational superiority over its much larger opponent. The Armenian military advantage, as with all states, is not a static achievement, however.

Military readiness and capabilities must be routinely enhanced by training and, where possible, through deployment. In order to maintain its operational advantage, the Armenian Defense Ministry has instituted a comprehensive program of training, deployment and advanced education. This program has been matched by a consistent trend of increased budget appropriations for the armed forces, with the most recent increases in defense spending going toward improvements in the quality of life and pay for soldiers.

The Armenian ground forces in particular have garnered significant peacekeeping experience, with a deployment to Kosovo under Greek command. A small contingent of under fifty army personnel are also set to be deployed to Iraq, to serve as part of a Polish-led multinational force. Armenia also sends a small, but elite number of selected officers and soldiers to study in foreign military academies and institutions. To date, Armenian members of the armed forces have graduated from training and educational courses in Russian, Greek, Italian, U.S. and even Chinese military colleges and facilities. Such international experience is invaluable for the long term development of a professional and forward-looking military and for widening the perspective of a sizable segment of the Armenian officer corps. Such international contacts have also solidified Armenia's diverse and expanding set of foreign military ties and relations.

Since joining the NATO Partnership for Peace (PfP) program in 1996, Armenian troops have participated in several multinational exercises and war games. But the main source

of military training and exchange has been the Collective Security Treaty Organization (CSTO), a Russian-dominated security group designed to reintegrate the military forces of several member states of the Commonwealth of Independent States (CIS). [12] Armenia is the only state in the South Caucasus to belong to the CSTO and provides the southernmost component in its overall air defense network.

Just as the Armenian military is influenced much more by its role as a member of the Russian-led CSTO than its NATO ties, nearly all aspects of Armenian defense policy and planning is dependent on its alliance with Russia. This relationship is rooted in the 1997 Armenian-Russian "Friendship Treaty," which includes a provision promising mutual assistance in the event of a military attack on either party. This "Friendship Treaty" was bolstered in January 2003 by a new bilateral military-technical agreement that provides Armenia with Russia military equipment, spare parts, supplies and training. The Russian military presence in Armenia is based on the 2000 bilateral agreement that allows Russian troops to stay in Armenia through 2025 and by a 2001 protocol that exempts Russia from paying rent for its military facilities in Armenia. By contrast, Azerbaijan did not ratify its membership in the CIS, and instead demanded in 1992 that the Russians remove their approximately 62,000 troops and, by 1993, became the first former Soviet Republic without any Russian troops on its soil.

Military, Russian troops are seen as providing an element of security for Armenia. More importantly, the Russian troops provide a visible assurance of the Russian treaty commitment to Armenian security. For Yerevan, the Russian presence provides a defensive "tripwire" that establishes a firm link to their mutual defence treaty and serves as a significant deterrent. Additionally, the Russian air and air defence forces stationed in Armenia are seen as vital elements in the country's national air defence. In reality, however, the Russian military has assumed complete command and control authority over Armenian air capabilities. The most immediate concern is the fact that Russian forces in Armenia are now in total control of all Armenian air defense systems and have consolidated their command over the entire Armenian air force. This is a problem of paramount concern and must be addressed in order to ensure future military security.

The Rise of Peer Competitors

The armed forces of Azerbaijan remain considerably weaker and less capable than the Armenian military in almost all areas and continue to suffer from severe problems in training, equipment and morale. The Azerbaijani armed forces are still hampered by corruption within the ranks and centered in the Defense Ministry, a lack of consistent and coordinated training programs for the individual soldier, small and larger units, and are especially lacking in combined arms/joint service training. Over the past several years, however, the Azerbaijani military has become a better organized and more professional service than it was at the end of the Karabagh conflict.

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[12] Originally formed in 1992, the Collective Security Treaty Organization (CSTO) comprises Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan.

The transformation of the Azerbaijani armed forces has been a slow and gradual process. Turkey has provided significant assistance to this process, stemming from a number of military cooperation agreements, that has included the Turkish refitting of Soviet T-72 main battle tanks with Turkish tactical radios, a number of Turkish trainers, both on an individual- and team-based program, and the training of Azerbaijani officers at Turkish military schools and at the military academy in Ankara. Additional improvements came from Azerbaijan's active participation in NATO's (PfP) program and other training and education from NATO and its member states. The net result has been a steady education and exposure to Western tactics, techniques, procedures and training methods, although still fairly limited in scale and scope.

The overall quality and readiness of much of the Azerbaijani army's equipment remains a problem, however, as a decade of poor maintenance and chronic shortages of spare parts means that many systems are non-operational, have been cannibalized for parts, or are operating at less than optimal status. Moreover, much of the older generation equipment is in need of systems upgrades and modernization, i.e., communication package, fire control and target acquisition systems, etc. As a result, the readiness levels and operational capabilities vary significantly between units. Thus, the Azerbaijani Army is in real need of a major maintenance transformation and systems modernization, although the recent military cooperation agreement with Russia includes the sale of critical spare parts and the provision of technical assistance to Azerbaijan.

After more than a decade of neglect, Azerbaijan's armed forces still face a number of daunting challenges if they are to develop into a competent military force. Its military has long been under-funded and lost favor to the country's internal security services. At current funding levels, the Azerbaijani military can only afford to focus on restructuring, refurbishment and modernization efforts, and limited to only a few brigades at a time. As it can not afford to swap out its equipment base, the priority is now on salvaging as much existing equipment and stock as possible and upgrade it where and when possible.

The poor state of readiness of most of the Azerbaijani armed forces severely limits any immediate military threat to Armenia. Over the medium- to long-term, however, the steady accumulation and impact of Turkish, and now U.S. military assistance and training will undoubtedly alter the current balance. And Armenia must start now to prepare for that day.

The Geography of Foreign Policy

All nations formulate their foreign policy from a foundation of geography. And nowhere is this more pronounced than in the case of Armenia. Landlocked Armenia is situated on a well-worn historic crossroads between East and West. For the past decade of blockade imposed by two hostile neighbors to the east and the west, the small nation of Armenia has sought to overcome its strategic vulnerability by formulating a complex foreign policy based on a geopolitical balance between competing regional powers. The core of

Armenian foreign policy is the essential pursuit of maximum flexibility, seeking sufficient maneuverability and securing as many policy options as possible.

With an area of under 30,000 square kilometers, roughly the size of the U.S. state of Maryland and a population of roughly three million, this geographic vulnerability is compounded by a limited natural resource base, borders and terrain difficult to defend military, and a looming demographic crisis, all posing substantial constraints on the country's economic development and physical security, and each presenting its own challenge.

Armenia's Foreign Policy of "Complementarity"

Armenia offers an interesting model of "weak state adaptation," stemming from an imperative for foreign policy adaptation and innovation. Armenian foreign policy over the last decade has sought to bridge the inherently conflicting interests of Russia and the West, while also seeking to leverage its most significant potential asset - a significant Diaspora. This foreign policy, termed "complementarity," incorporates Armenia's strategic imperative of security through a reliance on its strategic alliance with Russia and a positive relationship with Iran, while simultaneously conforming to the parameters of its Western orientation.

Moreover, this policy of complementarity, although seemingly contradictory, is in fact a natural result of Armenia's historical and geopolitical considerations. The strategic partnership with Russia is both rooted in history and necessity, especially given the implicit threat posed by the dual Turkish-Azerbaijani blockade of the country. This East-West blockade has forced Armenia to look beyond its traditional trade and export routes, thereby encouraging ties with Iran. Although these inherently contradictory impulses have at times seemed insurmountable, the Armenian policy of complementarity offers a degree of regional security based on accommodating and exploiting the interests of traditionally competing powers.

Losing the Balance of Complementarity

The strategic relationship between Armenia and Russia has deepened considerably over the past two years, leading to serious concern over the parity of the relationship and trepidation over Armenia's increasing dependence on Russia. Many in the Armenian government seem increasingly determined to anchor the small nation ever firmly within the Russian orbit. Complicit in this danger is a blind acceptance that Armenia has no choice. This premise is also shortsighted and mistaken. While many only see Armenia as safe when anchored within the Russian orbit, the implications of such a course for Armenian national security appears to be little considered, and certainly little debated, beyond the small circle of Armenia's ruling elite.

The latest examples of this trend are seen in the recent "asset-for-debts" agreements of 2002 and 2003, a series of questionable deals granting Russia control over key strategic enterprises and consolidating its dominance over the country's vulnerable economy.

Russia has been able to secure, with the assent of an overly compliant Armenian government, control or outright ownership of much of the country's energy network, including its hydroelectric plants and its sole nuclear power plant.[13]

Aside from this outward example of the deepening of ties between Yerevan and Moscow, there is a more serious, and potentially harmful, aspect to the Armenian-Russian relationship that remains obscured by the overriding focus on Russia's security guarantee for Armenia. It is the political aspect of the Armenian-Russian relationship that presents a particularly understated threat to the development of democracy and the rule of law in Armenia. The threat stems from the mounting reliance by Armenian political leaders on following the Russian model for power and governance.

Emulating the Russian Political Model

In what may be argued is a natural feature of the post-Soviet transition period, Armenia has been following the Russian political model. Much more sophisticated under Vladimir Putin, this Russian model offers specific tactical lessons, including precedents for restraining an independent media, marginalizing the opposition, subverting the rule of law, and keeping the parliament powerless and ineffective. Specifically, this Russian model of a strong authoritarian presidency, free of effective "checks and balances" or oversight, has appealed to most post-Soviet political elites.

The lessons from Putin's moves against the opposition and independent media have not gone unheeded in Armenia, just as attempts at meaningful constitutional reforms remain relatively symbolic and incomplete. In what could be termed "good governance gone bad," Armenian President Kocharian is now actively mimicking the authoritarian model of Russian President Vladimir Putin at the expense of his country's infant democratic institutions.

Over the past two years, this Armenian reliance on Russia has been significantly expanded and now threatens to escalate into overwhelming dependence. This has contributed to a steady move away from the traditional balance of Armenia's "complementarity" foreign policy of managing a pro-Western orientation while maintaining close security ties to Russia. And as the trend of strongmen over statesmen has demonstrated, Armenia has been increasingly plagued by governance driven by personal interest with little consideration of national interest.

An Element of Promise

There is an element of promise for Armenia, however, but only if this shift from a balanced foreign policy can be corrected in time. Specifically, there are two important trends that can offer Armenia opportunity to restore a prudent geopolitical path toward greater sovereignty. These two trends stem from the new geopolitical reality of the past two years. First, the course of the U.S.-Russian strategic partnership may position

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[13] For a more thorough analysis of this trend, see Giragosian, Richard, 2002, "Armenian-Russian Relations: 'Strategic Partnership' or Too Close for Comfort?" RFE/RL Newsline Endnote, 31 July.

Armenia as a pivotal state, bridging both U.S. and Russian interests in a region with relatively few reliable partners. Should the convergence of interests between Washington and Moscow diverge over the U.S. presence in Central Asia or in reaction to a perceived threat from U.S. unilateral power, Armenia's place as the sole stable state in the region will only invite significant U.S. efforts to check its reliance on Russia and to ensure an Armenian turn toward the West.

A second related development stems for the shift beyond the region, as the U.S. is moving quickly to consolidate the architecture of its new positions in post-war Iraq. Armenia is potentially well positioned to accommodate any move by the U.S. to counter Russia, pursue an opening toward Iran, or to leverage the South Caucasus as an essential platform for power projection. Thus, if the Armenian over-dependence on Russia can be sufficiently corrected, it will be in a position to leverage its newly enhanced strategic importance into greater security and reinforced sovereignty.

For Armenian foreign policy, these developments must be taken into account and, where possible, must be both exploited when opportunities arise and managed when threats develop. Fortunately, Armenia's policy of "*complementarity*," with a fundamental balance between strategic ally Russia and a friendly West, stands to gain from these developments. Armenian foreign policy is also endowed with further strategic advantages stemming from the growing divide between Armenia's increasingly stable democracy and the authoritarian regimes of Azerbaijan and the still fragile Georgian state. This comparative advantage holds significant promise for Armenia but only if a prudent foreign policy can best utilize these opportunities while minimizing risks.

Section II. Shifting Geopolitics

The still unfolding U.S. campaign against global terrorism has greatly altered the geopolitical landscape and, in the words of U.S. Secretary of State Colin Powell, has catapulted America into a "post-post-Cold War" period. This abrupt shift in global geopolitics holds significant implications for several key regions and for the South Caucasus in particular.

The South Caucasus and the War on Terrorism

Historically the South Caucasus has always been a crossroads of empires and invaders, an arena for competing regional powers and, in much of the last two centuries, a pivotal geopolitical element in the "Great Game" of world powers. Although traditionally limited to a subset of broader U.S.-Russia relations, the region has recently assumed a much more strategic profile with significantly greater geographic and strategic scope.

Externally, the aftermath of September 11th has seen two new wars: the U.S.-led global "war on terrorism" and the U.S.-initiated war in Iraq. Both have altered the course of international relations in general, and have forged a need for a new architecture of international security, in particular. These dramatic shifts in geopolitics have profound

implications for a small, landlocked country like Armenia, already subject to a disruption of normal trade links and transport ties. And for the three fragile states of the South Caucasus, there is now a set of new challenges and opportunities stemming from the realignment of great power interests within the dynamics of the U.S. war on terrorism.[14]

This shift in geopolitics stem from the U.S. global campaign against terror, a dramatically evolving new U.S-Russian strategic relationship, and from several new areas of U.S. engagement. It is this U.S-Russian partnership, however, that holds the most significant repercussions for the South Caucasus. This new post-September 11th geopolitical reality in the South Caucasus is no longer defined by the traditional zero-sum game between the U.S. and Russia and holds promise that the past decade's policies of energy development in the region may foster greater regional integration, stability and conflict resolution. Specifically, the last decade's record of exclusionary policies favoring energy development and transport in Azerbaijan and Georgia, while assenting to the isolation and blockade of Armenia, has only contributed to the exacerbation of regional conflicts and a further widening in regional integration.

Armenia and the Longer-Term U.S. National Interest

There is a degree of opportunity for Armenia resulting from the new direction of U.S. policy and national interest in the region. Specifically, there is an opportunity for an even greater Armenian strategic value offered by the new relationship between the U.S. and Russia, the shifts in the geopolitics of the region (including the new U.S. role in Georgia, its commitments in Iraq, and the lessening of Turkey's role as U.S. proxy power), and by the disparity between Armenia and an authoritarian Azerbaijani regime. There are two main trajectories at play in the longer-term U.S. national interest that should be noted, including:

- a broadening of the U.S.-Russian partnership to contain China, with cooperation driven by shared security concerns of instability in Central Asia and the strategic aim to buffer Chinese expansion and power projection;

- a shared need to secure the South Caucasus as a "security belt" for Iraq, Russia and Central Asia, and the Middle East, and to foster the region as a key platform for the southward containment of rogue states in the Middle Eastern theater and for the northward bulwark against Russian insecurity in the North Caucasus.

The "War on Terrorism" does hold a degree of negative implications, however. There is a dangerous trend of promoting and preferring authoritarian regimes over democratic governments as more effective and more attractive partners in the war on terrorism. Such a danger must also be overcome by the adoption of a more balanced overall policy toward the region. And with the emergence of an ever strengthening Armenian democratic partner, endowed with the potential as a strategic bridge to Iran, the U.S. may find Armenia as a most valuable ally in an increasingly significant region.

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[14] For more on this, see Giragosian, Richard, 2001, "The War on Terrorism: Implications for the Caucasus," Eurasia Insight, October 2.

Implications for Nagorno Karabagh

Although the current geopolitical reality offers Armenia an opportunity to garner an enhanced strategic leverage, one notable implication of the new U.S.-Russian relationship may be a lessening of Russian support for Armenia in favor of improving relations with Azerbaijan, and a possible shift in the traditional Russian position regarding the Nagorno Karabagh conflict. Such a shift in Russian policy regarding Nagorno Karabagh was already evident during this past year of diplomatic initiatives and mediation by the Organization for Security and Cooperation in Europe (OSCE), the primary international body seeking to broker a resolution to the conflict.

Signs of such a Russian policy shift were first evident in its approach to the Paris summit meeting between the Armenian and Azerbaijani leaders brokered by French President Jacques Chirac in March 2001. By April of that year, public signs of a "more cooperative" Russian diplomacy were cited during the U.S. hosting of a "Camp David" style meeting between the Armenian and Azerbaijani presidents in Key West, Florida. It was also at the Key West summit where the U.S. Department of State pursued a limited opening to Iran, seeking to involve Iran in the process and openly announcing that Iran would be briefed on the course of the OSCE mediation effort. This was also a prudent tactic to prevent any temptation by Iran to adopt a "spoiler" role by sabotaging the delicate mediation effort.

The dynamic course of the new U.S.-Russian relationship has undoubtedly moved beyond the parameters of the region, and may very well forge a new Russian role within the "near abroad" in the form of a strategic division of Eurasia, redrawing the Caspian and Central Asian regions into basic burden-sharing spheres of influence. Such a development suggests that Moscow may join Washington in a new attempt to restart their mediation of the Nagorno Karabagh conflict by launching a more cooperative effort aimed at applying more pressure on the Armenian side seeking greater concessions. Such concessions were already demanded during the Key West summit, adding the issue of a "land bridge" transiting Armenian territory connecting Azerbaijan to its Nakhichevan exclave bordering Turkey. The issues of conflict resolution and even concessions in the Nagorno Karabagh case remain hindered, however, by the Azerbaijani refusal to negotiate with Karabagh, the only true partner capable of guaranteeing a lasting settlement to the conflict.

U.S. Military Engagement

As already clearly evident today, the U.S. war on terrorism has also resulted in a number of modifications in U.S. security policy toward a number of nations. These modifications in policy affected a wide-ranging set of diverse and often disparate nations, including traditional foes, such as China and Russia, traditional allies like Turkey and Saudi Arabia, and new partners, such as Pakistan and Poland.

The new security environments in Central Asia and the South Caucasus also demonstrate a shift in U.S. security policy. Both regions offer the U.S. important roles as platforms for power projection, from Central Asia into Afghanistan and, at least potentially, from the Caucasus into the northern Middle East (most notably into Iran). But it was Central Asia that benefited most, and first, from the shift in U.S. security as Uzbekistan, and to a lesser degree Kyrgyzstan, Tajikistan, and Kazakhstan abruptly emerged as key frontline partners in the U.S. war on terrorism and served as crucial platforms for the combat operations targeting the Taliban and *al Qaeda* in Afghanistan.

Although the U.S. was generally engaged in the region since the collapse of the Soviet Union, the three nations of the Southern Caucasus acquired a new and enhanced geostrategic importance to Washington in the new realm of post-September 11th security. Although there was, and continues to be, a significant role for the smaller Southern Caucasus states in the U.S. "war on terrorism," their active contributions to the effort is far less important than those of the Central Asian states and consists primarily of limited counter-terrorism training, through "train and equip" missions in Georgia, and greater military assistance for border security and counter-proliferation in Azerbaijan.

The NATO Alliance and the South Caucasus

The North Atlantic Treaty Organization (NATO) is an "alliance in transition," refining its mission and passing through an important evolution. Particularly in the post-9/11 world, the very foundation for the NATO alliance, its mission and mandate, have been subject to dramatic shifts in global security and geopolitics. This transition was most evident at the 2004 Istanbul summit, where new concerns, centered largely on the future direction and destiny of the NATO alliance, included consideration of a new expanded role in the South Caucasus that stems from "its new mission-defined offense and no longer from its geography-based defense."[15]

The NATO engagement in the South Caucasus is much more than a straightforward recognition of the region's strategic significance, and is not limited to the region alone, but is tied to the Middle East, in a North-South axis, with a focus on Azerbaijani-Iranian relations, and linked to Turkey and Central Asia, in an East-West axis. The NATO agenda for the region, and for the three states in particular, differs from the alliance's individual relations with Armenia, Azerbaijan and Georgia, however. There has also been a demotion of NATO as the primary instrument of Western security, as it has been largely replaced by a network of U.S.-led bilateral security arrangements. This change was most clearly seen in the case of Turkey, but not by the U.S. advocacy for Turkish membership in the Europe Union (EU). Rather, the change is evident in the shift in the U.S. recognition of Turkey as a strategic partner from the decades-long mantra of "loyal NATO ally" to a much more limited role outside of the NATO context.

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[15] Giragosian, Richard, 2004, "Two Days in Istanbul: A Look at the NATO Summit," RFE/RL Newsline Endnote, 14 July.

This shift has modified Turkey's strategic value from its role as NATO's sole Islamic member to its potential as the EU's only Islamic state. This is essential to the Bush Administration in order to supplement its greater "democratization campaign" in the Middle East, by presenting the Turkish model not as a secular state in the Middle East, but more as an Islamic state integrated within a Western, democratic Europe. This would aid the U.S. campaign in terms of ideological purity, by arguing that the approach is not directed against Islam, and in terms of geographic proximity, with Turkey extending the EU's borders to Iraq, Iran and Syria. A secondary benefit for some in Washington rests with a Turkey within the EU, and as its largest member, through its potential to seriously dilute the power and effectiveness of the EU, or of the French and German power of "Old Europe" more specifically.

Georgia as the "Center of Gravity"

Moreover, the NATO engagement in the South Caucasus must also be understood to reflect and support the "second track" of direct U.S. military engagement, as seen by the Georgian "Train & Equip" (GTEP) model and by the more recent Caspian initiative with Azerbaijan. For both NATO and the U.S. military, however, Georgia is the "center of gravity" or fulcrum for both stability and security in the region. In terms of engagement, there is a secondary desire by some in NATO to threaten Armenia with complete isolation, by virtue of its "over-dependence" on Russia.

For the new Georgian leadership, and its ongoing effort to rebuild and restore the Georgian state, NATO engagement provides a new political/geopolitical context of much greater depth than the past strategic focus on energy. With the opportunities inherent in NATO and U.S. military attention, Georgia stands to gain much more than from the rather limited returns of a "transit state." And that difference is the key to elevating Georgia from the status of "failed state." This is also evident in the Georgian tactics in dealing with first, Ajaria, and then Ossetia and now Abkhazia. These tactics involve a fairly sophisticated approach of "carrot and stick," with a strong dose of military threat and posturing, coupled with "psychological warfare" (PSYOP). But the important lesson is that Russia matters most for Georgia, as Russia is close and will always be close, while the U.S. is far away and will always be far away.

Despite a degree of expectation and exhortation, the NATO summit's handling of the next stage of alliance enlargement was generally disappointing to many. Although the summit cited Albania, Croatia and Macedonia as promising aspirants, both Azerbaijan and Georgia were shunned as potential NATO aspirants. By recognizing the states of the "strategically important region" of the South Caucasus as security partners, rather than as potential members, NATO seemed to be indicating that the course of NATO engagement in both the South Caucasus, and Central Asia, will be more conditional on Russian interests.

This also suggests that the overriding concern over the current campaign of state restoration in Georgia and the sensitive presence of U.S. bases in Central Asia have fostered an approach aimed at accommodating, rather than exacerbating, traditional

Russian security concerns. The most significant lesson from NATO engagement, therefore, is that the security needs of the three states of the South Caucasus must be met first by the states themselves, as any reliance on external sources for their security may be both remote and unrealistic.

Section III. National Security Imperatives

Among the external imperatives driving Armenian national security, the security and status of Nagorno Karabagh and the challenge of relations with Azerbaijan remain the primary concerns. But another important imperative relates to developments in the Armenian region of Javakhk in southern Georgia. And central to the question of Javakhk is the state of overall bilateral relations between Armenia and Georgia, complicated by the clear strategic implications of Armenian dependence on Georgian territory as a transit route to Russia.

Imperative One: Nagorno Karabagh

There are four main drivers in the pursuit of security and viability of Karabagh:

- **State/Nation Building**: the ongoing effort to forge greater economic self-sufficiency and political/diplomatic sustainability of Nagorno Karabagh stands at a crossroads of strategic choice: to accelerate a drive for outright independence or to pursue unification with the Republic of Armenia. Each strategy offers its own benefits and disadvantages, yet the underlying tenet consists not of the ultimate outcome but more of how to resolve the Karabagh question. Karabagh is still very much a mere "proto-state" with limited sustainability and little real strategic value beyond Armenia. Although the precedents of newly emerging nations of East Timor and Kosovo suggest that the fundamental conflict between territorial integrity and self-determination has shifted, the real issue is one of a shift in the concept of sovereignty;

- **Sovereignty**: on an international level, the very concept of sovereignty has shifted significantly in recent years. There are also several innovative case studies that offer suggestions for the Karabagh mediation process. These include the cases of Gibraltar, Kaliningrad, and other examples of post-colonial rule and rights. The essential priority for Karabagh, however, is one of security, with sovereignty now constituting an elastic step in the overall mediation process;

- **OSCE Peace Process**: there continues to be a widespread lack of understanding of the international mediation process in terms of both Armenian and Azerbaijani public opinion. Yet the main obstacle continues to be Azerbaijan's refusal to recognize and include the democratically elected government of Nagorno Karabagh in the peace process;

- **Post-Conflict Settlement**: there must be greater preparation to address the important issues that will arise in the next stage of the peace process: issues of security, peacekeepers, ending the Turkish-Azerbaijani blockade, refugees, etc.

The Nagorno Karabagh issue has expanded since its military inception in 1988 to emerge as one of the most significant post-Soviet conflicts, particularly given its inherent nature whereby the political and diplomatic challenges of balancing the principles of territorial integrity and the right to national self-determination require prudent solutions in order for the conflict to be fairly resolved. The Karabagh conflict has long been misunderstood and incorrectly presented as simply an "ancient hatred" or "historical conflict" that erupted in the wake of the imploding Soviet Union. The issue is far more complex, however, and the generalizations and stereotypes of the conflict only hinder progress in resolving the dispute. Specifically, the Karabagh conflict has been interpreted in three different ways. The first and most commonly held approach, is to define the issue by a focus on the role of extreme nationalism stemming from "ancient hatred" in driving the ethnic violence. A second approach is the suggestion that the conflict stems from a series of inter-ethnic security dilemmas. [16] The third approach sees manipulation by belligerent leaders as the key cause for the conflict.

The Challenge of Security

The fundamental issue of the Karabagh conflict is the existence of a significant "security dilemma," whereby the Armenians of Karabagh were driven by the fears of mass extinction, compounded by the realization of a total lack of any state guarantees of safety. The pogroms of Baku and the organized violence of Sumgait directed against the Armenian minority demonstrated the insecurity of the Armenian population residing within Azerbaijan. The outbreak of anti-Armenian violence in Azerbaijan fed the already present sociological insecurity of Armenians stemming from the 1915 Armenian Genocide perpetrated by neighboring Turkey.[17] The preconditions of the conflict, following a pattern found in most incidents of ethnic violence, included a series of ethnically-defined grievances, negative ethnic stereotypes, and disputes over emotional symbols (land, churches, etc). Other factors necessary to raise the danger of actual violence were present as well. These included a sincere fear of mass extinction and a threat of demographic expulsion, both demonstrated in actions by the Azerbaijani side in a pattern of state policy. The security dilemma of the Karabagh Armenians became firmly rooted during the *de facto* anarchy associated with the decline and eventual collapse of the Soviet system.

The Limits of International Mediation

Aside from the inherent obstacle of oversimplifying the core of the conflict, international mediation attempts seeking to foster a negotiated settlement to the Karabagh conflict face additional constraints, both as a result of the mediators' strategy and from several

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[16] First articulated by Posen, Barry R., 1993, "The Security Dilemma and Ethnic Conflict," Survival, Vol. 35, No. 1, 27-47.

[17] Kaufman, Stuart J., (1996), "Spiraling to Ethnic War," International Security, Vol. 21, No. 2, 116.

important external factors. Initial approaches to the Karabagh conflict (and to other global crises as well) rested on the premise that the post-Cold War era offered new opportunities for the world powers to intervene on a global level to mitigate, mediate and help resolve ethnic conflicts. This premise of a "new world order" hoped that an external enforcement of agreements between warring parties would lead to a new period of stability in conflict-prone areas. It was in this optimistic initial period that the United States began to exert a dominant role in the Middle East peace negotiations, and joined the European powers in attempting to resolve the bloody conflict in the former Yugoslavia. Very soon into this initial period, however, it became evident that the new post-Cold War period deprived the great powers of the political will necessary for such international commitments.

The fundamental test for international mediation is the depth and fortitude of the international community's commitment. For example, the external guarantees vital to any lasting negotiated settlement in conflict resolution can only be effective if the parties to the conflict believe in the political will of the outside powers to fairly enforce the settlement for an indefinite period. The stamina of external enforcement is, therefore, crucial to the overall effectiveness of the settlement.[18] By noting this fact in examining the Karabagh issue, it also becomes apparent that even intervening countries with vested interests in reaching a solution, such as the case with the world powers attracted to the significant oil reserves in Azerbaijan, are hampered by an inability to offer credible external guarantees. An additional complication to the effectiveness of outside powers in conflict mediation is the very fact of their vested interests. In this case, these powers must overcome the distrust of the Karabagh leadership regarding their investments and interests in Azerbaijani oil. Another example of this complication was seen in France's doomed attempt at intervening in the ethnic conflict of Rwanda in 1994, where the French were seen to be partisan by the combatants and/or were partisan because of their vested interests in the outcome of the conflict.

Countries with weak interests in the conflict, on the other hand, are commonly perceived as lacking the political will to offer credible guarantees to the parties. This case was most evident in the failed role of the United States in Somalia as the first loss of U.S. lives in enforcing the peace was enough for Washington to immediately withdraw. This also relates to the danger of weak commitments leading to ambiguous policy, a scenario that tended to only exacerbate the hostilities in the former Yugoslavia, for example, and has broadly defined the weakness of U.S. policy in the Balkans. The notable exception, however, is posed by the NATO campaign in Kosovo which also offered a new precedent for promoting the right of self-determination over the previously-held defense of national sovereignty, a principle which guards an inherent concept of territorial integrity. This seemingly contradictory clash of the principles of self-determination and national sovereignty reflected in the Kosovo scenario, however, is not without the same constraints of the test of political will. In fact, the very nature of the Kosovo model demanded an even greater level of political will by states involved in order to surmount the shield of national sovereignty. The Karabagh leadership seems to understand this

[18] This is explored in depth by Lake, David A. and Rothchild, Donald, (1996), "Containing Fear: The Origins and Management of Ethnic Conflict," International Security, Vol. 21, No. 2, 68-69.

only too well as demonstrated by its frustration with the lack of true security guarantees and its exclusion from the peace process of the Organization for Security and Cooperation in Europe (OSCE).

Self-Determination versus Sovereignty

As mentioned above, the rather ambiguous nature of the Karabagh conflict in terms of civil war or inter-state war calls for an examination of the Azerbaijani claim of territorial integrity or sovereignty. Although it seems boldly biased to dismiss the Azerbaijani position outright, the very principle of sovereignty itself is not as widely held or as strongly defended as often thought. States have a long history of intervention and involvement in the ethnic affairs of others.[19] And most obvious to the Armenians, most of the international treaties settling European affairs at the end of World War I contained empty and unenforced provisions and obligations of signatory states protecting minority rights. Moreover, as former United Nations Secretary General Boutros-Ghali has admitted, "the time of absolute and exclusive sovereignty has passed." [20]

Conclusion

The two fundamental obstacles to an effective resolution to the Karabagh conflict are the Azerbaijani refusal to engage the Karabagh leadership in direct talks, insisting that any such engagement would infer recognition of Karabagh's independence, and the lack of real security guarantees by the international community, ensuring continued skepticism on the part of Karabagh. The Azerbaijani refusal to conduct direct talks with Karabagh has not been adequately challenged by the OSCE, despite the significant precedents offered in the cases of the United Nations-brokered talks featuring Georgian and Abkhazian delegations and, in another example, between Greek and Turkish Cypriot parties engaged in direct negotiations. The second obstacle, the lack of any firm security guarantees for Karabagh, is much more daunting, however, as the very credibility of any mediation effort rests on the necessity for the enforcement of any concluding agreement by the international community.

Imperative Two: Javakhk

The peaceful political transition in Georgia that began in late 2003 marked the beginning of a new effort to restore state authority and regain legitimacy in the wake of over a decade of civil war, separatist conflict and severe economic decline. In what became known as Georgia's "Rose Revolution," former Soviet-era leader Eduard Shevardnadze was forced from the presidency and replaced by a new, young Western-educated reformist former Justice Minister, Mikhail Saakashvili, in democratic elections in January 2004.

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[19] See Krasner, Stephen D. and Froats, Daniel K., "Minority Rights and the Westphalian Model," in Lake and Rothchild, Ed.s, (1998), The International Spread of Ethnic Conflict: Fear, Diffusion and Escalation (Princeton University Press), 227-250.

[20] Boutros-Ghali, Boutros, (1992), An Agenda for Peace (United Nations, New York), 9.

Sparked by popular outrage over obviously fraudulent parliamentary elections, the opposition National Movement led by Saakashvili was able to force President Eduard Shevardnadze to resign in November 2003. Yet the apparent ease of forcefully ending the rule of Shevardnadze and garnering a sweeping victory in the subsequent presidential election was not without its own difficulties, as the new Georgian president continues to struggle with the legacy of a failed state.

Most significantly, the new Georgian leader has inherited the very same problems of the old regime, ranging from institutionalized corruption to a pronounced loss of territorial control over several key areas of the country that seriously limited his authority and legitimacy. He also faces a rather new problem stemming from the wave of popular support that swept him into office. With the initial success of ousting the Shevardnadze regime, this popular support was quickly transformed into a population endowed with "great expectations," with popular demands for economic improvement and immediate benefits. Faced with these twin challenges, the new Georgian leader has acted quickly. Bolstered by this new electoral legitimacy and riding a wave of popular support, President Saakashvili embarked on a challenging campaign of state-building, seeking to rescue Georgia from its nearly fatal crisis as a "failed" or "failing" state.

This effort to restore the Georgian state consists of two essential elements, each of which represents essential steps to security and stability. The first element, internal in nature, is the need to repair and remake relations between the central Georgian government and its separatist and autonomous regions and republics. The complex nature of the conflicts between the central Georgian government and the breakaway republics of Abkhazia and South Ossetia is truly daunting, and is only exacerbated by the external pressure imposed by Russian interests. But as the Georgian government must craft an incentive for these regions and republics to return to Georgian rule, the lack of economic and political incentives offers limited optimism for a peaceful resolution, especially as the military approach remains beyond Georgia's capabilities.

The second element in this strategy is external, and relates to the necessity for improved Georgian relations with Russia. With the steady reassertion of Russian influence in the South Caucasus in recent years, Georgia remains significantly vulnerable to Russian pressure and economic leverage. This Russian leverage over Georgia has also expanded in recent years, from military and political leverage exercised through the unresolved conflicts in Abkhazia and South Ossetia to a more sophisticated and effective tool of controlling the Georgian energy sector.

Despite the dramatic changes underway in Georgia since late 2003, there has been increasing concern over the worsening situation in the Samtskhe-Javakheti region of Georgia, a strategically located region of southern Georgia with an ethnic-Armenian majority population. The strategic significance of Javakhk stems from its pivotal role in the long term security and stability of Georgia. Specifically, it is the severe economic conditions and poverty of the Javakhk region that challenges both national and regional stability and greatly influences bilateral relations between Armenia and Georgia, as well as relations with Russia by virtue of the large Russian military base in the region.

Economic Neglect & Underdevelopment

The majority Armenian population of Javakhk has faced a crisis of mounting severity in recent years. Over a decade of economic neglect and underdevelopment by the central Georgian government has resulted in substantial poverty and unemployment. Additionally, energy shortages continue to plague the region, and basic social services such as education and health care remain strained beyond the region's capabilities, leading to a severe crisis in Javakhk.

The fundamental nature of the problem of Javakhk is economic, with a serious degree of insecurity and vulnerability. For decades, Javakhk was the most underdeveloped region of Georgia and since its independence, a combination of irresponsible economic policies, state mismanagement and governmental neglect has resulted in a pronounced state of decline, most evident in the decay and disrepair of the regional infrastructure, and the poor state of the labor market as the region has recorded over a decade of net job loss and labor migration. The Javakhk region also continues to be afflicted with one of the highest unemployment rates of the country, the lowest level of state investment, and proportionally, the highest outflows of seasonal migration.

Local industry is virtually nonexistent in Javakhk, aside from the service industry affiliated with the local Russian base. For Javakhk residents not fortunate enough to have work associated with the local Russian military base, labor conditions force much of the male population to seasonally migrate to Russia in search of work, only returning to their families in winter. The most vulnerable of the population, the elderly, are forced to rely on such family support in the absence of reliable pension benefits or even basic health care and social services. During the peak months of work in Russia, seasonal workers remit an estimated $25,000 a day in transfers to families in Javakhk.

Roads and highways continue to be in severe need of investment and reconstruction, as the only improvement in transport in the past ten years has been on the Armenian side of the border. The normal two-hour trip from Ninotsminda to Tbilisi, for example, takes six to seven hours due to the poor conditions of the main road. In fact, almost all of Javakhk's roads and external trade routes are southward toward Armenia, further strengthening the ties between Javakhk and Armenia. This isolation from the rest of Georgia is another key element of the region's difficult relationship with the central Georgian government, but it is the economic crisis and deepening poverty in Javakhk that has contributed the most to the region's vulnerability and isolation.

The Economic Crisis in Javakhk

Several indicators reveal the extent of the economic crisis in Javakhk:

- The Javakhk regional economy produces only one-tenth of national average
- 70% of the Javakhk population are living in poverty

- 90% of the Javakhk population is forced to spend 65% of their income on food (although it has the highest national ratio of money spent on books)
- 60% unemployment rate
- Little private business, only 6.3% of workers are self-employed
- Little investment, no Western investment (ever)

The Armenian Identity of Javakhk

National identity in Javakhk is strongly Armenian, and is plainly evident in most aspects of everyday life. Although three languages, Armenian, Georgian and Russian, are seen in the street signs throughout the region, the Georgian presence virtually ends there. Armenian television programs, not Georgian, are watched in Javakhk due to both easier reception and popular preference. The Russian ruble, the Armenian dram, and to a lesser extent, the American dollar, are the only forms of currency to be found in Javakhk.

Although Javakhk is nominally a region of Georgia, more than 95 percent of the Javakhk Armenians cannot speak Georgian well. Javakhk is much more Armenian than Georgian and this national identity is firmly rooted in its history and manifested in many, if not all, of Javakhk's characteristics. The relative physical isolation of Javakhk, combined with the unofficial cultural autonomy of the region, has reinforced this strongly Armenian identity despite being under Georgian rule.

Georgian-Armenian Relations

Throughout the last decade, Armenia has sought to maintain a cooperative relationship with Georgia as the severe restraints imposed on Armenia by the dual blockade of the landlocked country by Azerbaijan from the east and Turkey from the west made the outlet to the north through Georgia a vital necessity. The Azerbaijani and Turkish blockade of Armenia's railway and transport links, their disruption of the regional energy network and the breakdown of communications links all contributed to a serious Armenian dependence on Georgia for all essential commodities.

These constraints on Armenian foreign policy regarding Georgia have greatly influenced Armenian policy on Javakhk, and have generally limited it to a secondary role. When circumstances have provided an opportunity, however, Armenia has been able to offset these constraints, as seen by Georgia's need for supplies of Armenian electricity. With an energy crisis worsening over the past year due to Russian manipulation of its energy shipments, the two governments have concluded new bilateral accords whereby Armenia exports supplies of electricity to Georgia. Additionally, there is a significant Armenian role in providing direct assistance to Javakhk in the educational sector.

Most importantly, this arrangement included the modernization of the 35,000-kilowatt Ashotsk-Ninotsiminda-Akhalkalaki electrical power line by Armenia, an element that allows Armenia to supply electricity directly to Javakhk without connecting to the main Georgian national energy grid. Although some outstanding issues remain regarding the

Armenian-Javakhk energy deal, it allows Armenia to directly meet an important need of the Javakhk population and sets an important precedent in establishing a special Armenian role in assisting Javakhk.

The Russian Base at Akhalkalaki

Overlooking the heart of Javakhk from its perch high on a cliff, the Russian military base at Akhalkalaki is seen by the Javakhk population as much more than a straightforward guarantor of physical security. The Russian military presence in Javakhk is both a strategic deterrent and a central element of the Javakhk economy. The Russian base is the region's largest source of employment and provides a reliable income from work both directly and indirectly tied to the base for several thousand local Armenians.

In terms of providing physical security, the Russian military presence in the region, first established in 1828, provides the Javakhk Armenians with its only tangible reassurance in the face of the population's fear of Turkish aggression. With a border with Turkey twice as long as with Armenia, Javakhk is quite vulnerable to any potential Turkish military assault. The Russian military presence, therefore, also meets the security concerns of the population as a strategic defense against the Turkish threat. The perception of a threat from neighboring Turkey stems from history but is also reinforced by the increasing Turkish military role in Georgia in the past few years. The proximity of Turkey means a military assault would only have to penetrate 20 miles into Javakhk to capture the heart of the region. The natural vulnerability of Javakhk as a border region is also a constant reminder of insecurity in the face of such a threat.

The 62nd Divisional Russian base at Akhalkalaki, with its force of 3000 soldiers, is home to the Russian 147th Motorized Rifle Division. It is also the largest, and only reliable, source of employment in Javakhk. The base provides jobs for several thousand local Armenians, offers the local workers access to affordable and efficient health care and includes the operation of a 500-person factory on the grounds of the base. [21] Some estimates also reveal that nearly half of the region's population is engaged in work related to providing goods and services to the base, a fact of obvious importance to the struggling Javakhk economy and its high unemployment rate. Nearly half of the 3000 Russian soldiers, both officers and enlisted men, stationed at the base are in fact local Armenian Javakhk residents.

Insecurity and Vulnerability

The insecurity and vulnerability of the Armenians of Javakhk is further exacerbated by the region's strategic location. Javakhk is pivotal to the route for oil and natural gas pipelines transporting Azerbaijani energy through Georgian territory. The newly constructed $3 billion Baku-Ceyhan oil pipeline, for example, passes through three of the six districts of Samtskhe-Javakheti, accounting for roughly 38 percent of the Georgian section of the planned route. Specifically, the pipeline enters the Gardabani district,

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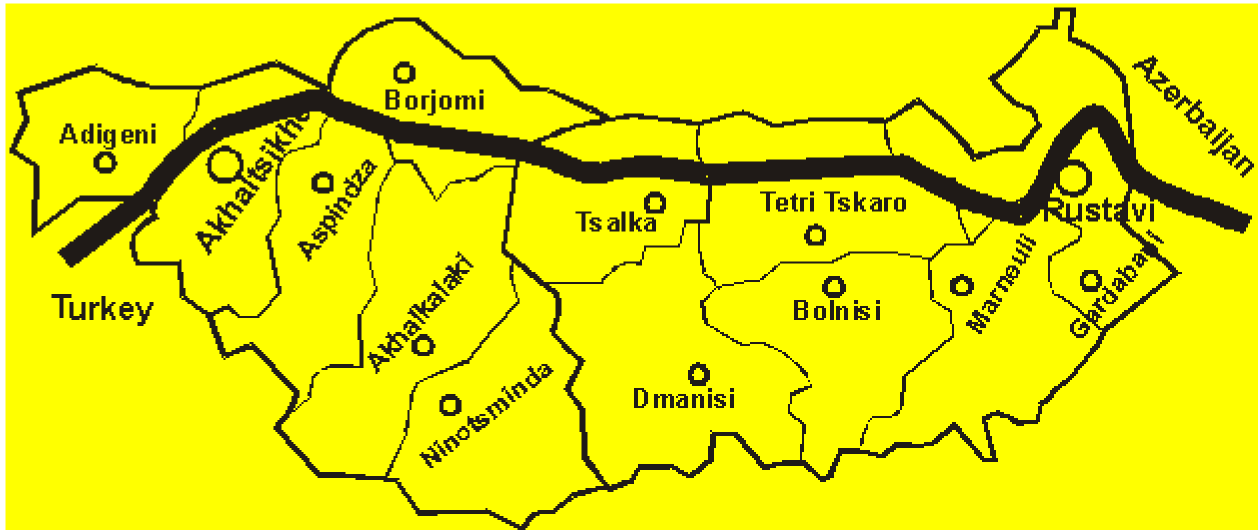
[21] Income from economic activity and indirect labor associated with the Russian base is estimated at roughly $80,000 a month.

traverses Rustavi at the north, crosses the northern parts of Tetri Tskaro and Tsalka districts, passes through the Borjomi district southern of the Borjomi town, and transits the Akhaltsikhe district, before crossing the Georgian-Turkish border near Vale (see below).



The South Caucasus Energy Corridor: The Baku-Ceyhan Route

There are several implications for Javakhk stemming from the Baku-Ceyhan pipeline plan. First, the presence of the pipeline and its proximity to the Armenians of Javakhk may invite an even greater Turkish military threat, under the guise of providing "pipeline security." It also threatens the local and regional environment, with serious repercussions for the biodiversity and underground water springs of Javakhk. Third, it tends to encourage stricter Georgian political control and may increase corruption in the region.

Additionally, there is a significant threat perception rooted in Turkey's increasingly assertive and ambitious plan to extend its military influence in Georgia. Through a multi-million dollar military assistance program, Turkey has forged a significant geopolitical presence in the region. Georgia has become seriously dependent on the Turkish military and the structural dependence of the Georgian armed forces has only exacerbated an already marked decline in the authority and power of the central Georgian state.

A related factor contributing to the insecurity of the region is the issue of the Meskhetian Turks. Prior to their World War II deportation by Soviet Premier Joseph Stalin, the Meskhetian Turks resided in the district of Meskhetia adjoining Javakheti. The district itself was ceded to Georgia by the Adrianople peace treaty between Russia and Turkey and the Meskhetian Turks have always considered themselves as ethnic Turks, continuing to more closely identify themselves with Turkey than with Georgia proper. Following their deportation to Central Asia, their native lands in the district were repopulated by settlements of Armenians, Georgians, and to a lesser degree, by Russians. But with the collapse of the Soviet Union, the Meskhetian Turks have renewed their demands to return to their ancestral homes in southern Georgia. An influx of Meskhetian Turks would

significantly alter the already delicate demography of the region and would only exacerbate tensions. The issue could also conceivably arouse a renewed Turkish claim to the territory, making the implications severe for the future of the nearby Armenians.

Javakhk within Georgia: The Need for Autonomy

The trend of devolution of power from the central state to the increasingly assertive autonomous regions and republics underway in Georgia is determining the future of Georgian statehood. It has become apparent that Georgia is on a course toward reconstituting its statehood and transforming itself into a confederation. For Javakhk, the most attractive path toward security and greater potential for economic development is autonomy within a new Georgia.

There is also a set of potential economic benefits to be realized through an autonomous Javakhk. The most realistic of these benefits include the possible share of proceeds from the lease agreement for the Russian military base in Javakhk currently being negotiated between Tbilisi and Moscow. A second benefit lies in the promise of a new revenue sharing plan derived from transit fees from the utilization of Javakhk territory for the Baku-Ceyhan pipeline or in from the Tbilisi-Kars railway. There are some precedents for an autonomous region negotiating a share of transit fees in this way, as the Ajarians are paid for the use of their Black Sea port Poti or as the Chechen government has received tariff payments for the pipeline from Baku through Chechnya to the Russian port facilities on the Black Sea. Even more encouraging would be the possibility of utilizing such revenue in a special “Javakhk Development Fund” to be administered by the regional government of an autonomous Javakhk and with the bilateral assistance and supervision of both Armenia and Georgia.

By following this course of Georgia's devolution toward confederation, an autonomous Javakhk, at this time, represents the most prudent and most promising avenue for securing the rights and meeting the needs of the majority Armenian population. With the opportunity for security and the promise of stability through autonomy, Javakhk may be allowed to begin to effectively overcome its legacy of economic neglect and underdevelopment. An autonomous Javakhk region would also play an important role as a precedent for the incentives needed for the breakaway autonomous regions and republics to join a new, reconstituted Georgian confederation. Thus, Javakhk may be a most effective tool in bolstering the effort to reforge the Georgian state.

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