After the elections in Armenia

19 July 1999

Largely ignored by the Western media, parliamentary elections in the former Soviet republic of Armenia took place May 29. Even though they were not the exemplary elections promised by President Robert Kocharian, the irregularities were far fewer than in those held in 1995, 1996 and 1998. The main criticism was that electoral registers in many polling districts had not been brought up to date. However, given the large number of Armenian migrants, this was an objective problem.

Because of the presidential system—in Armenian and the other post-Soviet republics—and the accompanying weakness of the parliament, such elections do not have any real significance in terms of power politics. However, despite this limitation and the low voter turnout, put variously between 45 and 55 percent, the election does represent an important change in political accent.

The National Assembly has been reduced in size from 190 to 131 seats. Until 1998, the parliament was dominated by the *Hayots Hamazgain Sharzhum* (HHSh — Armenian National Movement), an anti-communist melting pot that failed to clear the 5 percent hurdle. It is now dominated by two blocs. The stronger comprises the *Miasnutiun* alliance *("Unity")*, which gained 41.67 percent of the votes and so has 57 seats in parliament. This alliance is made up of two groups. One led by former Defence Minister Vazgen Sargsyan, is the "Republican Party of Armenia", which mainly rests on the Veterans of the Karabakh War Association, "Union of Volunteers for National Defence" ("Jerkrapah kamaworakanneri miujun"). The other is the "Peoples Party of Armenia," founded in 1998 by former Communist Party chief Karen Demirchian.

Since Miasnutiun lacks an absolute majority in parliament, it has to rely on the support of the reformed Communist Party, which received 12.1 percent of the votes. They are opposed by the smaller bloc around the traditional social democratic *Dashnaktsutyun* (Armenian Revolutionary Federation), which gained 7.83 percent. The previous president, Ter-Petrossian banned Dashnaktsutyun, when it openly criticised his authoritarian regime. When his successor, President Kocharian lifted the ban, they were able to contest elections from 1992. They count as the most reliable supporters of President Kocharian, who can also only rely on the newly-formed "Country of Law" party that received 5.28 percent and which advocates liberal economic positions and were able to afford a strikingly extensive advertising campaign.

Also entering parliament are the "National Democratic Union", a splinter from the HHSh, led by popular party leader and former HHSh ideologue Vazgen Manukian **.** This party represents the interests of those businessmen who have been able to acquire their wealth through trade under the post-Soviet conditions—the "new Armenians", analogous with the "new Russians".

The new government chief is Vazgen Sargsyan, who had been defeated by his adversary Robert Kocharian in last year's presidential elections. Parliamentary president, or speaker, is the ex Communist Party leader Karen Demirchian. Vardan Oskanian remains as Foreign Minister. In Major-General Vagharshak Harutyunian, the important position of Minister of Defence is now taken by a high-ranking military figure. Previously combined in one department, the Ministry of National Security and the Interior has been split into two, with the former "superminister" Serge Sarkissian keeping just the National Security post. The Interior Minister is Suren Abrahamian. The departments of Economy and Finance, also previously combined, are now separate Ministries again.

The immediate consequence of the elections is a dichotomy between parliament and president, such as has dominated political conditions in Russia for years. However, no radical changes are to be expected, primarily due to the great powers of the president, which result from a 1995 referendum, which the OSCE (Organisation for Security and Co-operation in Europe) observers described as "free, but not fair".

On the other hand, the election result only appears to be a shift to the left on first glance. The governing Miasnutiun alliance is, largely, old wine in new bottles. Last year, a third of the HHSh deputies changed sides, joining the Jerkrapah veterans' association. Up until September 1997, this remained a loyal party of government under the authoritarian regime of President Ter-Petrossian. In the 1995 parliamentary elections they even functioned as a goon squad for the president against oppositionist demonstrators. Today, Jerkrapah forms one of the pillars of the Miasnutiun alliance.

The fact that no fundamental change of political course could be expected was revealed soon after the election. The new parliamentary president Karen Demirchian had sharply criticised the too strong alignment of economic policy according to the demands of western creditors and institutions, and promised to lend more strength to social policies.

However, after one month, little remains of the fundamentally new path promised in economic policy. Any deviation from strictly the market-oriented course has been strongly rejected by President Kocharian. In the meantime, Prime Minister Sargsyn has explicitly confirmed the continuation of economic reforms, with the only proviso that these be more strongly socially cushioned, in order to "alleviate any side-effects" (*Asbarez Online*, June 18, 1999).

Demirchian has since expressed similar views. When a high-ranking International Monetary Fund delegation visited Armenia in mid-June, the ex-communist described the IMF's activities there as "serious and useful" (*Asbarez Online*, June 12, 1999).

The "serious" institutions of the IMF and World Bank had made the granting of new credits dependent on the outcome of the parliamentary elections. Similarly, they had coupled the agreement to further credit to the outcome of the presidential elections the year before. Not only the IMF but also the World Bank has since classified the new government as creditworthy. Shortly after the elections, World Bank president James Wolfensohn visited Armenia as part of a trip to the Caucasus, and promised the country further credits.

Without international credits, and the massive financial support of the Armenian Diaspora—above all in the US, which with one million Armenians contains the largest exile community outside Russia—the country is not viable. The economic situation of the almost completely isolated country (with the only exception of Iran, and more conditionally, Georgia) is more catastrophic than in Russia, which in contrast to Armenia at least possesses exportable raw materials.

According to the UN Human Development Report, some 80 percent of the Armenian population live below the poverty line. This afflicts, above all, the urban population (over two thirds of Armenians live in cities and

towns), where mainly the elderly suffer. In the countryside, those with their own land can at least keep their heads above water. For this development, international creditors such as the IMF and World Bank are responsible. As in Russia and the other states of the former USSR, they have imposed austerity measures to the detriment of the poor and those dependent on employment. Meeting the fiscal and economic requirements of the IMF and World Bank will not leave much room for manoeuvre for the Armenian government to shape its policies more strongly according to the economic and social needs of the majority of the population. On the contrary, it will polarise the country even more strongly between rich and poor.

The problems in Armenia that are also present in the other post-Soviet republics, such as corruption, nepotism, the destruction of the social security system, have been intensified by a number of other factors. These include the isolation of the country, the long-term effects of the terrible earthquake in 1988, as well as the consequences of the conflict over the Armenian enclave of Nagorno-Karabakh inside Azerbaijan.

In Soviet times, Nagorno-Karabakh, which has been inhabited by Armenians for centuries, enjoyed the status of an autonomous region inside the Soviet Republic of Azerbaijan, which at Stalin's insistence (or with regard to their Turkish allies) had been incorporated in the USSR in 1921. In practice, this autonomous status, despite the written guarantees and the counter-measures from Moscow, constantly fell victim to the political leadership in Azerbaijan, much to the chagrin of the Armenians who lived there.

After the collapse of the Soviet Union, the government of the newly independent republic of Azerbaijan ended Nagorno-Karabakh's autonomous status on November 23, 1991. According to the new Azerbaijani laws, the enclave was now just a normal part of the country. Despite their enormous military superiority, the leadership in Baku was unable to conclude the bloody war between Nagorno-Karabakh and Azerbaijan, which followed this fateful decision, in their favour. The war ended with the de facto independence of Karabakh, which linked itself to the Republic of Armenia.

In response, Azerbaijan mounted an energy and transport blockade against Armenia, which was then also joined by Turkey. This led to Armenia being almost completely cut off from electricity supplies for a time. The economic collapse of the country, and the massive emigration of Armenians, mainly to Russia (where some 2 million live today), meant the country reached an absolute nadir in 1993-94. The energy situation has relaxed somewhat following the construction of a natural gas pipeline from Iran, and the re-inauguration of the disputed Medsamor atomic energy plant in November 1995. Prior to that, households could get electricity for only about one hour a day.

In order to urgently attain the necessary international credits, but at the same time not to endanger the traditional links with Russia, President Lev Ter-Petrossian, who came to power in 1991, followed a twin-track policy. While paying attention to Armenia's "natural geopolitically strategic partnership" with Russia, Ter-Petrossian tried to integrate his country more strongly into European and even trans-Atlantic structures.

Ter-Petrossian's most important domestic support was the Armenian National Movement, founded in 1989. This was originally a broad anti-communist tendency that soon split apart due to its heterogeneous nature. Inside the HHSh, a layer of businessmen soon came to predominate, whose foreign policy interests were, in the first case, largely in continuing the undisturbed development of foreign trade relations.

This meant abandoning all disputes (previously supported by Soviet Armenia and now supported by all the oppositionist Armenian Diaspora groups) with Turkey, which to this day obstinately refuses to admit any culpability for the genocide of some 1.5 million Armenians in 1915-16. The result was also a corresponding leniency towards Azerbaijan, Turkey and the West in the conflict over Nagorno-Karabakh. Increasingly, trade interests came to determine the policies of the HHSh and its president. From 1996-1997, the Karabakh policy of Ter-Petrossian became dominated by the desire for Armenia to participate in the international transit of trans-Caspian oil from Azerbaijan.

In September 1997, Ter-Petrossian signalled a turn in the question of Nagorno-Karabakh. He indicated his readiness to accept the offer of the region's "greatest possible autonomy" (over the heads of the Armenian population there), as had been proposed by Azerbaijan President Aliyev. President Ter-Petrossian encountered increasing criticism for his Karabakh policy. When key politicians—such as the Ministers of Defence and the Interior/National Security—openly opposed the President, numerous HHSh deputies left the, until then, dominant parliamentary faction "Hanrapetutjun" ("Republic") and joined "Jerkrapah", formed in the autumn of 1997. This has now become the most influential faction following the 1999 elections.

On February 3 1998, at the highpoint of the pipeline negotiations, Ter-Petrossian was forced out of office for his lenient attitude in the Karabakh conflict by politicians around Robert Kocharian. In the same year, Kocharian, who comes from Karabakh, was elected as President of Armenia, strengthening the Karabakh elements inside Armenian politics.

In contrast to Ter-Petrossian, Kocharian refused Azerbaijan's "generous" offer, citing the bad experiences between 1921 and 1991. Armenia paid for the obstinacy of President Kocharian in the conflict with Azerbaijan with its exclusion from the pipeline projects favoured by the US, which went via Azerbaijan and Turkey towards the Mediterranean. Consequently, Armenia, Russia's sole remaining ally in the region, became increasingly isolated internationally. This was further exacerbated by the start of an "oil boom" in Azerbaijan. "Baku is far more efficient in international circles than Yerevan, so poor in raw materials, and skilfully employs its 'oil weapon'. The traditionally strong Armenian lobby in Washington was displaced by the US oil lobby." (GUS Barometer, No. 16, May 1998)

Even though, as demanded by Armenia, new talks regarding the question of Karabakh were started under the auspices of the OSCE, at the heart of these was an attempt to square the circle, i.e., to find a solution acceptable to both sides between self-determination and territorial integrity.

While, on the one hand, Kocharian is energetically committed to pursuing the interests of Karabakh, and the OSCE is apparently prepared to make concessions in this respect, at the same time he is seeking the greatest co-operation with the West. Thus Armenia is one of the ten members of the $1 trillion TRACECA project (Transport Corridor Europe-Caucasus-Asia). This project, promoted by the European Union, with a time scale of 1993-2010, foresees the construction and improvement of the railway lines and road network of the states lying along the historic "Silk Road". The aim of TRACECA is to further push back the economic and political influence of Russia in the region. Thereby the economic relations of the member states to the Russia Federation are weakened, by transferring the transport of goods to the new network outside Russia.

At the EU-sponsored Baku conference on September 9 1998, Azerbaijan and Turkey ensured that Armenia, despite its formal membership, would be excluded from most of the TRACECA projects. Armenia's twin-track policy—here the strategic dependence on Russia, there the co-operation with the West—has proved to be a tightrope act whose outcome is still uncertain. In the elections, especially the Communist Party demanded a closer link to Russia and a firmer attitude to the West. The fact that the former Foreign Minister Oskanian continues in office after the elections, leads to the conclusion that the new government will also follow the same path in its foreign policy.

Indeed, it is hard to overlook the fact that Armenia, by conflicting with Azerbaijan and Turkey, as well as a potential ally of Russia, has increasingly got in the way of the interests of many powerful groups,

above all in the US. Recently, the US oil lobby, represented by the "American Chamber of Commerce in Azerbaijan" strengthened its endeavours to have part of the "Freedom Support Act" withdrawn—in particular, Section 907, passed in 1992 by the US Congress following the intervention of the Armenian Diaspora.

At the highpoint of the conflict over Nagorno-Karabakh, this law prevented the US government from directly supporting Azerbaijan, as long as Azerbaijan maintained its blockade of Armenia and Karabakh. Azerbaijan is the only former Soviet republic excluded from receiving direct aid from the US government.

Critics now claim that this law punishes US firms heavily involved in the oil and gas business. The withdrawal of "Section 907" is a component of the "Silk Road Bill" directed towards Central Asia and the Caucasus, and an addendum to the "Foreign Aid Bill", which seeks to establish US interests along the former Silk Road.

In the hearings before the "Foreign Operations" committee in the Senate on May 20 this year, US Secretary of State Madeline Albright renewed her wish to see the withdrawal of Section 907 of the "Freedom Support Act". According to Albright, this provision hinders America's capacity to "pursue its national interests in Azerbaijan and the Caucasus".

Responding to these intensified efforts by the US oil lobby to influence US policy in favour of Azerbaijan, the Armenian National Committee of America (ANCA) reacted with a call for all Armenians living in America to demand their senators reject the "Silk Road Bill". If the "Silk Road Bill" passes Congress, the Armenian newspaper *Asberez* concludes this would equate with "rewarding the Azeri parliament for their blockade policy against Armenia, and would, at the same time, compromise any settlement of the Nagorno-Karabakh conflict." (*Asbarez Online*, 25 June 1999)

In the first instance, ANCA was successful. At the beginning of July the Senate voted 53 to 45 against an amendment disabling Section 907 in the "Silk Road Bill". (*Asbarez Online* Special Bulletin)

Recently, the disputes over Section 907 in the US Senate have been accompanied by repeated provocations by Azerbaijan on the borders to Nagorno-Karabakh. With regard to the G8 summit meeting in Cologne, Azeri Minister of Defence Safar Abiev called for the first time on NATO "to play a decisive role in pacifying the region" (*Asbarez Online*, June 18, 1999), a barely concealed demand for military intervention in Karabakh.

For some time, the government of this oil-rich country has sought the establishment of an American, Turkish or NATO support base on the site of the former Soviet airforce facility "Nasonaja", 45 kilometres north of Baku—clearly with growing success. In Washington, which is determined to ensure its interests are carried out in this economically and strategically important region, Azerbaijan's wishes increasingly find support. In March, the US sent a working party of American staff officers charged with investigating on the ground the deployment of NATO forces "to strengthen security and stability" (*Wjek*, No. 21, 4-10 June 1999, quoted on wsws.org June 23, 1999). The leadership in Baku would only too willingly provide their American "friends" with the grounds for a military intervention in Nagorno-Karabakh.