

Tensions renewed in Nagorno-Karabakh



◆ Armenian troops fire on Azeri positions during fighting in Nagorno-Karabakh in May 1992.

Tensions between Armenia and Azerbaijan have recently reached their highest level since the achievement of a cease-fire in the Nagorno-Karabakh conflict zone three years ago. At the heart of the new tensions is the 14 February allegation by Russia's minister for co-operation with CIS countries, Aman Tuleyev, that 86 T-72 tanks and 50 APCs were transferred to Armenia via Iran from the Russian Defence Ministry – free of charge and without the apparent endorsement of the Russian Government – between 1994 and 1996. Azerbaijan termed the transfer (the facts of which have been acknowledged by former Russian Defence Minister Igor Rodionov) “a gross violation of the Conventional Forces in Europe Treaty” and accused Armenia further of obtaining from Russia nuclear-armed missiles capable of carrying out an attack on Baku. Armenia's Foreign Ministry refuted the charges and claimed that Azerbaijan had itself embarked on a major arms build-up as part of “a preparatory campaign to justify its plans for a military solution to the Nagorno-Karabakh conflict”.

The row over alleged Russian arms

While Caspian oil could make Azerbaijan one of the world's largest oil producers, neighbouring Armenia is set to become nothing but weaker by comparison. **Michael Croissant** looks at how this polarisation of fortunes could lead to a new and internationalised conflict in the disputed region of Nagorno-Karabakh.

transfers was exacerbated by the surprise appointment of the president of the self-proclaimed Nagorno-Karabakh Republic, Robert Kocharian, as prime minister of Armenia on 20 March. The move was interpreted, on the one hand, as an attempt by Armenian President Levon Ter-Petrosian to mollify the political opposition in the wake of rigged elections last September by appealing to nationalist sentiments. On the other hand, the Kocharian appointment was seen as a hardening of Armenia's line on the Karabakh issue. Baku took the latter view, decrying the move as a “provocation” and an attempt “to reinforce [Armenia's] annexation of the territory of Azerbaijan”.

The heated exchanges between Yerevan and Baku came on the heels of the breakdown of negotiations for a political settlement to the Nagorno-Karabakh

dispute in December 1996, when a clash between the Armenian and Azerbaijani leaders nearly derailed the Lisbon summit of the Organisation for Security and Co-operation in Europe (OSCE). At Baku's behest, a last-minute amendment calling for a resolution based on the territorial integrity of Azerbaijan was added to the final summit declaration. Armenia perceived the move as wrongly prejudicing future talks on the final status of Nagorno-Karabakh.

The OSCE-sponsored peace process has been dormant since the summit clash, but negotiators hope to breathe new life into the talks this spring.

Michael P Croissant is a Research Associate at the Department of Defense and Strategic Studies, Southwest Missouri State University, Springfield, Missouri, USA.

The breakdown in peace negotiations and the recent tensions over the Kocharian appointment, along with allegations of Russian arms transfers, raise serious questions as to the future of the Armenia-Azerbaijan conflict. The dispute over the Armenian-inhabited enclave of Nagorno-Karabakh, which has left 15,000 dead and more than a million people homeless since its flare-up in 1988, shows no sign of ending. Indeed, developments since the May 1994 cease-fire are pushing the sides inexorably toward renewed violence. What is different in 1997 compared to 1994, however, is that external powers, including the USA and Europe, now have significant economic and political interests at stake in the region.

Oil and the Nagorno-Karabakh dispute

Beginning with the so-called 'Contract of the Century' signed in September 1994, Azerbaijan has concluded five major agreements with international oil companies totalling US\$15 billion in relation to the development of its vast energy reserves in the Caspian Sea. While the oil accords promise to bring new wealth to the republic over the next 10 to 15 years, they have also cast a new and important dynamic into the intractable Nagorno-Karabakh clash. Indeed, oil has become a major factor influencing the future course of the Armenia-Azerbaijan conflict.

Azerbaijan's efforts to tap its massive oil reserves have been a source of concern for Yerevan. Possessing few natural resources, Armenia has generated little interest among international businessmen, while Western oilmen have flocked to Baku. Armenia thus sees the rise of a strong, wealthy nation as the logical result of Azerbaijan's oil development. Moreover, Armenian leaders have looked on with dismay at the impact of oil on Baku's attitude toward the Nagorno-Karabakh dispute. Emboldened by the belief that Western governments, especially those whose oil companies are engaged in the Caspian basin, will help Azerbaijan achieve diplomatically what it failed to achieve on the battlefield, Azeri leaders have adopted a maximalist approach to the peace talks.

In negotiations held under the direction of the OSCE, Azerbaijan has sought essentially to restore the status quo ante in Nagorno-Karabakh. Baku has offered an autonomous status for Nagorno-Karabakh within Azerbaijan and security guarantees for the enclave's population, but it has demanded the unconditional withdrawal of ethnic Armenian forces that now occupy 20 per cent of its territory as a precondition

to its signing of a political settlement. Independence for Nagorno-Karabakh has been explicitly ruled out, and Azerbaijan has refused to recognise the Karabakh Armenians as an equal negotiating entity. In light of Armenia's calls for self-determination for its ethnic brethren in Nagorno-Karabakh, which would prompt the separation of Karabakh from Azerbaijan and a change in the republic's borders, Baku has successfully used the world community's preference for the principle of territorial integrity over that of self-determination to its advantage. Negotiations have focused not on whether Nagorno-Karabakh will be recognised as an independent state, but on what status it will be accorded as a constituent part of Azerbaijan. Azeri leaders thus appear willing to sit back and allow the republic's increased importance to Western governments gradually translate into increased pressure on the Armenian side.

This is not to say, however, that oil has been a factor working solely against compromise between the two rivals. Due to Azerbaijan's geographical position, pipelines are necessary to carry its oil from the Caspian to market in the West. The routing of a pipeline south to Iranian ports on the Persian Gulf is not an option due to the US Government's ban on US firms or their subsidiaries doing business with Iran. Thus, the only options left open are to route pipelines north through Russia or west through Turkey via either Georgia or Armenia.

During the spring and summer of 1995, the idea of constructing a pipeline from Azerbaijan to the Turkish Mediterranean port of Ceyhan via Armenian soil was considered in capitals from Washington to Baku. It was conceptualised that such a 'peace pipeline' could contribute to a resolution of the Nagorno-Karabakh dispute by prompting the warring parties to settle their differences in order to realise the joint benefits of oil export.

The logic behind the 'peace pipeline' concept was clear. In exchange for hard currency revenues from the transit of Azeri oil across Armenian soil, Azerbaijan would secure the withdrawal of ethnic Armenian forces from the occupied territories. Baku's newfound dependence on Armenian goodwill would then allow Yerevan to hold Azerbaijan to its promises of security and autonomy for Nagorno-Karabakh.

Despite its ostensible attractiveness, the 'peace pipeline' was a non-starter for the simple reason that the warring parties have been unwilling to make the necessary concessions or conclude a political settlement in a timely manner. Because a permanent pipeline for the export of Caspian oil must be in place and operational in order to meet full-scale Azeri production in 2005, a decision on the route of the pipeline is expected late this year. Without a peace agreement in Nagorno-Karabakh, the Armenian option for oil export has been shelved by international investors.

Developments since late 1995 have virtually assured that Armenia will be



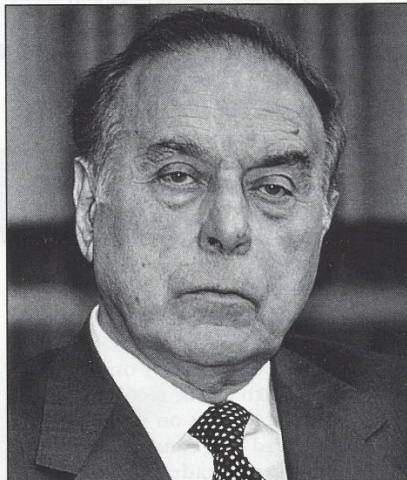
bypassed in the export of Caspian oil. On 9 October 1995 Azerbaijan and a consortium of mostly Western oil companies announced plans to adopt a two-route strategy for exporting early amounts of Azeri oil to market. The first interim pipeline will carry the bulk of so-called 'early' oil north to the Russian Black Sea port of Novorossisk beginning in December this year. The second system, due to come online in 1998 or 1999, will carry oil west to the Georgian port of Supsa. Although it is as yet uncertain whether Turkey will be chosen as the final destination of a main export pipeline, Azerbaijani President Heydar Aliev remarked recently that the pipeline "will certainly cross Georgia". Armenia has thus lost out on the lucrative transport of major energy reserves to the West in the 21st century.

With the 'peace pipeline' a dead issue, Armenia has been sidelined as a player in the development and export of Caspian oil. Thus, as Azerbaijan — a country with more than twice the population of its western neighbour — stands to receive vast economic and political benefits from its oil development while Armenia gains nothing, Yerevan cannot fail to see the strategic situation in the region changing in Baku's favour. Added to this perception is the realisation that the West's reflexive support for the territorial integrity of Azerbaijan has ended the possibility of international recognition of a Nagorno-Karabakh united with Armenia.

Future prospects

The emerging security environment in the Transcaucasus is thus one of an increasingly strong Azerbaijan facing off against an isolated and weak Armenia. Baku makes no secret of its plans to use oil revenues and increased military-technical co-operation with Turkey to rebuild its military might. A parallel between the Croatian re-conquest of the Serbian enclave of Krajina in 1995 and the developing situation in Nagorno-Karabakh cannot fail to be drawn by Armenian and Azerbaijani leaders alike. Barring one side's capitulation to the other's demands, the continuation of the status quo not only favours Azerbaijan in the long term but increases the likelihood of renewed violence in the region.

Armenia has responded to the developing security situation by seeking close ties with allies both new and old. In June and September 1996 respectively, Yerevan signed military co-operation agreements with Greece and Bulgaria. Although Armenia claimed the accords were not directed against a third party, the moves no



◆ Azeri President Heydar Aliev has largely been responsible for developing Azerbaijan's independence from Moscow. Some believe his eventual departure from office will hasten a power struggle or even a civil war in Azerbaijan.

doubt were designed to counter the growing Turkey-Azerbaijan axis. By far the most important of Armenia's external relationships, however, has been its ties with Moscow. Historically viewed as a close friend and protector, Russia enjoys warm relations with Yerevan. Among the most visible of these ties is a burgeoning military relationship between the two countries, including the maintenance of two Russian bases in Armenia and the frequent conduct of joint military exercises.

Like Armenia, Russia is becoming increasingly unhappy with the situation in the Transcaucasus. Despite Moscow's attempts to monopolise the flow of oil from the Caspian and retain a foothold in the strategic region, Azerbaijan has succeeded brilliantly in its efforts to keep Russian influence at a minimum. Although Baku has accepted a token role by Russian companies in its oil development efforts and agreed to ship most of its 'early' oil through the Russian pipeline, Azerbaijan has moved vigorously to strengthen its independence from Moscow by increasing its ties to neighbouring countries, denying basing rights for Russian military forces and seeking long-term oil export options that bypass Russian territory.

The person largely responsible for this success is Azerbaijan's president, Heydar Aliev, who came to power in the wake of a military revolt in June 1993. The ageing Azeri leader has ruled with a strong hand, and it is believed widely that his eventual departure from office will hasten a power struggle, and possibly a civil war, in Azerbaijan. Russia would no doubt welcome

Aliev's replacement with a more pliable leader.

Implications of renewed conflict

Azerbaijani officials have suggested that the recent alleged Russian arms transfers to Armenia represent an effort by Moscow to trigger a new round of fighting and depose Aliev. There is certainly logic to this argument. Aliev's replacement with a leader more amenable to Russian interests would alter the strategic situation in the region almost overnight. Moscow would likely be called upon to impose a *pax Rus* in Nagorno-Karabakh, especially if Azerbaijan were to lose additional territory to Russian-backed Armenian forces. Moreover, the explosion of renewed violence would no doubt stir unease among international investors at work in Azerbaijan and delay the development of the republic's energy resources, thus opening the door for a Russian power grab vis-à-vis Caspian oil.

The renewal of the Nagorno-Karabakh war would also have implications throughout the region. Turkey and Iran, which watched the conflict with great unease during its height in 1992-93, have significant national interests at stake in the region. Turkey has used the past two years of relative calm in the Transcaucasus to increase its economic, political and security links to Georgia and Azerbaijan while promoting itself as a transit point for the export of oil and gas from the Caspian states to the West. Despite signs of growing co-operation with Russia, particularly in the supply of Russian natural gas to Turkey, Ankara would no doubt look unfavourably on the return of Russian influence to Azerbaijan. The downfall of the pro-Turkish Azerbaijani leader would strike a major blow to Turkey's ambitions as a power-broker in Central Asia, and large Azeri losses on the battlefield could stir public opinion in favour of Turkish military intervention.

In the spring of 1993, when local Armenian forces began what would be the conquest of all of southwestern Azerbaijan, Turkey mobilised military forces on the Armenian border and threatened to "take every measure, up to and including military measures, to repulse Armenian aggression". Although the threatened Turkish intervention did not materialise, Ankara continued to watch the situation in Azerbaijan with great interest. Four years later, Turkey has far more at stake in the region, and it is unlikely that Ankara would remain passive in the face of renewed hostilities in Nagorno-Karabakh.

Iran, too, would not welcome the resumption of warfare in Karabakh.

Although Iranian leaders would no doubt look favourably on the downfall of Aliiev, who has kept Iran at arms length, Tehran has more immediate security concerns regarding Azerbaijan. Iran's 15 million Azeris (twice the population of Azerbaijan proper) constitute the country's largest ethnic minority and reside in border areas adjacent to the former Soviet republic. Tehran fears that the growth of nationalistic feelings among its Azeri populace – possibly prompted by renewed warfare in Azerbaijan – could lead to an Azeri separatist movement and the dismemberment of Iran.

Iran's concerns were demonstrated in the autumn of 1993 when Tehran dispatched military units into Azerbaijani territory to establish a buffer zone and prevent an exodus of 200,000 Azeri war refugees from crossing into Iran. Although a defensive measure, the move put Iranian forces in close proximity to the fighting and seemed to mark the internationalisation of the Nagorno-Karabakh conflict. While, active Iranian intervention did not occur, Tehran remains wary of the potential dangers of a renewed Karabakh clash.

Although Russia may be attempting to instigate new violence in the Transcaucasus, it would react negatively to any participation in the hostilities by an outside power. Moscow views the region as part of its sphere of influence where it is entitled to act without external interference. Moreover, Russia is bound under the terms of the 1992 Tashkent Collective Security Treaty to come to Armenia's defence if attacked by a third party. Thus, Moscow would no doubt oppose Turkey militarily in an expanded Karabakh clash.

Whereas the Nagorno-Karabakh dispute was transformed from an internal Soviet problem in 1988-91 to a regional problem in 1992-93, the potential is great for it to take on larger and more dangerous scope in the future. In addition to the clashing regional ambitions of Turkey and Russia and the security interests of Iran, external powers have entered the regional scene in the past three years. With an eye on the Caspian Sea, which could become the West's second most important energy source in the next century, Japan, Germany, France, Italy, the UK and the USA have heightened their economic presence in the Transcaucasus and Central Asia through investment and joint ventures. As plans go forward to expand NATO eastward, regional countries have also assumed a more important place in the political-security calculations of Europe and the USA. Thus, a renewed Karabakh war is



◆ Comrades of an Azeri soldier, killed by an Armenian sniper, stand around his body during fighting in April 1992 near Fizuli on the southeastern edge of Nagorno-Karabakh.

◆ A group of Armenian refugees flee their home village in Nagorno-Karabakh, which was attacked by Azeri forces in June 1992. Renewed conflict in the region is now likely to involve more than just Armenia and Azerbaijan.



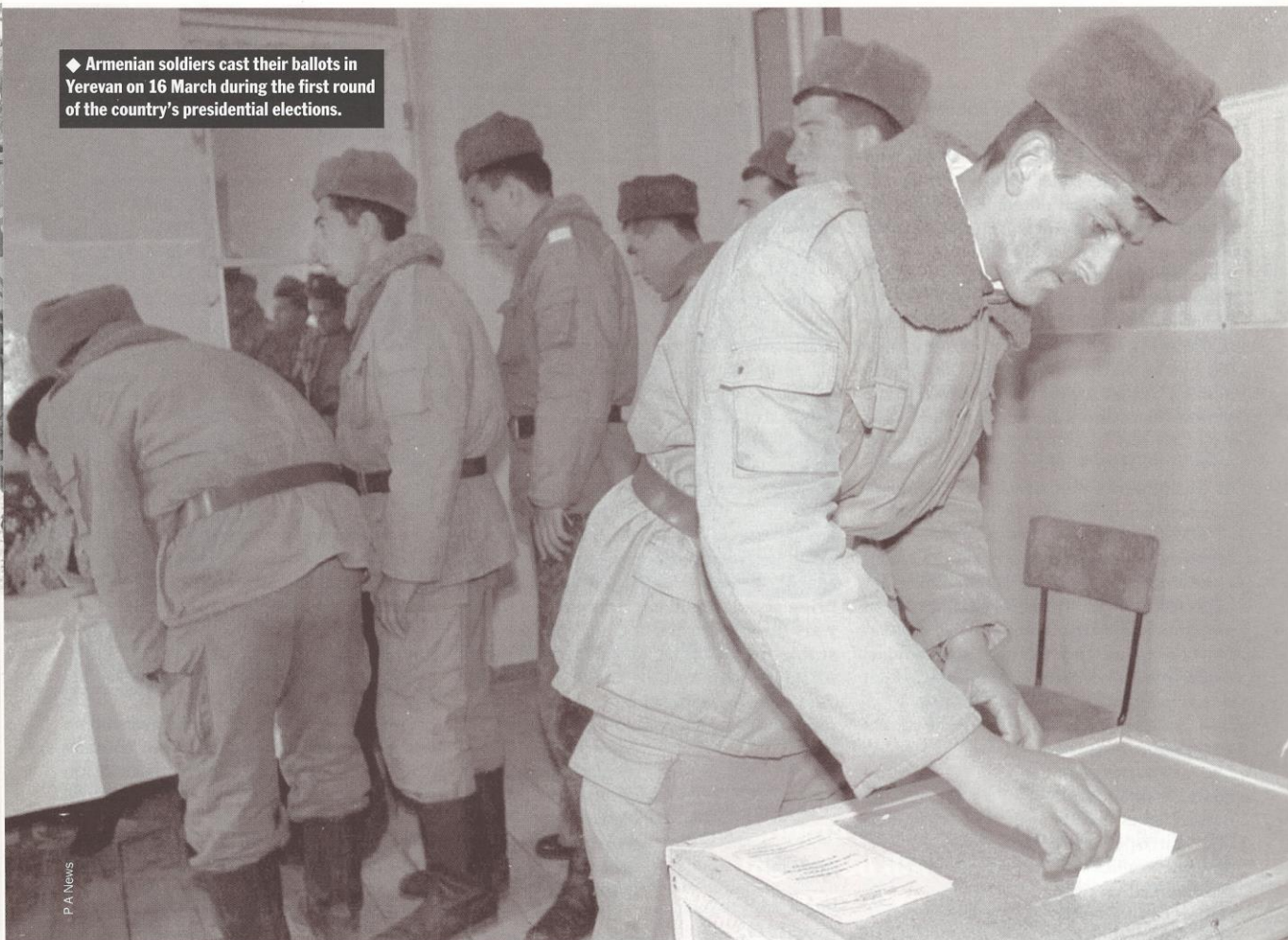
likely to matter far more to the West than it did prior to 1994.

This is not to say that US or European military intervention in the Nagorno-Karabakh conflict is either likely or foreseeable. However, an expansion of the clash to include Turkey and Russia could certainly eclipse the Persian Gulf crisis of 1990-91. Whereas at its onset the Gulf crisis pitted a regional power against a weak and tiny neighbour, the internationalisation of the Karabakh war could involve a NATO member against a nuclear-armed former superpower. Although the Western

response to such a development is difficult to project, US and European interests in the Transcaucasus are too important at this point for the West to remain aloof from a reignited and expanded conflict in the region.

When one thinks of likely areas of conflict in the next five years, Korea, Taiwan, the South China Sea and the Persian Gulf typically come to mind. However, the next major regional conflict may explode not in any of these areas but in the Transcaucasus, and it may happen sooner than one thinks. ●

◆ Armenian soldiers cast their ballots in Yerevan on 16 March during the first round of the country's presidential elections.



Armenian president quits as line hardens over Nagorno-Karabakh

Former Armenian president Levon Ter-Petrosyan rendered his position untenable with a conciliatory attitude over Nagorno-Karabakh. As **Michael P Croissant** reports, his successor will take a harder line.

On 3 February, weeks of political upheaval in Armenia came to a head with the resignation of Levon Ter-Petrosyan as president. Ter-Petrosyan, who had led the tiny Transcaucasian republic since the fall of the Communist regime in 1990, had been under increasing pressure from virtually all opposition groups as well as members of his own government for advocating concessions in the Nagorno-Karabakh peace process. Although new presidential elections were scheduled to be held as this article went to press, any likely

presidential successor is expected to implement policy changes that will have a serious impact on Armenia's relations with surrounding states.

The fall of Ter-Petrosyan

Ter-Petrosyan's downfall was the culmination of a four-month struggle that centred around the question of Armenian policy toward the Nagorno-Karabakh conflict, which has left 25,000 dead and nearly a million homeless since its flare-up in 1988. The president, with the support of leaders

of the then-ruling Armenian National Movement (ANM) and a handful of parliament officials, came out last September in support of a more conciliatory approach to peace talks mediated by the Organisation for Security and Co-operation in Europe (OSCE). Ter-Petrosyan's acceptance in principle of the latest draft OSCE peace

Michael P Croissant is an Earhart Fellow in the Department of Central Eurasian Studies at Indiana University, USA. His book on the Armenia-Azerbaijan conflict is forthcoming in August from Praeger Publishers.

plan suggested to many that Yerevan would be willing to accede to a withdrawal of military forces from Azerbaijani territories surrounding Nagorno-Karabakh in the absence of an agreement on the region's ultimate status. The president's move challenged the conventional wisdom in Armenia and Karabakh that to trade away the only useful bargaining chip against Baku – the occupation of southwest Azerbaijan by ethnic Armenian forces – prior to a final peace agreement would be to welcome a forceful reconquest of Nagorno-Karabakh by Azerbaijan. It is therefore understandable why his policy met a storm of protest in Yerevan.

Armenian opposition parties rose quickly in objection to the president's Karabakh policies. Charges of capitulation and treason were lofted at the regime by the National Democratic Union and the banned Dashnak party, and in October a group of deputies defected from the majority Hanrapetutyun bloc in parliament, leaving pro-government factions with only a two-seat majority. Importantly, disagreement over Ter-Petrosyan's policy change also reached into the Armenian Government itself. Defence Minister Vazgen Sarkisyan, Prime Minister Robert Kocharian and Interior and National Security Minister Serzh Sarkisyan – the three Armenian 'power' ministers – opposed concessions to Baku, as did the Armenian military, much of the intelligentsia, the leaders of Nagorno-Karabakh and the diaspora.

Tension began to build in early January when an Armenian Security Council meeting brought together all the political powerhouses of Armenia and Nagorno-Karabakh. A heated debate ensued in which Prime Minister Kocharian, who was until last March the elected leader of the unrecognised Nagorno-Karabakh Republic (NKR), reportedly threatened to resign over the administration's handling of the Karabakh issue. Two weeks later, three officials close to the president were fired upon by unidentified gunmen in separate incidents, and people on either side of the growing rift blamed each other for the shootings.

Matters came to a head in the first week of February, when Yerevan mayor Vano Siradeghian and Foreign Minister Alexander Arzumanyan, both Ter-Petrosyan allies, resigned. Their departures were followed by the defection of 40 of the 96 deputies of the ruling bloc in parliament to the opposition. A conspiratorial mood also settled over the republic with the arrest of 25 militiamen suspected of involvement in the assassination attempts and the

publication of an unsubstantiated report alleging a plot by Karabakh leaders to overthrow Ter-Petrosyan.

Ironically, it was Defence Minister Vazgen Sarkisyan who ultimately played the key role in forcing the president's resignation. Sarkisyan is widely regarded as having saved the Ter-Petrosyan regime when he deployed troops to Yerevan following the rigged presidential elections of September 1996, but he became an outspoken opponent of the president following Ter-Petrosyan's change of heart vis-à-vis Nagorno-Karabakh. Amid the growing crisis, Sarkisyan claimed that he would not step aside, even if asked by the president, and his control over the 50,000-strong Armenian military gave the anti-Ter-Petrosyan forces enormous leverage. Under pressure from virtually all sides to step down, Ter-Petrosyan submitted his resignation on 3 February, declaring defeat for the 'party of peace' in Armenia. Following the resignation of the speaker of parliament, Prime Minister Kocharian was next in line to assume the post of acting president until new elections could be held on 16 March.

The fall of the Ter-Petrosyan regime brought to an end the political crisis in Armenia. Each of the presidential hopefuls entering the race to succeed Ter-Petrosyan pledged to strive for free and fair elections monitored by international observers, and the election campaign was carried out peacefully with the exception of one minor incident of violence in the town of Ararat. Perhaps more importantly, Ter-Petrosyan's resignation also initiated a feeling of relief in the republic because his policies challenged the prevailing sentiments on Nagorno-Karabakh, which unite the Armenian nation across lines of class and political allegiance more than any other issue.

Sources of the recent upheaval

Ter-Petrosyan's policies toward Nagorno-Karabakh awoke passions not displayed in Armenia since the heady days of early 1988, when hundreds of thousands marched regularly in the streets of Yerevan in support of the region's unification with the Armenian Soviet Socialist Republic. A decade later, the struggle is largely unfulfilled; although Karabakh is de facto independent from Azerbaijan after years of hardship, no single country has recognised the NKR as an independent state, and all mediation efforts proceed from the premise that Azerbaijan's borders are inviolable. However, the cause of independence for Nagorno-Karabakh continues to garner strong support at the cost of

growing international isolation for Yerevan.

The Armenians' attachment to Nagorno-Karabakh is a deep and emotional one. Armenian scholars note that over a 2,600-year history marked by repeated conquest by foreign powers, Karabakh was the only region of historical Armenia in which a degree of self-rule was preserved. The mountainous area is thus viewed as a bastion, a heartland of Armenian culture whose defence is viewed as vital to the



◆ Armenian T-72s, equipped with reactive armour, on parade in Yerevan. Under the terms of the Tashkent Agreement of 15 May 1992, Armenia's share of the former Soviet arsenal included 180 T-72s, although today there are probably only around 60-70 per cent of these still in service.

survival of the nation. The flag of the NKR, which adds a jagged white line to the tricolor standard of Armenia, is symbolic not only of the division of Armenia and Karabakh by Stalin in 1923, but also of the gaping wound in the soul of the Armenian nation that will only be healed when the two are one again. However, although the NKR won the battle to free itself from Azerbaijani rule, it failed to win its war for acceptance as an independent actor with the freedom to unify with Armenia.

Baku is unquestionably winning the propaganda war against Armenia in an international community unwilling to open the Pandora's Box of territorial revisionism in the post-Cold War world. Azerbaijan is also banking on its increased importance to the West – as demonstrated by its signing of several multi-billion dollar contracts with global companies for the exploitation of its vast oil reserves – as a source of diplomatic leverage to achieve the de facto re-subordination of Nagorno-Karabakh to *de jure* Azerbaijani sovereignty. Azerbaijani diplomacy scored a major victory in this regard at the Lisbon OSCE summit in December 1996, where an annex to the final summit document declared the OSCE's support for a peace settlement based on the territorial integrity of Azerbaijan.

Baku has since made no major concessions, and its continued unwillingness to negotiate directly with the Karabakh Armenians indicates that Azerbaijani leaders intend to wait for growing

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international pressure on Yerevan to help Azerbaijan to achieve diplomatically what it failed to achieve on the battlefield. It is therefore clear why Baku welcomed Ter-Petrosyan's conciliatory position: Azerbaijani leaders perceived a weakening of Armenia's negotiating position. Whether or not this perception was correct, it was made moot by the downfall of the Ter-Petrosyan regime. The next Armenian government is sure to take a tougher stance at the negotiating table.

Future outlook

Ter-Petrosyan's resignation produced a major change in the correlation of political forces in Armenia. Shortly after becoming acting president, Kocharian sponsored the re-legalisation of the Dashnak party, which had been banned by Ter-Petrosyan in 1994 for alleged involvement in subversive activities. The Dashnak party, Armenia's oldest political movement, has long been a forceful supporter of Nagorno-Karabakh's separation from Azerbaijan, and its reentry into Armenian political life was welcomed as a necessary step toward restoring national unity. In parliament, defections from the ruling faction elevated the Union of Yerkrpah ('Volunteers'), which represents a group of 6,000 Karabakh war veterans chaired by Defence Minister Sarkisyan, to a position of strength. At the group's annual congress last November, chairman Albert Bazeyan noted that Yerkrpah is prepared to fight for a "victorious settlement of the Nagorno-Karabakh issue" based on the right to self-determination of the region's Armenian population. Ironically, the Armenian National Movement (ANM), which came to power in 1990 on just such a platform, has been discredited thoroughly as a political force and its very future is in question. Indeed, the most significant result of the departure of Ter-Petrosyan and decline of the ANM is that there is no remaining leader or political movement of any significance that advocates significant concessions to Azerbaijan over Nagorno-Karabakh.

Among the 12 candidates to enter the presidential election, there was substantial disagreement over domestic policy but much less debate over foreign policy and the Karabakh conflict in particular. Two of the front-runners in the race to replace Ter-Petrosyan, National Democratic Union chairman Vazgen Manukyan and Acting President Robert Kocharian, endorsed the OSCE mediation process but pledged to jettison the approach of the previous regime. The other leading contender, Karen Demirchyan — formerly the



◆ Armenian soldiers pictured unloading heavy mortar shells during fighting around Kelbadjar in Nagorno-Karabakh in April 1993.

communist leader of Armenia from 1974 to 1988 — was less forthcoming about his vision of a Karabakh settlement, but promised to use his long-time relationship with Azerbaijani President Heydar Aliyev to bring about a favourable peace settlement.

The 16 March election, which was marked by minor irregularities, resulted in a 38 per cent vote for Kocharian, 32 per cent for Demirchyan with the rest of the vote divided among the 10 other challengers. Because no single candidate received the required 50+ per cent of the vote needed for a first-round victory, Kocharian and Demirchyan headed for a run-off election scheduled for 30 March as *JIR* went to press. Demirchyan's support was particularly strong in the weeks preceding the election among middle-aged and older citizens, who longed for a return to the security, stability and relative prosperity enjoyed by Armenia during his rule. Kocharian, on the other hand, received the support of the political establishment — including the defence and interior ministers — and the Dashnak party; if elected on 30 March, he was expected to put together a government that will garner wide support in the republic.

Moreover, a Kocharian presidency would have tremendous symbolic importance, for Robert Kocharian would be the only man to be elected president of both Armenia and Nagorno-Karabakh.

The major external victor of recent events is Russia. Although Ter-Petrosyan had a close personal relationship with Russian President Boris Yeltsin, Moscow will benefit geopolitically from the emergence of a new regime in Armenia. In defiance of Moscow, Azerbaijan has had remarkable success in withdrawing from the Russian orbit and moving closer to Turkey and the West in the past four years. The Nagorno-Karabakh conflict is one of the increasingly fewer means open to Russia for exerting leverage on Baku, for as long as the dispute goes on unresolved, Azerbaijan's ambitious plans for developing its energy reserves and integrating with the world economy will be at risk. As the situation stands now, the absence of a peace settlement leaves Armenia isolated between Turkey and Azerbaijan and dependent on Russia as an ally. Resolution of the conflict would lower the main remaining barrier to an Armenian-Turkish rapprochement, decrease Russian influence in Armenia and thereby erode Moscow's already declining geopolitical position in the Transcaucasus.

In contrast, a nationalist regime in Armenia that is willing to back independence for Karabakh will come under increasing international isolation and thus will be forced to draw closer to Russia. Considering that presidential elections are scheduled in Azerbaijan for this October, it is quite possible that further geopolitical changes are in store. A best-case scenario would see the emergence of democratic regimes in both republics that seek a just and honorable resolution of the Nagorno-Karabakh question. A worst-case scenario would involve the ascension of leaders in Baku and Yerevan who will seek a resolution of the dispute by force.

For now, the rise of a new regime in Armenia, while uniting the Armenian nation, is unlikely to have positive effects on the prospects for peace in Nagorno-Karabakh. However, the depiction of Ter-Petrosyan's downfall as a coup d'état by nationalist hardliners on the part of many in the Western media is seriously flawed. Ter-Petrosyan stepped aside voluntarily after having lost virtually all support as a result of his conciliatory Karabakh policy. Although his successor will almost certainly take a harder line on the issue, renewed violence with Azerbaijan is by no means assured.

The potential long-term effects of the change of government in Armenia are wrapped up in a tangled web of ever-changing geopolitical relationships that go far beyond the borders of the tiny Transcaucasian republic. ●