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Fresh clashes feared in Armenia crisis



By Isabel Gorst and Stefan Wagstyl Published: March 7 2008 01:03 | Last updated: March 7 2008 01:03

A few days after its worst political violence for nearly a decade, the mountainous country of Armenia remains in crisis, with a state of emergency in force, the army on the streets and the two main rivals in last month's disputed presidential election in deadlock.

Serzh Sarksyan, the prime minister who claimed victory, faces a challenge from Levon Ter-Petrosyan, the opposition leader and, in the 1990s, independent Armenia's first president.

Mr Sarksyan, groomed for power by Robert Kocharyan, the outgoing president, is backed by most of the security and government apparatus; Mr Ter-Petrosyan is under house arrest and his supporters are nursing their wounds following demonstrations in Yerevan, the capital, last weekend in which eight died and 131 were injured.

Fears of renewed clashes are compounded by renewed tensions with neighbouring Azerbaijan over Nagorno-Karabakh - a disputed ethnic Armenian territory belonging to Azerbaijan occupied by Armenia in a war in the early 1990s. Sixteen soldiers were killed on Tuesday in the worst fighting in years.

Lying in the Caucasus, Armenia is located in a troubled region riddled with ethnic conflicts. Key export pipelines carrying Caspian oil and gas do not cross Armenia but do pass nearby. Matt Bryza, the US assistant secretary of state, and Peter Semneby, the European Union's special envoy, both visited Yerevan this week to urge restraint. Russia, which has a powerful presence in Armenia, has warned against "destabilisation".

Mr Ter-Petrosyan hopes to follow Mikheil Saakashvili and Viktor Yushchenko, the Georgian and Ukrainian opposition leaders who successfully exploited popular anger to secure power in the Rose and Orange revolutions. But his chances seem slim. He is backed by voters who feel excluded from the sustained economic growth that has averaged above 12 per cent annually since 2000.

The expansion has been fuelled by a construction boom driven by migrant workers' remittances and investments from Armenia's wealthy diaspora, including an influential American element. A powerful elite has enriched itself in Yerevan, not least from privatisation, leaving many poorer Armenians discontented.

In a clannish country, there is also some resentment at the dominant role of Karabakh-born politicians, including both Mr Kocharyan and Mr Sarksyan. Mr Ter-Petrosyan, whose return to politics surprised his rivals, drew big crowds to rallies. However, his democratic credentials are tarnished by his record in power, including a decision to deploy tanks to suppress protests after a disputed victory in the 1996 presidential election.

Last month's poll, in which he scored 20 per cent against Mr Sarksyan's 53 per cent, was described by Organisation for Security and Co-operation in Europe observers as "mostly in line with international standards". The OSCE is currently preparing a harsher report, but the initial verdict has hindered Mr Ter-Petrosyan's demands for a rerun.

Also, while Mr Yushchenko and Mr Saakashvili secured strong western backing, external support for Mr Ter-Petrosyan is weak. Criticism of the violence from the west has been tempered by calls for both the government and opposition to negotiate a truce. "The US deplores the violence," Mr Bryza said. "But there is still time and space to restore democratic momentum."

Meanwhile, Russia, which has a military base and big investments in Armenia, has endorsed the crackdown. "Russia has no interest in seeing destabilisation or a coloured revolution in its main ally in the South Caucasus," Konstantin Zatulin, a senior Russian Duma member, said.

Russia and the west alike are worried that extended instability could escalate tensions over

Nagorno-Karabakh. Ilham Aliev, the president of Azerbaijan, indulged in some well-timed sabre-rattling this week, saying: "For the time being we will continue peaceful negotiations. We still have a certain amount of hope, but at the same time we are building up our military power."

The political situation in Yerevan is evolving. Mr Ter-Petrosyan pledges to continue fighting for new elections, describing the administration as a "bandito-cracy". Hratch Tchilingirian, a director at Eurasia House, the London-based research group, says the demonstrations could transform the former president into a "national hero".

However, the establishment is largely loyal to Mr Sarksyan. If that remains the case, the president-elect will be under little pressure to make more than a token effort at talking to Mr Ter-Petrosyan.

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