

# FROM ACTIVISM TO DIPLOMACY

## Karabakh finds a place in the geostrategic architecture of the Caucasus

By HRATCH TCHILINGIRIAN

In the last decade, the Karabakh leadership has effectively transitioned from the political activism of the late 1980s and armed conflict in the early 1990s to serious diplomacy—with a combat-ready, disciplined army to back its political and geostrategic interests. Today, having acquired the constituent elements of statehood, Karabakh functions as a de-facto independent state.

"Today we can say that thanks to a well-balanced and realistic foreign policy, Karabakh has become a serious political factor in the region and cannot be ignored by the international community," said Karabakh President Arkady Ghukasian.

However, several key issues still dominate Karabakh's foreign and domestic affairs.

While de facto independent, the non-recognition of Karabakh's "statehood" or independence by other countries remains a major foreign affairs challenge because the problem of recognition is even more contentious an issue in the negotiations process, with Azerbaijan still refusing that most fundamental first step for a peaceful solution: recognizing Karabakh as a side to the conflict. This has, for obvious reasons, become an obstacle to negotiations.

Technicalities over the issue of recognition could get very confusing. In 1995, Azeri Presidential Senior Foreign Policy Advisor Vafa Guluzade stated, "In the military and technical treaties we recognize the Armenians of Karabakh as a 'warring party.'

"But at the level of international organizations," he continued, Azerbaijan does not recognize Karabakh "as a side" but as an "interested party. We are not going to step a single inch away from this formula."

Despite the obvious implications of non-recognition—for example lack of foreign aid, including United Nations assistance, and normal inter-state relations—Karabakh officials have progressively enjoyed unofficial and semi-official recognition, especially in the last two years, even



The cabinet of the Republic of Nagorno-Karabakh in session

as major diplomatic (and possibly military) difficulties continue to unfold. However, Karabakh's recent foreign policy has evolved around two main tracks.

In the short term, it has involved efforts toward full recognition as a side to the conflict and toward direct talks with Baku. Already, as implied by the latest OSCE Minsk Group proposal in November 1998 and the European Parliament's resolution in March, Karabakh is clearly recognized as a side and a legitimate entity for negotiations.

In the long term, it involves efforts toward recognition of statehood or a "special status" by other states—similar, for example, to Liechtenstein, Andorra, and as recently suggested by Armenia's Foreign Minister Vartan Oskanian, the Niue islands near New Zealand—and based on a special agreement with Azerbaijan and with international guarantees. Toward this end, the Karabakh leadership has developed close contacts with "sympathetic states" who might possibly provide limited or full recognition. The establishment of such contacts have been possible with the support and lobbying efforts of the Armenian Diaspora, especially in the Middle East, Europe, South and North America. Currently, Karabakh has unofficial representation—Public Affairs Offices—in

Moscow, Washington, and Paris.

Military strength and security are also leading internal and external concerns. As characterized by Karabakh's defense minister, the current post-war situation in the region is "a cold war between Azerbaijan and Karabakh." Karabakh's military and political leadership has consistently stated that the current balance of military power in the region has been a significant factor in the maintenance of the fragile cease-fire since May 1994. Meanwhile, the cease-fire regime, while providing respite to the warring parties, has also been a period of rearming and vigorous military training for all the sides.

The Karabakh leadership believes that Azerbaijan will eventually resolve the conflict militarily. This "threat", whether perceived or real, has made military strength and combat readiness top priorities in Karabakh. The defense establishment in Karabakh argues that the high combat readiness of the Karabakh army is an important safeguard against renewed fighting with Azerbaijan. The Karabakh leadership has repeatedly stated that the ultimate guarantor of the security of Karabakh Armenians is Karabakh's strong army. However, the maintenance of a large armed forces comes at a very high price for a territory with lim-



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ited natural and economic resources.

In addition to the hardships caused by the economic transition that all former Soviet republics experience, the Armenian-Azerbaijani conflict has created its own dynamics and difficulties for Karabakh's economy. Coupled with the Azerbaijani blockade, the military situation continues to take a major toll on Karabakh's economic development. For example, since all male citizens between the ages of 17 and 45 are drafted for three years of military service, males are virtually non-existent in Karabakh's labor force. Currently, agriculture remains the primary economic activity while other sectors are either underutilized or underdeveloped.

In April 1995, the government in Stepanakert estimated that the war has caused an estimated \$2.5 billion in damage to its economy and infrastructure. Karabakh's economy remains meager, and it relies heavily on Yerevan for financial assistance.

As opposed to involvement at the microeconomic level, the Diaspora's assistance has been primarily in Karabakh's infrastructure, such as building of roads and water supply systems. In this regard, one of the most notable projects is the construction of the Goris-Lachin-Stepanakert highway, as well as the water distribution system around the capital city.

In addition to the economy, a number of social problems—the needs of orphans, widows, the elderly and the disabled—in Karabakh require short and long-term solutions. While the government has instituted some social welfare programs, without a resolution of the conflict normalcy will not come to Karabakh.

In the meantime, the Karabakhis believe—having, as they say, learned the “lessons of their history”—that ultimately they, not the international community, are the guarantors of their independence and security. While this presents an enormous political and military challenge to the Karabakh leadership, they have come a long way since 1998: they have been fairly successful in finding a place for themselves in the evolving and complex geostrategic architecture of the region. ■

zations have been wanting for years—a shopping list of sorts (see next page).

“The government asked each minister to compile a list of projects that are absolutely necessary in Karabakh. That list was reviewed by the entire government, the final projects were turned over to local officials and to those with some business experience. Business plans and proposals were developed for each.

“Today we have a 500-page dossier that provides the background information necessary for each of these 102 projects,” explains an officer at Karabakh's Washington, DC Public Affairs office. “The business proposals aren't fine-tuned the way they are in the West. We even have problems bringing a representative from the Armenian Development Agency to Stepanakert, because we don't have the funds. Even in business plan development, we need help.

“The projects and proposals were designed with local resources in mind,” the Karabakh representative continues. “We have chosen and developed these projects so that outside transportation costs and major imports won't be necessary.”

There are already some takers: Sarkis Kitsinian of Los Angeles and Tsolag Momjian of Jerusalem have entered into a joint venture with the Yerevan Jewelry Plant. The new enterprise, Armengold, has already set up four gold chain production centers—three in Armenia, and one in Shushi. The Shushi plant is currently operating with about 50 employees, but will grow to take on another 100. Stepanakert, too, will become a production center, soon.

Not all the proposals are for business ventures. Maternity hospitals and schools are intended for public use when completed. Still, each construction and renovation project will create dozens, sometimes hundreds of jobs. Ralph and Savey Tufenkian of Los Angeles have agreed to take on the reconstruction of a youth center in Shushi. The Cafesjian Family Foundation of Florida is looking at several business and civic institutions in need of support, but after they visit Karabakh and see the possibilities for themselves.

One experienced project manager says they may even allocate more than the figure that is being asked for, in order to make their giving really effective.

Of course, beyond these projects, every kind of agricultural and service industry application is possible. Karabakh is where enterprising and patriotic spirits meet. ■

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