



Center for Strategic & International Studies  
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## **Armenia's Evolving Relations with the United States and Europe**

**Vartan Oskanian**  
**Foreign Minister of Armenia**

Russia and Eurasia Program  
*CSIS Statesmen's Forum*

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On June 14, CSIS welcomed the Foreign Minister of Armenia, Vartan Oskanian, for a Statesmen's Forum. Minister Oskanian focused on the most significant challenges that confront Armenia at the beginning of the 21<sup>st</sup> century: consolidating democracy, sustaining economic growth, and establishing a regional zone of peace and security. Dr. Patrick Cronin, Director of Studies and Senior Vice President of CSIS, introduced the Foreign Minister. Minister Oskanian's remarks are summarized below.

### **Democracy Building: Agenda for Change**

Oskanian recognized that while Armenia has made significant progress in constructing democratic institutions, its departure point was quite low. Its partnership with international organizations, including NATO and the European Union, and assistance from abroad have provided the country with a clear outline of the kind of political and economic reforms it should implement, as well as methods for enhancing dialogue with its neighbors. The foreign minister cited Armenia's membership in the Council of Europe and its implementation of recommended reforms as examples of the government's commitment to deepening and strengthening democracy.

Armenia's participation in the Millennium Challenge Account (MCA), a new US assistance program, has highlighted the need for Armenia to focus on economic liberalization, rule of law, and human rights. Oskanian noted that MCA aid would finance projects on poverty reduction and alleviation, as well as projects that invest in human capital.

Oskanian warned that the current political opposition has created challenges for the government. The opposition's aggressive attitude harms the country's nascent political system, as it prevents the development of a partnership between the government and the opposition. With the assistance of the National Democratic Institute and the Council of Europe, Armenia is working to bring the opposition towards constructive dialogue with the parliament and president. Specifically, coalition parties in parliament have offered the opposition veto rights over electoral

and constitutional reform, as well as laws relating to the fight against corruption. Oskanian emphasized that without the opposition's agreement on such issues, no changes will be made in these areas. In addition, the opposition will be able to assist in reforming the balance of power between executive and legislative branches of government.

## **Economic Development**

Over the last four years, Armenia has enjoyed consistent double-digit growth and substantial economic progress compared to its neighbors. Oskanian cited three reasons for this success: a strong and sustained commitment to economic reform, continued flow of foreign direct investment, and increased stability in the region.

Oskanian conceded that sustaining such dynamic growth will be a challenge. Armenia is struggling to attract more foreign direct investment and increase its export industries while reducing unemployment and poverty. Oskanian expressed confidence, however, that MCA assistance, coupled with continued foreign investment, will help deepen and sustain the country's growth.

## **Stability in the Caucasus**

Oskanian devoted the remainder of his talk to issues of regional peace and security. The Nagorno-Karabakh conflict is the central source of tension with both Azerbaijan and Turkey. Presidents Robert Kocharian and Heidar Aliev came close to reaching an agreement in 2001 at Key West, where both sides made serious compromises that provided a framework for resolution. Oskanian argued that current Azerbaijani President Ilham Aliev cannot yet continue on the path which his father embarked upon because he does not have sufficient authority and legitimacy. While Oskanian agreed that the Armenian government should work with the new leadership in Azerbaijan to reach a compromise, he expressed hope that a new agreement would reflect the same spirit and principles enshrined in the Key West document.

This will be extremely difficult, however, because Aliev's current policy focuses on the consequences of conflict—displaced persons and Armenian-controlled territory—rather than the causes, making a political solution less likely. Oskanian maintained that Azerbaijan's insistence that territories under Armenian control be returned in exchange for talks on Nagorno-Karabakh's autonomous status within Azerbaijan is unrealistic. While vague on details, the foreign minister argued that a compromise solution is possible which would include a timetable for reaching an agreement, address refugee problems, and provide the people of Nagorno-Karabakh the opportunity to determine their future using internationally accepted formulae. Oskanian is optimistic that the OSCE Minsk Group will be able to help reconcile the two countries' differences. Additionally, the Conventional Armed Forces in Europe Treaty and the establishment of mechanisms for inspection and disarmament help provide balance and transparency in the region.

Oskanian addressed how the conflict continues to strain Armenia's relationship with Turkey. The Armenian government has been frustrated by Ankara's one-sided and uneven policy on Nagorno-Karabakh, as well as its insistence on including the issue as a precondition for normalizing relations with Yerevan. Recognition of the Armenian genocide, Oskanian emphasized, is not a precondition from the Armenian side. It is an agenda item to be discussed after normalization. Although the two sides have met several times over this issue, they have not

been able to move forward on bilateral ties. Oskanian expressed hope that Turkey's membership possibilities in the EU, and both countries' participation in the Euro-Atlantic Partnership Council, will help normalize relations. Indeed, Oskanian maintained, Turkey has a responsibility as a full member of NATO and as a candidate for membership in the EU to serve as a bridge between Europe and the Caucasus.

Oskanian also commented on stability in the region after the "Rose Revolution" in Georgia. He stated that the revolution was a positive step for Georgia and one that will increase overall stability in the Caucasus. Although the events in November 2003 encouraged the opposition in Armenia to protest against President Kocharian, the opposition quickly lost public support. The peaceful conclusion of the conflict with Ajaria was important for Armenia, given its dependence on Georgia for port access. Oskanian expressed hope that Tbilisi will continue to enlarge and broaden control over its territory.

Finally, the foreign minister discussed Armenia's multi-layered security measures. Armenia follows a policy of "complementarity" with regards to its strategic relations with other countries, including Russia, the United States, and Greece. Armenia cooperates with Russia on security matters primarily through the Collective Security Treaty Organization. Armenia has also made clear its intention to become more integrated into European structures, including the EU and NATO. It has worked with NATO to train and send peacekeepers to Kosovo and is preparing to send a noncombatant contingent to Iraq. Oskanian stressed that he did not see a contradiction in Yerevan's cooperation with Washington and Moscow. Rather, Armenia is pursuing a policy that will help the country develop a stronger "security shield" while allowing broader engagement with a variety of states.

Finally, Oskanian discussed bilateral relations with Iran. Armenia is cooperating with Iran on trade and energy issues. Although there are some limitations to a more extensive trading relationship, including tariffs and restricted market access, Iran remains one of Armenia's leading trading partners. Oskanian noted that Armenia is seeking greater energy cooperation with Iran in order to diversify its energy sources, gain energy security, and ensure reserves when it closes its nuclear power plant in Metsamor.

*Summarized by Shannon Maguire*