

Armenia and Azerbaijan:

Opinions and Comments

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Round Table

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Political scientist
Sergey Minasyan



Lieutenant-Colonel in the Reserve
Uzeir Jafarov

Online-interview: Andrei Epifantsev



From the online interview with the Russian political scientist Andrei Epifantsev

● The large-scale military actions, especially those that involve large forces from both parties, will not take place. Azerbaijan has a possibility to win only if it undertakes a lightning offensive, but it is impossible. If the military actions last longer than 5 - 7 days the "tube" factor will increase for Baku - the countries who are sitting at the other end of the tube and receive oil and gas will force Azerbaijan to terminate the war because of the fear of the threat of this war to them. There will be no large scale war. It is a different issue that for Yerevan the procrastination of the status quo, and consequently, the blockade and so on will inevitably lead to a large increase in the gap between the economic potentials. It is impossible to exclude that in 10 - 15 years this gap will be so large that Baku will acquire a possibility for a lightning offensive. If it happens, Azerbaijan will not hesitate even a second.

20 Perspectives on Life in Armenia and Azerbaijan - 2011

The parallel interviews with Armenian and Azerbaijani experts present the situation in various fields of activity in Armenia and Azerbaijan. The issues dwelt upon here hardly relate to the Armenian - Azerbaijani conflict. As usual, these are the issues that fall out of the scope of the mass media coverage in both countries when they write on each other: youth, the educational system, the level of employment, leisure, opportunities for the social security of the population, labor and other forms of migration, mass media, democratic freedoms, the European vector of development, courts, modern Armenian and Azerbaijani Diasporas, religious freedoms and so on. The interviews meant to help draw the general sketches of the modern life in Armenia and Azerbaijan are part of a joint project implemented by Region Research Center (Armenia) and the Institute for Peace and Democracy (Azerbaijan). The series of pair interviews with 40 different experts from Armenia and Azerbaijan on 20 topics will be simultaneously published in the newspaper Hetq in Armenia and the newspaper Novoye Vremya in Azerbaijan. The interviews in Armenia will be conducted by Region Research Center, and those in Azerbaijan - by the Institute for Peace and Democracy.

Perspective 15. The Economic Development of Armenia and Azerbaijan



Conditions for Doing Business Have Worsened in Armenia

An Interview with the Chairman of the Republican Union of Employers of Armenia **Gagik Makaryan**

What are the main problems that currently hinder the development of business environment in the country and which problems prevail - those of internal or external political nature?

Today we have two main problems - corruption and lack of conditions for equal competition. It is already hard to say which of these two phenomena is the cause and which one is the effect. To overcome corruption it would be more effective to focus on separate units and spheres than to have an all-embracing and complex struggle against corruption. Our fight against monopoly is unproductive. One or two occasional cases of success cannot be the solution to the problem of unequal competition. The RA State Commission for the Protection of Economic Competition does not possess sufficient freedom and protection in order to resolve issues at such a level.

The other issue is that there are few young entrepreneurs in the country. Besides, we have a problem with quality professionals: very often and still by inertia we assert that we have a large number of people with a high level of education, but in fact most of them are only diploma-holders who cannot manage complicated tasks and their resolution.

According to the data of the 2010 "Doing Business" rating we have had regress in terms of tax collection - in 2010 we occupied the 157th place and according to the data of 2011 we are already in the 159th position. This testifies to shadow economy. As for the conditions to start a business, we retained our position at the 22nd place, while our neighbors - Georgia and Azerbaijan - improved their positions. And in general, according to all the indicators of "Doing Business" Armenia has had regress. If in 2010 we were the 44th, this year we are the 48th, that is to say our conditions for business activity have worsened in our country by 4 points..



The Economic Situation in Azerbaijan

An Interview with the head of the social association Assistance to Economic Initiatives **Azer Mehtiyev**

What are the main problems that currently hinder the development of business environment in the country and which problems prevail - those of internal or external political nature?

In the recent years Azerbaijan has been impetuously moving up in the ratings of the World Bank Doing Business institute, particularly after the introduction of the single window system in the registration of enterprises in 2009. However, in fact there remain very serious problems with the business environment. The following can be named among such problems:

- Lack of the inviolability of property rights. In the recent years with the extensive construction of roads, parks, premises for public institutions and so on massive cases of violations of property rights have been observed,
- The high degree of monopolization in all the spheres of the economy of the country and its manifestation especially in the form of officials' monopolism,
- The widely spread arbitrary rule by officials and corruption among them, public officials are involved in entrepreneurial activity and control all the branches of economic activity,
- Non-observance of the law and agreements, lack of independent justice,
- Serious hindrances in the export and import of goods, services and so on.

In order to eliminate the above-mentioned problems hundreds of decrees and decisions have been made in the recent years. Not only do the problems persist, but they have even deepened from year to year. As for international factors, the war the country has been in and the existence of the Karabakh conflict hinder the flow of foreign investments into the country, particularly into the mid-size business. However, the main problems in the business environment presently are the above-mentioned, that is to say, they are internal.

For the full script of the interviews see: <http://hetq.am/rus/interviews/5143/>

<http://www.novoye-vremya.com/new/2011/10/07/get=53050>

<http://hetq.am/rus/interviews/5142/>, <http://www.novoye-vremya.com/new/2011/10/07/get=53049>

Perspective 16. Mediators

Round Table

Our conversations with political scientists from Armenia **Ruben Hakobyan** and **Sergey Minasyan**, as well as the editor of news agency "Turan" **Shahin Hajiyev** and Lieutenant-Colonel in the reserve **Uzeir Jafarov** from Azerbaijan are on the activities of the mediators in the Karabakh resolution process, the mandate and efforts, directed at the preservation of the stability of the lull along the line of the front, the attitude to international missions located between the conflicting parties.

For the full script of the interviews see: <http://hetq.am/rus/interviews/3273/>, <http://www.novoyevremya.com/new/2011/07/28/anons=3>, <http://hetq.am/rus/interviews/3274/>, <http://www.novoyevremya.com/new/2011/07/28/get=50924>



Political Scientist
**Ruben
Hakobyan**

Is Armenia satisfied with the mediators of the Karabakh resolution - the Minsk Group and Co-Chairs? What are the main omissions and, on the contrary, the deserts of the Co-Chairs for the period of their activity?

Among the deficiencies I would like to mention that the Minsk Group gives quite obscure evaluations coming from certain principles. It has always been unacceptable to me when the victim and the torturer are put on the same level, and there has not been an estimate for every separate step, taken by the conflicting parties. But this is absolutely necessary, for if no evaluation is given to the one who attacks, the latter feels encouraged and later takes more aggressive steps. This hinders the regulation process. Before every important meeting, the Azerbaijani party makes up provocations that do not receive adequate evaluation from the Co-Chairs.

Both Armenia and Azerbaijan are convinced that if somehow Artsakh appears within Azerbaijan no trace of Armenians will ever be left there. The example of Nakhijevan is very vivid evidence of this.



Editor of News
Agency "Turan"
**Shahin
Hajiyev**

Is Azerbaijan satisfied with the mediators of the Karabakh resolution - the Minsk Group and Co-Chairs? What are the main omissions and, on the contrary, the deserts of the Co-Chairs for the period of their activity?

The standpoint of the Co-Chairs is such that they cannot avoid the criticism of the parties (mostly by Azerbaijan) for the failure to find a universal formula of the resolution of the conflict or because they are either unable or unwilling to make one of the parties accept the conditions for peaceful agreement. Besides, those who act with such accusations realize very well that the mediators do not and cannot have any authority to force anybody to accept these or those conditions.

And then, it can be considered that the deserts of the mediators have been the multiple suggestions and options that have been lying on the table of negotiations for many years and have allowed the parties to conduct the dialogue.

It can be considered that the errors of the mediators were their interpretations of a very minor achievement or arrangement as a breakthrough or a considerable advance.



Political scientist
**Sergey
Minasyan**

Does the present mandate of the OSCE as an organization for the preservation of security in the European continent meet the requirement of the exclusion of the military escalation on the marking line?

Certainly it does: there has been no war for 17 years and we will not have any in the coming years either. The efficiency of the OSCE Minsk Group consists not quite and not only in the fact that it operates with the OSCE framework, but that the trio of the Co-Chairs expresses the positions of the three leading superpowers. As for the reason why the conflict is not resolved yet, the Minsk Group is not dealing with this issue whatsoever; it is concerned with the control of the conflict zone. The Minsk Group plays a completely different role - its role is the monitoring realized by the leading powers that do everything to ensure the non-renewal of hostilities. If necessary, by intimidation or demonstration of power, or by persuasion and so on. It cannot be expected that the co-chairs will put pressure especially on either party in the condition that the parties themselves do everything for the "non-armistice." The societies and the conflicting parties are still far from making any concessions. I would say that in the last six months the announcements made by the Minsk Groups Co-Chairs on the exclusion of the hostilities are becoming tougher and clearer.



Lieutenant-
Colonel in the
Reserve
Uzeir Jafarov

How effective is the OSCE monitoring on the front line, what's the role of the international mediators for the preservation of the ceasefire?

I think that the efficiency of the OSCE monitoring sessions in the border regions have been null recently. And what has changed after these monitoring activities? As the parties shooting at each other they continue shooting at each other to this day. The situation gets more and more heated every day, and any unexpected developments can be anticipated. That is to say an armed conflict may break out any time. Seeing such a picture the international mediators naturally cannot afford to look helpless and useless to the parties. That is why in the recent months the monitoring activities have become more intensive. They can be easily counted by the official statements on conducting the monitoring sessions. I am deeply convinced that it is impossible to reach any improvement in the state of the affairs by these unnecessary, and I would even say, ineffective monitoring sessions. All the monitoring along the front line is needed by the international mediators only for their reports. I would even say they are needed for the outward show. Both military servicemen and civilians from either party continue to die just as before. The Co-Chairs of the OSCE Minsk Group are actually helpless before the present difficult situation.

Perspective 17. Russia - Armenia and Russia- Azerbaijan: Interactions and Alternatives



Security at the Expense of One's Own Resources

An interview with the former advisor (1991 - 1993) of the RA President on security issues **Ashot Manucharyan**

What can be opposed to the Armenian and Russian relations from the perspective of the security of Armenia?

The whole of the history of Armenia testifies that the most important thing in the system is the readiness of the people to protect what is dear to them. And it is impossible to reach such a point by either orders or propaganda - this is a much finer material. As for the arms race it is simply secondary, but is also another channel for transferring the resources of the region into the depositories of the superpowers. One sells oil, the other trades its geopolitical position and its role, one buys jets, the other buys missiles, one buys systems of volley fire to exterminate a large number of people at a time, the other buys warheads for missiles to control any hostility from either side. This is not the best solution, but this is the reality of the day. The best opportunity consists in the search for peace by the peoples themselves. During the war jointly with H. Aliyev we were intensively looking for peace. And at the beginning such an island of peace was created at the border with Nakhijevan. For example, there was a special decree passed by the Government of Armenia according to which all communication lines (including gas and electricity) for Nakhijevan remained open even when war was being waged in Karabakh, and there was an armed conflict at the border with Azerbaijan. At that time Russia acted as a reliable partner for both us and the Azerbaijani contributing to contacts and agreements. After H. Aliyev moved to Baku, we were going to enlarge the peace zone to cover the whole of Azerbaijan and the whole region of confrontation. Ideas, approaches and ways were being worked out. In the future as a result of a rather aggressive intrusion into the process by other powers (the USA in the first place that considered it unacceptable to have problems solved without its participation) these efforts were interrupted. However, this does not mean that the culture of such interaction is lost by the peoples of the region. It can be restored in new conditions. The legacy of H. Aliyev is first of all the people who know of the existence of such possibilities and realize the necessity of such a search. Here in Armenia there are people who are able to be engaged in the search for such a facility that does not insult the dignity of people and peoples.



Meeting Halfway Will Require a Change in the Socio-Political Systems of Azerbaijan and Russia

An Interview with the social figure and political scientist **Rasim Aghayev**

What can be opposed to the Azerbaijani and Russian relations from the perspective of the security of Azerbaijan?

For the new nationalistic and democratic forces the alternative of the pro-Russian political course is the military and political alliance with Turkey. However, the political practice of the last twenty-odd years with all its indubitable dividends reveal also the contradictions among which the self-interest of the elites may be classified into the category of almost insuperable. With regard to these considerations I remember a conversation with an outstanding politician, who claimed to be a fan of Turkey and a strong figure. He was asked a direct and straightforward question on why the Azerbaijan Republic should not start the realization of its century-long dream and should not get determined to launch the strategy of rapprochement with Turkey up to the formation of allied relations. The answer came as follows: "There is threat for us to lose our identity. And we will acquire a new elder brother." Later this position was reflected in the seemingly attractive, but in essence, cunning slogan: "Two states, one people." A full alliance with Turkey does not threaten Azerbaijan for the reason that there are new forms of unions in the post-Soviet space: the elites do not want to share either their power or the petrodollars with anyone. In addition to this, there are dangers that lurk in the model of the Islamic democracy that is being established in Turkey. And not only in that country.

Another guarantee of the security of the Azerbaijan Republic has been the "NATO shield" even though Azerbaijan has most likely missed the historical moment for this breakthrough into Europe. The new strategy must have been planned and persistently knocked on the doors of NATO in the years when Armenia offered itself to Russia as the latter's advanced post in South Caucasus. The oil trump card held by Baku would look much weightier than Saakashvili's anti-Russian escapades. However, these factors can be put into force at the present stage, too, if they are attached to serious reforms of democratic renewal.

For the full script of the interviews see: <http://hetq.am/rus/interviews/5788/mijnordnery.html>
<http://www.novoye-vremya.com/new/2011/10/27/get=53610>



From the online interview with the Russian political scientist Andrei Epifantsev

● The large-scale military actions, especially those that involve large forces from both parties, will not take place. Azerbaijan has a possibility to win only if it undertakes a lightning offensive, but it is impossible. If the military actions last longer than 5 - 7 days the "tube" factor will increase for Baku - the countries who are sitting at the other end of the tube and receive oil and gas will force Azerbaijan to terminate the war because of the fear of the threat of this war to them. There will be no large scale war. It is a different issue that for Yerevan the procrastination of the status quo, and consequently, the blockade and so on will inevitably lead to a large increase in the gap between the economic potentials. It is impossible to exclude that in 10 - 15 years this gap will be so large that Baku will acquire a possibility for a lightning offensive. If it happens, Azerbaijan will not hesitate even a second.

● I see four scenarios of development:

1. The continuation of the presently ineffective policy of useless negotiations, and then the possibility of short-term "accidental" conflict initiated by Baku rises.
2. A refusal to continue negotiations due to the unreadiness of the parties and freezing the situation for 10 more years with an acquisition of international guarantees regarding the non-renewal of hostilities.
3. Continuation of slow-moving negotiations with a parallel and active influence on the communities of Armenia and Azerbaijan, with an attempt to push them to readiness to compromise.
4. Creation of an international coalition to force Baku and Yerevan to compromise according to a formula designed by the international community.

There are no chances for signing even a framework agreement on Karabakh now.

● In many respects these are different cases. The countries will remain unacknowledged wide circles of the international community and will be incredibly dependent on Russia. Russia itself will try, at least by the end of the Olympiad, not to make abrupt changes in its policy regarding Abkhazia and South Ossetia. After the Olympiad we cannot exclude toughening of policy regarding Abkhazia, harmonizing the policy of Sukhumi with the interests of Moscow (currently they collide very frequently), and in case of Tskhinval I do not exclude the possibility of certain integration processes with North Ossetia and

Russia in a broader sense. This does not have to be an immediate inclusion of South Ossetia into Northern Ossetia or the Russian Federation, but a formula that is closer than the one we have now will be found. Besides, I should separately write that in terms of South Ossetia attempts are likely to be made to regulate the expense of federal means, directed at the restoration of this republic after war and decrease of corruption. Let's live through the South Ossetian elections and let's see who will become the head of this country. Probably this will answer a number of questions. The "handing over" of Abkhazia and South Ossetia back to Georgia is excluded, and this is right.

● This is not an easy question. More likely, after a few failed negotiations that were shown to be held by Medvedev's personal initiative and patronage, the activity of Moscow regarding the negotiations around Karabakh resolution will decrease a little, and it is possible that the leading function will for a period of time be transferred to the EU, or France, for example. On the other hand, no breakthrough in the negotiations is currently possible irrespective of who the initiator and facilitator is. Neither Armenians nor Azerbaijanis are ready to compromise, and this means that the negotiations are doomed. The main principles of Russia's policy, at least, regarding Armenia and Azerbaijan, will not change.

The interview was conducted in Caucasus Journalists' Network (www.caucasusjournalists.net) on October 12, 2011. A. Epifantsev answered the questions of journalists from Armenia (news agency "Arminfo" - www.arminfo.am, news agency "Panarmenian" - www.panarmenian.net, internet newspaper "Panorama" - www.panorama.am) and from Azerbaijan (newspapers "Bizim Yol" - www.bizimyol.az, "Novoye Vremya" - www.novoye-vremya.com and news agency "Түпан" - www.contact.az).

For the full script of the interview see:
<http://www.caucasusjournalists.net/interview.asp?idinterview=136>

Current project



Alternative Information for the Armenian-Azerbaijani Dialogue

Region Research Center (Armenia, Director Laura Baghdasaryan) and the Institute for Peace and Democracy in Azerbaijan (Director Leyla Yunus) have started the implementation of the project called Alternative Information in the Armenian and Azerbaijani Dialogue under the support of the British Embassy in Armenia and the British Embassy in Azerbaijan.

During the period of May - December 2011 the partners of the project will be working along a number of lines to give the Armenian and Azerbaijani mass media a possibility to receive first-hand information on various spheres of activity in contemporary Armenia and Azerbaijan.

■ The preparation and publication of a series of parallel interviews with Armenian and Azerbaijani experts (interviews with 40 experts on 20 different topics) on issues of youth, education, mass media, democratic freedoms, migration, judicial system,

the development of information technologies, civil sector, freedom of faith and religion, the system of social security of the population, economic development and so on. All the interviews will be published in Caucasus Journalists Net, as well as the newspapers "Hetq" (www.hetq.am, Armenia) and "Novoye Vremya" (www.novoye-vremya.com, Azerbaijan).

■ Organizing and conducting online interviews with journalists from Armenia and Azerbaijan with experts from Armenia, Azerbaijan, and other countries on topical issues and developments, arousing interest in both countries. These topical first-hand interviews will be published by the Armenian and Azerbaijani journalists in their media outlets. All the interviews will be held live, and later they will be made accessible in the Online Interviews section of Caucasus Journalists Net (www.caucasusjournalists.net).

■ Organizing and conducting an Internet-conference in Caucasus

Journalists Net with the participation of Armenian and Azerbaijani political scientists and analysts on the present issues and ongoing processes on the international arena that may influence the Karabakh negotiation process.

The materials of the Internet conference will be available in the Discussions section on Caucasus Journalists Net (www.caucasusjournalists.net), as well as the Armenian and Azerbaijani press.

Throughout the project the readers who feel interested in the contemporary Armenian - Azerbaijani reality can regularly familiarize themselves with the new materials in the issues of the electronic bulletin Armenia - Azerbaijan - 2011: Events and Comments, too.

The bulletin will be disseminated among users in different countries. All the issues of the bulletin will be accessible at the Caucasus Journalists Network.