

Firstly I'd like to thank the organizers of this forum for inviting and enabling me to address this conference. To begin, let me make a clarification and a caveat. The clarification is that I view a university debate as an opportunity to introduce my country's official position on the topic of discussion and compliment it with my own foresight, more freely than I could otherwise do. And the caveat is that my premeditated avoidance of the often-heard slogans for membership in the European Union (EU) is a token of our prudence rather than of a lack of such aspirations.

In 2011 all three states of the South Caucasus (SC) celebrated the 20th anniversary of their independence, and I believe that the participants from Georgia and Azerbaijan will share my view that the EU has been playing an indispensable role in the processes of state building in the SC. Together with the United States, the EU has become our major development partner.

Armenia's cooperation with the EU started with humanitarian aid projects paralleled with the implementation of the TACIS program. The Partnership and Cooperation Agreement entered into force in 1999. Ten years later, the EU launched the Eastern Partnership (EP), the Eastern dimension of the European Neighborhood Program framework, aimed at upgrading engagement with the six Eastern neighbors via:

- A Bilateral track, whose objectives include the establishing of Association Agreements (AA) with Deep and Comprehensive Free Trade Areas (DCFTA) as well as progress in visa and mobility issues, and
- A Multilateral track, which consists of four intergovernmental platforms: 1) Democracy, good governance and stability, 2) Economic Integration and convergence with EU policies, 3) Energy security, and lastly People to people contacts platform.

On May 15 the European Commission published a report on the implementation of the Eastern Partnership program by countries of the South Caucasus. According to the report, Armenia successfully implemented the "key recommendations," thus allowing for the launching of negotiations on a Deep and Comprehensive Free Trade Area (DCFTA). Armenia's progress in the areas of Democracy and Human Rights was also acknowledged. The European Commission praised the country, for ensuring that work on the EU-Armenia Association Agreement is successfully carried out. In particular, 24 paragraphs of this Agreement covering various fields were negotiated and provisionally agreed to.

It's noteworthy that the implementation of the EP illustrated the different levels of political importance that the EU ascribes to their partners within the EP program and to the EP itself. We do understand that each case of rapprochement with the EU requires an individually coordinated strategy and must not be made dependent on developments in other countries. In the meantime we believe that Brussels must make clear that the geostrategic importance of a participant country cannot substitute its judicial, political and human rights reforms required to meet the criteria for the realization of the AA and

the DCFTA. In this regard the EU Commission's new "more for more" approach creates additional incentives for advancing bilateral relations and partly levels the geostrategic differences of the participants.

The region of the SC has long been seen as a proxy battlefield for regional and global interests. The Eastern Partnership program, rightly conceived also within the context of geostrategic considerations, has been carried out without serious opposition from and rivalry with third parties who might have their own interests in the region. In this regard, one of the differences between the involvement of the EU and the United States in regional affairs is the geopolitical vector that was quite characteristic for most of the time in the US approach. In contrast stands the rather technocratic vision of the EU, which sees its efforts to mold the eastern neighborhood as a relative neutral geopolitical project, aimed at homogenizing and modernizing its peripheries, and reducing structural gaps. Evidently, the EU can effectively contribute to this process only if it is united to act with more cohesion and determination. In the meantime, we do hope that the EU being absorbed with its acute problems will not chill its enthusiasm towards its EP initiative.

Commitment to the values of democracy, rule of law, human rights and fundamental freedoms lies at the heart of the EP. We strongly believe that progress in these fields will dramatically improve also the prospects for a peaceful resolution of existing interethnic disputes for which regrettably the SC is known for. They undoubtedly hinder the political and economic development of the region and its full fledged cooperation with the EU.

Without aspiring for a detailed presentation, let me brief you on the origin and the current state of affairs of Nagorno Karabagh problem. The initial signs of this interethnic conflict trace back to the beginning of 20th century. Once parts of czarist Russia, Armenia and Azerbaijan declared their independence in 1918 and appealed for membership to the League of Nations. The request of Azerbaijan was declined due to the fact that the Nagorno Karabagh region, presented as a part of Azerbaijan, was determined a disputed territory between Armenia and Azerbaijan. Two years later, the three nations of the SC were incorporated into the former Soviet Union, and Josef Stalin arbitrarily placed the NG region under the rule of Soviet Azerbaijan. This decision was in full conformity with the goal of Stalinist national policies: to weaken and sow discord among ethnic entities constituting the FSU, in order to make them more dependent on Moscow. Thus the seeds of ethnic strife had been sown. They began to sprout when Gorbachev initiated political liberalization.

The policy of *glasnost* aimed at introducing elements of democracy to the political system of the Former Soviet Union (FSU), triggered dramatic changes accompanied also by the most violent outbursts across the entire country. It was in large part the product of the rapid mobilization of new groups into politics combined with the inadequate development or even absence of appropriate political institutions. In addition, while talking about political reforms initiated by Gorbachev I recall the 19th century British thinker John Stuart Mill who argued that democracy was almost impossible in multiethnic societies. According to Mill, democratic decision-making can take place only if the ethnic differences needing resolution are not immense. Subsequently, although

democracy does not require a completely homogeneous society, it does require a certain level of unity and trust between the various ethnic groups of the society. In the absence of such conditions, the very process of decision-making regarding conflicting issues can threaten the peaceful co-existence of ethnic groups and take most violent forms.

According to prominent American social scientist Samuel Lipset, the most extreme interpretation of Mill's theory leads to the conclusion that the only way for a multiethnic society to build democracy is to eliminate its ethnic diversity via four possible "mechanisms": genocide, expulsion, assimilation or partition.

Whether we like it or not, the history of ethnic tensions in our part of the world proves this assumption. Thus, at the end of the 19th century, the Armenian minority in the Ottoman Empire fell victim to ethnic cleansing and later on in the beginning of the 20th to genocide. Simultaneously, the majority of surviving Armenians and other ethnic minorities of the Ottoman Empire underwent forcible assimilation or expulsion from Turkey.

In the absence of necessary institutions and mechanisms supporting and promoting peaceful dialogue between conflicting ethnic groups, attempts for political liberalization gave way to violent ethnic clashes in the South Caucasus. The legal claims of some national minorities to their fundamental right to self-determination led to violent conflicts in the region, and were followed by the expulsion of national minorities and the partitioning of Georgia and Azerbaijan. The accelerated demise of the Soviet Union in 1991 and the birth of new independent nations separated by artificially drawn borders followed.

With the collapse of the FSU, the newly established state of Azerbaijan attempted to resolve the dispute over Nagorno Karabagh through military means, obviously with unforeseen consequences for itself. Mediated by Russia, Azerbaijan, Nagorno Karabagh and Armenia signed a cease-fire agreement in 1994, and launched OSCE-mediated negotiations. The current format of the negotiations, called the Minsk Group (MG) of OSCE consists of 7 countries representing the EU, Turkey, which is EU candidate, and only three states are not from the EU. As we see the EU is well represented in the MG of OSCE and plays an important role.

We believe that a fundamental resolution of this conflict can be achieved only by peaceful negotiations with a sense of realism and a spirit of compromise. The peaceful resolution of the Nagorno Karabagh conflict will strengthen regional security, making the South Caucasus more attractive for its European partners.

On various occasions the international community rightly expressed concerns over a rise in tension along the line of contact between Nagorno-Karabakh and Azerbaijan, and called on the parties concerned to increase their efforts towards a lasting settlement in line with the Madrid Principles introduced by OSCE. Among other things, the proposed elements of the Madrid principles allow for a compatible combination of two fundamental principles of international law, and namely the right to self determination, which Armenian parties appeal to, and the principle of territorial integrity, which is dear to Azerbaijan. As the US State Secretary Hillary Clinton stated at the OSCE summit in

Astana, “the Madrid principles were conceived as an integrated whole and any attempt to select some elements over others make it impossible to achieve a balanced solution.”

In parallel with ongoing negotiations, the building of trust among the parties becomes crucial for the realization of a compromise based solution. Regrettably, the unprecedented rise of the defense expenditures of Azerbaijan, combined with incessant warmongering, continued rejection of proposals to remove snipers across the line of contact and to introduce a mechanism for the investigation of escalating cease fire violations leave no space for optimism. To improve the situation, we believe the EU can play a more active role in building trust among parties. In this regard, Armenia welcomes the readiness of the EU to provide enhanced support for confidence building measures, in support of and in full complementarity with the Minsk Group of OSCE. The successful realization of this urgent task will contribute effectively to consolidating the cease fire regime.

The collapse of the Soviet Union that lead to the formation of independent states in the South Caucasus was celebrated moment and it remains so despite mistakes, omissions and disappointments along the way. The freedom offered by democracy and supplied by markets is winning. As I already said the contribution of the EU and its member states is invaluable. Although building the infrastructure of freedom and the rule of law became a lengthy and sometimes painful endeavor, Armenia is resolute on its deliberately chosen strategy. In the meantime, we have vested interest in the improvement of the situation with democracy in our neighboring states and in Azerbaijan particularly. We do not rejoice at the misfortunes of this country with regard to its domestic problems with human rights and democracy. Only genuinely addressing these problems will help turn negotiations among Armenians and Azeris on the resolution of Nagorno Karabagh dispute from an act of *raison d'état* into a joint venture based on common values. Unless these conditions are fulfilled, it is unimaginable that a mutually acceptable and comprehensive solution is reached and effectuated soon.

Today's agenda requires also some understanding of the global challenges that our partnership with the EU is now facing. In this regard let me refer to one paragraph from a book that I read recently:

“The EU is currently and simultaneously facing three huge challenges. First, ...the acute problem of the euro area....Second, this crisis is happening at a time when the trust in and enthusiasm of European public opinion for the EU is diminishing...Third, it is by no means obvious that the institutions of the EU which are not working well, would be able to deliver such a program with their present decision-making system. As a result of this dysfunctionality, the EU does not deliver enough internally and has become less irrelevant in the external world.”

Had a most respected expert not drawn this despairing conclusion on EU affairs, one could have taken it as a regular opinion expressed by another eurosceptic. Regrettably this is not a case. That assessment belongs to Jean-Claude Piris, a former Director General of the Legal Service of the Commission of the European Union who in his book,

The Future of Europe, meticulously and forcibly describes the severity of problems that the EU is facing today, and the complexity of solutions that in principle are available to address the acute crisis and to save the euro. Obviously, the problems the EU now faces could endanger the very existence of the Union and the repercussions of the unfolding crisis will undoubtedly go beyond the EU. The impact of another global crisis will hit our countries harder. In a part of the world where socio-economic hardships have punched holes in people's lives several times during the last 2 decades, economic stability often has more allure than the noblest notions of democracy. The number of people in extreme poverty will rise; the size of the new middle class will fall. The confidence of societies in the market and even in the possibility of material progress might weaken, with potentially devastating social and political consequences. As western policy makers struggle with negligible result, their credibility and competence might also be called into question and even be broken. And as we all know it is not so funny when teachers fail.

By no means am I attempting to make unerring judgments on the current state of affairs within the EU and possible solutions to its troubles. However, the challenge at the moment is pregnant with both imminent risk and great promise. We risk not only deep economic recession, but also the reversal of the fundamental shift from conflict to cooperation that Europe has demonstrated since 1945. On the other hand, the great promise is to further deepen the political and economic integration of Europe, thus inspiring confidence to emerging democracies for the possibility of their future membership in the stronger and more integrated Union.

European integration has not been happening according to some meticulously calculated plan, but rather in response to various challenges. To continue to prosper and to defend and promote its values, the EU needs to find a timely solution which is acceptable politically and comprehensive in its content.

Kiel, 29.06.12