

# **REPORT ON ARMENIA'S PRESIDENTIAL ELECTIONS**

**MARCH 16 AND 30, 1998**



**A Report Prepared by the Staff of the  
Commission on Security and Cooperation in Europe**

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WASHINGTON:1998

*This report is based on Helsinki Commission staff delegations to Armenia to observe both rounds of the March 1998 presidential election. As part of the OSCE Parliamentary Assembly Observer Delegation during the first round, Commission Staff attended meetings with the Central Election Commission and most of the candidates. Commission staff also spoke with representatives of the media, NGOs, and the OSCE/ODIHR Election Observation Mission.*

*During the second round, the Helsinki Commission's Senior Advisor worked closely with the OSCE/ODIHR Election Observation Mission, the Yerevan office of the National Democratic Institute, and the U.S. Embassy. On election day, he spoke with regional and local election officials, candidates' proxies and voters.*

*The Helsinki Commission wishes to express its gratitude to the OSCE Parliamentary Assembly, and to Ambassador Peter Tomsen and the staff of the U.S. Embassy in Yerevan.*

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The OSCE is engaged in standard setting in fields including military security, economic and environmental cooperation, and human rights and humanitarian concerns. In addition, it undertakes a variety of preventive diplomacy initiatives designed to prevent, manage and resolve conflict within and among the participating States.

The OSCE has its main office in Vienna, Austria, where weekly meetings of permanent representatives are held. In addition, specialized seminars and meetings are convened in various locations and periodic consultations among Senior Officials, Ministers and Heads of State or Government are held.

## **ABOUT THE COMMISSION (CSCE)**

The Commission on Security and Cooperation in Europe (CSCE), also known as the Helsinki Commission, is a U.S. Government agency created in 1976 to monitor and encourage compliance with the agreements of the OSCE.

The Commission consists of nine members from the U.S. House of Representatives, nine members from the U.S. Senate, and one member each from the Departments of State, Defense and Commerce. The positions of Chair and Co-Chair are shared by the House and Senate and rotate every two years, when a new Congress convenes. A professional staff of approximately 15 persons assists the Commissioners in their work.

To fulfill its mandate, the Commission gathers and disseminates information on Helsinki-related topics both to the U.S. Congress and the public by convening hearings, issuing reports reflecting the views of the Commission and/or its staff, and providing information about the activities of the Helsinki process and events in OSCE participating States.

At the same time, the Commission contributes its views to the general formulation of U.S. policy on the OSCE and takes part in its execution, including through Member and staff participation on U.S. Delegations to OSCE meetings as well as on certain OSCE bodies. Members of the Commission have regular contact with parliamentarians, government officials, representatives of non-governmental organizations, and private individuals from OSCE participating States.

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## EXECUTIVE SUMMARY

- On March 30, 1998, Armenians went to the polls to choose a president in a runoff between Robert Kocharian—Armenia’s Prime Minister, Acting President and former President of Nagorno-Karabakh—and Karen Demirchian, former Communist Party leader of Armenia. The election followed first round voting on March 16, in which none of the 12 candidates managed to win the necessary 50 percent of the ballot. According to Armenia’s Central Election Commission, in the second round, Kocharian won 59.48 percent to Demirchian’s 40.52 percent, to become Armenia’s second president. Reported turnout was 68.14 percent.
- Some candidates in the first round questioned the eligibility of Kocharian—a native of Nagorno-Karabakh, not Armenia—to run, but the Central Election Commission registered his candidacy. The subsequent contest between Kocharian and Demirchian presented voters with a choice between a young nationalist “outsider” who led Nagorno-Karabakh’s campaign for self-determination and an older, Communist-era leader, forced from office in 1988 because of Karabakh, who represented the past and popular nostalgia for the easier life of a bygone time.
- The extraordinary election followed the resignation on February 3 of Levon Ter-Petrossyan, President of Armenia since 1991. Ter-Petrossyan had retained his post in a September 1996 election marred by violations which severely damaged his legitimacy and reputation. His subsequent acceptance of the OSCE’s Minsk Group proposals to resolve the Nagorno-Karabakh conflict, publicly expressed in fall 1997, generated deep divisions within his government. The Defense Minister and Minister of National Security allied with Prime Minister Kocharian against Ter-Petrossyan, whose position enjoyed little or no visible backing among the political opposition and society. As his support faded away, Ter-Petrossyan left office, implying that he had been forced to resign and explicitly asserting that “the party of war” had won.
- After two flawed elections in 1995 and 1996, the March 1998 vote offered Armenia, under different leadership—with Ter-Petrossyan gone and his party, the Armenian National Movement, in disarray— an opportunity to redeem its image as a democratizing state. Most observers concurred that the campaign was better than in earlier elections: no candidate was excluded from the race, there were no serious impediments to campaigning, and the candidates received their allotted air time. But the preliminary statement of the OSCE/ODIHR observation mission, issued after the first round, emphasized violations and warned that the recurrence of such problems during the second round might place the election’s legitimacy in doubt. The Council of Europe and the CIS Parliamentary Assembly, however, gave the March 16 voting good grades and openly disputed the assessment of the OSCE/ODIHR. Armenian-American groups accused the OSCE/ODIHR of anti-Armenian bias, reflecting a purported tendency to pressure Armenia into accepting the OSCE’s allegedly pro-Azerbaijani proposals on Nagorno-Karabakh.
- No less controversial was the OSCE/ODIHR verdict on the second round, which went through two stages. An April 1 preliminary statement noted that in some areas, the run-off “fell short of” Armenia’s commitment to OSCE standards, and cited sufficient indication of voter fraud to require further investigation. Still, the statement concluded, these shortcom-

ings did not call into question the outcome. Again, other international organizations and Armenian-American groups attacked the OSCE/ODIHR assessment as too harsh, while some OSCE/ODIHR staff and observers took strong issue with an assessment they thought too positive and not reflective of the violations they had reported to the ODIHR's election coordinators.

- The first two preliminary statements were written by Sam Brown, former head of the U.S. Delegation to OSCE, and ODIHR's Special Representative, who led the observation mission. By striking contrast, ODIHR's final report, released in Warsaw on April 10, reversed course, concluding that the election did not meet the OSCE standards "to which Armenia committed itself in the Copenhagen Document of 1990." Among numerous other problems, ODIHR noted widespread ballot-stuffing, discrepancies in the vote count, and the presence of unauthorized persons at polling stations. But the report did not explicitly judge whether the violations affected the outcome, leaving it to others to infer whether the results were credible.
- Helsinki Commission monitoring of both rounds yielded a mixed picture. The most serious problem observed during first-round voting was disorganization in small polling stations swamped by large numbers of voters, and the vote count went well in a precinct where numerous violations took place in 1996. But the vote count observed during the second round featured blatant fraud: the ballot box was tampered with during the vote; extra ballots were present in the box in large and obvious packets; the vote count made no effort to distinguish valid from improper votes; the precinct committee was in direct contact with Kocharian headquarters throughout the count; and the precinct protocols were falsified to make the numbers add up—in the direct view of the foreign observers. All the falsified votes were for Kocharian, who was openly supported by most members of the precinct committee. At least one fifth—and maybe as many as half—of the votes counted in this precinct were false. Subsequently, at the district election level, the box containing the ballots' detachable "coupons" (a mechanism designed to prevent fraud) arrived over an hour late with the lid ripped open. Based on these observations, and the accounts of many ODIHR observers at their debriefing, there is reason to harbor grave doubts about the reliability of the officially-reported results.
- International observation of the two-round election was itself part of the controversy, highlighting differences between OSCE/ODIHR and other monitoring organizations about the conduct of the election and the general level of democratization in Armenia. The discrepancies between the ODIHR's second preliminary statement and its final report have also raised questions about the ODIHR's appointment of a Special Representative to head the observation mission. The fact remains, however, that the final assessment of the OSCE/ODIHR, which fielded 140 observers during the second round and based its judgement on their reports, concluded that the March 1998 Armenian presidential election did not meet OSCE standards. Since the 1991 election of Levon Ter-Petrossyan, Armenia has not held an election that OSCE/ODIHR observation missions have been able to qualify as free and fair, or that the losers in the contest have accepted as the definitive will of the voters. As before, opposition parties openly questioned the legitimacy of Armenia's president. Karen Demirchian, Kocharian's defeated opponent, rejected the official tally, but called on his

backers to remain calm and refrain from the sort of disturbances that had taken place in September 1996.

- Nevertheless, Kocharian is in a much stronger position than his predecessor, as the events of the last several months have thoroughly shaken up Armenia's political constellation. The formerly banned Armenian Revolutionary Federation (Dashnaks) have returned to the political arena, and strongly support Kocharian. Even more important, he has the backing of the power ministries—Defense and National Security—as well as Yerkrpah, an organization of hardened veterans of the Karabakh conflict. Leading the opposition are Karen Demirchian, who has pledged to remain politically engaged, and National Democratic Union leader Vazgen Manukian, whose loss in the September 1996 election now looks more controversial than ever. They are preparing for parliamentary elections, which may take place before the scheduled July 1999 date.
- Many heads of state, including President Clinton, sent Robert Kocharian letters of congratulations after the April preliminary statement, before the release of the OSCE's final report. Kocharian was inaugurated on April 9, pledging to pursue economic reform, fight corruption, and continue to defend the right of Nagorno-Karabakh to self-determination. He has explicitly rejected Ter-Petrosyan's stance on the Karabakh issue and the OSCE's proposals. At their first meeting, Kocharian and Azerbaijani President Heydar Aliiev pledged to maintain the cease-fire and settle the conflict by peaceful means. Whether Kocharian's "hardline" position deadlocks negotiations and makes renewed war more likely, or whether his credibility as a Karabakh defender facilitates a deal remains to be seen.

## **BACKGROUND**

In the early 1990s, Armenia was a relatively stable, predictable country while neighboring Georgia and Azerbaijan were wracked by ethnic conflict, ravaged by armed gangs and coups d'état necessitated unscheduled elections. In the second half of the decade, however, Armenia has become a country of surprises. For example, nobody expected the habitually fractious opposition to unite behind one candidate against incumbent Levon Ter-Petrosyan in the September 1996 presidential election. In March 1997, Ter-Petrosyan stunned his country and the world by appointing as Prime Minister the leader of Nagorno-Karabakh. One year later, Ter-Petrosyan had to resign, and in the ensuing extraordinary election, the reemergence of Armenia's former Communist Party boss startled candidates and analysts alike. This pattern reflects both the gravity of the choices Armenia must now make, and the change in political fortunes of Levon Ter-Petrosyan, who had come to power calling for the unification of Armenia and Nagorno-Karabakh.

By 1998, Ter-Petrosyan had fallen from grace. The man who led Armenia to independence and initially steered the country in democratic directions had lost most of his popularity. In December 1994, he banned the opposition Armenian Revolutionary Federation (ARF, or Dashnaks) for being financed and led from abroad, which Armenian law forbids. From then on, relations between government and opposition steadily deteriorated into a virtual state of rhetorical war, and Armenia's reputation suffered. International observers called the July 1995 parliamentary election, in which the ARF was unable to participate, and other parties claimed to have been intimidated, "free but not fair." With Armenia's economy in dire straits, and the political atmosphere ever more strained, hundreds of thousands emigrated. For many who remained, their president became an isolated,

detached figure disdainful of press conferences and other means of maintaining contact with the electorate. Still, the economy picked up in 1996 and the opposition was divided, so Ter-Petrosyan had reason to expect an easy victory in the September 1996 presidential election. Shortly before the vote, however, the opposition united behind Vazgen Manukian, turning a cakewalk into a bitterly fought horse race. On September 25, the Central Election Commission announced that Ter-Petrosyan had barely won enough votes to avoid a runoff, with 51.75 percent to Manukian's 41 percent. Manukian's supporters stormed the parliament, and beat up the Speaker. It took the imposition of a state of emergency to restore order, but the events left a legacy of election-related violence and deep concern about the degree of polarization in Armenia's body politic. Ultimately, the final report of the OSCE/ODIHR's Election Observation Mission concluded that there was reason to doubt the officially announced results.<sup>1</sup>

Ter-Petrosyan never recovered from the election and its aftermath. Though he retained his post, with the backing—some claimed at the pleasure—of the Ministers of Defense and National Security, his legitimacy in the eyes of Armenians and the international community was deeply damaged. Ter-Petrosyan's post-election appointment of the highly regarded Armen Sarkissian as Prime Minister helped salve some of the wounds caused by the election. Sarkissian pledged to pursue economic reform and, equally important, he reached out to the political opposition. But when he had to resign for health reasons, Ter-Petrosyan selected Robert Kocharian, President of Nagorno-Karabakh, to replace him in March 1997. Analysts saw various reasons for the totally unexpected choice: some focused on the fact that Kocharian had no local power base or clan ties in Yerevan; others stressed that Kocharian, as a national hero for having overseen the defense and military victory of Nagorno-Karabakh, was a badly needed unifying figure in a divided polity. Still others maintained that Kocharian was the only man who might be able to sell a negotiated settlement of the conflict to Nagorno-Karabakh. Certainly, many in Baku thought his appointment meant that a settlement on terms that would preserve Azerbaijan's territorial integrity would be even harder, if not impossible.

By winter 1997, the OSCE-brokered talks on Nagorno-Karabakh were deadlocked. Though a 1994 cease-fire remained in effect, the OSCE negotiations had yielded little progress since the Minsk Group was formed in 1992. In December 1996, at an OSCE Summit in Lisbon, the Chairman-in-Office proposed three principles for addressing the dispute: recognition of Azerbaijan's territorial integrity, the highest level of autonomy for Nagorno-Karabakh, and security guarantees for the Armenian population. In effect, the statement made plain the OSCE's backing for Azerbaijan's territorial integrity, which meant no support for Nagorno-Karabakh's independence or unification with Armenia. All OSCE states except for Armenia signed on to these principles, leaving Yerevan isolated. Since then, Armenia has argued that the Lisbon statement pre-determined Nagorno-Karabakh's status, instead of leaving that decision to the Minsk Conference, as envisaged by OSCE, and has blamed the Lisbon Statement for the virtual breakdown of negotiations.

In 1997, with pressure intensifying to resolve the longstanding conflict, the structure of the OSCE's Minsk Group underwent changes. Previously, there had been two co-chairs: Russia—a permanent co-chair, as decided by the December 1994 Budapest OSCE Summit—and another,

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<sup>1</sup>See Commission on Security and Cooperation in Europe, *Report on Armenia's Presidential Election of September 22, 1996*, Washington, D.C., December 1996.

rotating co-chair, which had been Finland. When Finland's tenure lapsed, the OSCE proposed France. Azerbaijan demurred, fearing Paris would be pro-Armenian, because of Armenian-French voters, and insisted the United States replace France. Ultimately, agreement was reached to add Washington to Moscow and Paris, creating a Troika.

In May 1997, the Troika presented to the parties to the conflict a set of proposals. The provisions remain confidential to this day, but according to official statements and leaks from various sources, they sought to address issues which could be resolved quickly, while putting off concerns deemed too problematic. Reportedly, the plan envisaged Armenian withdrawal from occupied territories, a return of refugees, deployment of international peacekeeping forces, an end to Azerbaijani blockades of Armenia and Nagorno-Karabakh, and the beginning of negotiations over the eventual status of Nagorno-Karabakh, Shusha and Lachin. As these events were structured around a timetable, with a decision on Nagorno-Karabakh's status a subject of future negotiations, it became widely known as the "phased" approach, as opposed to a package deal, in which all the conflict's outstanding issues would be settled at once.

Nagorno-Karabakh had long rejected any phased resolution, arguing that the withdrawal of Armenian forces from occupied Azerbaijani territories would give Baku a tangible benefit without ensuring Nagorno-Karabakh's security. Nevertheless, by late September, representatives of the Minsk Group expressed optimism that a settlement of the conflict was possible before the end of 1997. Indeed, on September 26, at his first press conference in five years, Levon Ter-Petrosyan said that the Minsk Group had proposed on September 21 postponing a formal decision on Karabakh's future status until other issues, including the withdrawal of Armenian troops from occupied Azerbaijani territory and repatriation of refugees, had been resolved. He urged compromise, saying the international community would not accept independence for Karabakh or unification with Armenia.

The immediate reaction in Nagorno-Karabakh and Armenia to Ter-Petrosyan's gesture was strongly negative. Nagorno-Karabakh's newly elected President Arkady Ghukassian said that "Armenia has not been authorized to settle the dispute on our behalf," adding that Nagorno Karabakh "will never agree to become subordinate to Azerbaijan and exist as an enclave." In Yerevan, Prime Minister Robert Kocharian openly expressed his preference for a package settlement. Political and intellectual opposition figures rallied to denounce Ter-Petrosyan, demanding that he hold a referendum on the issue or resign.

After a barrage of criticism, Ter-Petrosyan followed up on November 1 with an exhaustive article in *Hayastani Hanrapetutiun*, laying out for the first time in public his vision of Armenia's overall situation and prospects for resolving the Nagorno-Karabakh conflict. He argued, first, that "war must be precluded" and the conflict resolved exclusively through peaceful negotiations. Second, the international community would not tolerate the status quo much longer because it threatens "regional cooperation and security as well as the West's oil interests." Third, the ongoing conflict "is palpably hindering the economic development of Armenia--and, therefore, of Karabakh. It is causing complications in our relations with the international community and, especially, with neighboring countries that can have fatal consequences."

To justify his contention that a solution was needed sooner rather than later, Ter-Petrosyan maintained that "Today Armenia and Karabakh are stronger than ever. But if the conflict is not

resolved, within a year or two they will be substantially weakened. That which we are rejecting today, we will be asking for tomorrow, but we will not get it, as has often happened in our history.”

Ter-Petrosyan argued for a compromise. “By first rejecting the package, then the step-by-step solutions, and today proposing to return to the package approach, the Karabakh side has put both Karabakh and Armenia in an uncomfortable situation. Nonetheless, I do not think that we are facing tragedy or a deadlock, since it is possible to combine these two approaches easily. The main thing today is the resumption of negotiations that have been interrupted for a year.”

Ter-Petrosyan offered the assurance that any resolution would require the signature of Nagorno-Karabakh, and afterwards, the ratification by the respective parliaments of the conflicting parties. But his article generated even greater controversy than his remarks at the September press conference. After much persuasion, he managed to win the support of his own party, the Armenian National Movement (ANM). But Prime Minister Kocharian, backed by Defense Minister Vazgen Sarkissian and National Security Minister Serzh Sarkissian, rejected the OSCE proposals. For several months, the pressure on Ter-Petrosyan grew, while he and his government attempted to downplay the degree of dissension. At a January 7-8 meeting of the National Security Council, however, which was attended by representatives of Nagorno-Karabakh, disagreements were impossible to conceal and thenceforth increasingly entered the public arena.

Other than the ANM, the Hnchak Social Democratic Party of Armenia backed Ter-Petrosyan, as did the Liberal-Democratic Party (Ramgavars). But most political parties attacked Ter-Petrosyan for defeatism. Critics pointed to his illegitimacy, arguing that he had no right to represent Armenia or make decisions about Nagorno-Karabakh.

By January, the confrontation within the government had grown intense, while public pressure mounted on Ter-Petrosyan to resign. Events took a bizarre turn with alleged assassination attempts on several officials. Defense Minister Vazgen Sarkissian accused Vano Siradeghian, Yerevan Mayor, ANM leader and close Ter-Petrosyan associate, of orchestrating the attacks so as to find a pretext to force the government’s resignation. Sarkissian said he would not resign even if Ter-Petrosyan ordered him to do so, and neither would the Prime Minister or National Security Minister. On January 29, the government of Nagorno-Karabakh had to issue a statement denying an Armenian press report that two of its ministers had met with Armenian officials to plot Ter-Petrosyan’s overthrow.

In these circumstances, Ter-Petrosyan’s support melted away. On February 1, Vano Siradeghian and Foreign Minister Alexander Arzoumanian resigned. By February 2, 40 legislators had left the ANM for Yerkrpah, a 5,000-strong organization of military veterans of the Nagorno-Karabakh war, which now became the majority faction in parliament. Yerkrpah leader Albert Bazeyan accused Ter-Petrosyan of working “against the collective will of the people,” and called on all Yerkrpah forces to leave the ANM.

Finally, on February 3, Ter-Petrosyan resigned, explaining on television: “The bodies of power known to you have demanded my resignation. Since the use of the constitutional powers vested in the president would be fraught with a serious threat of destabilization of the country, I have met this demand.” Ter-Petrosyan added specifically that “the party of war has won.” Parlia-

ment accepted his resignation by a vote of 111 to 36. Speaker Babken Araktsian then announced his own resignation, and proclaimed Robert Kocharian Acting President of Armenia.

The manner of Ter-Petrosyan's resignation struck many as a "velvet coup," while others openly called it a military coup. Defense Minister Vazgen Sarkissian rejected the characterization, arguing that Ter-Petrosyan's departure had proceeded peacefully, fully in accordance with constitutional norms. Without knowing exactly what transpired between the participants, it is difficult to characterize Ter-Petrosyan's resignation. It could also be, as some analysts suggested, that he left office rather than become a figurehead president.

Armenia's constitution stipulates that if a president leaves office prematurely, extraordinary elections must take place within 40 days. Although Kocharian initially indicated he would not be a candidate, saying he was not even sure he was a citizen of Armenia, on February 10, he announced his intention to run for the office.

Kocharian's eligibility to run immediately became a matter of heated dispute. According to Article 50 of Armenia's Constitution, individuals at least 35 years old who had "been a citizen of Armenia for the last 10 years...permanently living in the Republic for 10 years, and had the right to vote can be elected President of Armenia." Kocharian, however, had spent his life in Nagorno-Karabakh, and indeed, in the eyes of the international community, which recognizes Azerbaijan's territorial integrity, might be seen as a citizen of that country.

Nevertheless, Kocharian's legal advisors and backers offered the following arguments in favor of his eligibility. First, the Republic of Armenia, which became independent in 1991, had not formally existed for 10 years, so one could argue that nobody had the right to run for president. Second, Kocharian's unclear citizenship status had not prevented him from being elected to Armenia's parliament in 1989 and 1990. Moreover, in June 1988, the Supreme Council [legislature] of the Armenian SSR adopted a resolution on the unification of Armenia and the Nagorno-Karabakh Autonomous Republic, which had never been annulled. In fact, in December 1989, a joint session of the National Council of Nagorno-Karabakh and Armenia's Supreme Council adopted a document on reunification.

Nor was the 10-year residency requirement an obstacle, considering that in fall 1991, Armenia's Central Election Commission [CEC] registered Paruir Hayrikian as a presidential candidate, even though from 1988 to 1990 he had been stripped of Soviet citizenship and exiled. As Kocharian told *Aravot* on February 24, "the Republic of Armenia has not existed for 10 years. Besides, I was a deputy to the Armenian parliament for seven years. I have served as Armenian prime minister for one year. If I'm not eligible, then who is?"

Others remained unconvinced and contended that he clearly had no right to run. The most vocal proponents of this view were Communist Party leader Sergey Badalian and parliamentary deputy and announced candidate David Shakhnazarian. Vazgen Manukian himself coyly declined to take a position; his representatives in the CEC, however, voted against Kocharian's registration. In all, seven CEC members voted to reject his candidacy, others abstained. The law requires two-thirds of all 20 CEC members to deny an application, so the CEC ruled in favor of registration.

As if the resignation of Ter-Petrosyan, the rise of Kocharian to the post of Acting President, and the holding of pre-term elections were not surprise enough, the February 13 announcement of Karen Demirchian's candidacy came as a shock. Demirchian, Armenia's last Communist Party leader, had left office in 1988, forced out by the nationalist wave of the Nagorno-Karabakh movement. Since then, he had run an electrical factory and played no role in the country's political life. Demirchian had no political organization and no carefully articulated program. Instead, he appealed to the explicit and implicit longing among many Armenians for the security, relative prosperity and perceived social justice of the Soviet era. His candidacy touched a chord with the constituency of Armenia's Communist Party, which advocated the formation of a "renewed" USSR, and with backers of an initiative to gather signatures in favor of Armenia's accession to the Russia-Belarus Union.<sup>2</sup> Against this background, Demirchian offered the additional attraction of experience, incarnating, as it were, a simpler era, fondly remembered by many.

No less remarkable than Demirchian's political resurrection was how quickly his campaign gathered steam. Observers reported that his carefully planned rallies attracted crowds of devoted supporters, many elderly, of course, but by no means all. According to public opinion surveys, he soon rose to the first rank of candidates, outpolling political veteran Vazgen Manukian and challenging Kocharian. As the election drew close, Kocharian and Demirchian were neck and neck. The contest between them offered Armenia's voters a stark choice: a young nationalist committed to the cause of Nagorno-Karabakh and economic reform, and an older, Communist-era leader with an uncertain program, offering vague promises and playing to nostalgia.

Both candidates had pluses and minuses. Kocharian's youth, economic reformism and technocratic orientation appealed to voters thinking about the future. On the other hand, some Armenian voters, however committed to Nagorno-Karabakh, feared he would complicate, if not make impossible, a negotiated settlement of the conflict; others resented the meteoric rise of an "outsider." Demirchian—not a nationalist or personally bound up with Nagorno-Karabakh—seemed capable of sitting down with his old colleague Heydar Aliiev in Baku and somehow cutting through the knottier aspects of the Nagorno-Karabakh dispute, while stirring memories of a time when most Armenians lived better. Yet his claim to experience cut both ways, as he also reminded voters of Leonid Brezhnev. Nor did he reflect the heady, traumatic events of the past decade, when Armenia attained independent statehood and forged a new national identity based on the struggle for Nagorno-Karabakh.

Apart from the starkness of the choice between the two leading candidates, and the strategic implications of their respective approaches to the Nagorno-Karabakh problem, the election process itself was significant. After two highly criticized elections, the March 1998 vote offered an opportunity to show that Armenia could hold elections deemed satisfactory by the participants, the public and the international community. The perception of the fairness of the process would point the way: a country bogged down in post-Soviet authoritarianism or back on track to democratization. After the widespread disenchantment of the late Ter-Petrosyan period, many expected Armenia's electorate to display revived interest and passion.

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<sup>2</sup>In September, organizers claimed to have over 1 million signatures. The Communist Party also claimed to have collected 800,000 signatures in support of Armenia's joining the Russia-Belarus union.

## **ELECTION LAW**

As no changes had been made to the law regulating the September 1996 election, its provisions were still in effect in March 1998. The president serves a 5-year term, and can serve a maximum of two consecutive terms. A candidate needed 50 percent plus one of the valid votes cast to win on the first round. There was no minimum turnout requirement.

Political parties, blocs and individuals could nominate candidates, who needed to gather 25,000 signatures and 2 million drams (about \$5,000.00). Candidates who won at least five percent of valid votes cast got back their electoral deposit. Registered candidates could appoint two proxies to represent their interests in election commissions.

The expenses for holding the elections came out of the budget of the Central Election Commission (CEC). Candidates could also use their own financial resources to campaign, as well as contributions from individuals and legal entities

There were no precincts organized in military units or hospitals; soldiers voted in regular polling stations. To enhance the transparency of the process, the chairman of the polling station was supposed to post a copy of the protocol summarizing the results of the voting. A candidate's proxy or a foreign observer could receive a copy of the protocol, verified by the signatures of the chairman of the committee or the secretary's stamp.

The election law had been criticized by international observers after the 1996 election. In the view of the OSCE/ODIHR Final Report (April 10, 1998), the law, as applied in March 1998, created "a serious administrative burden and does not guarantee transparency in the election process."

## **THE CANDIDATES AND THEIR PLATFORMS**

Each candidate had to present the required signatures and money by March 1. The CEC was supposed to authenticate the signatures and register the candidates by March 6.

Ultimately, the CEC registered 12 candidates: Acting President and Prime Minister Robert Kocharian; Karen Demirchian (Socialist Party), Vazgen Manukian (National Democratic Union), Sergey Badalian (Communist Party), Paruir Hayrikian (Self-Determination Union), Aram Sarkissian (Democratic Party), David Shakhnazarian (Member of Parliament), Vigen Khachatrian (Liberal Democratic Party), Tigran Sahakian (Assembly of Armenians), Artashes Geghamian (National Accord Party), Hrant Khachatrian (Constitutional Rights Union), and Yuri Mkrchian (civic initiative). With so many candidates, the likelihood of a first round victory was small. It was clear from the beginning that most of the candidates had no chance and would give their support, such as it was, to one of the participants in the runoff.

The section below on the first round candidates concentrates on the eventual participants in the runoff election, with attention to some of the more notable contenders. Given the circumstances of Ter-Petrossyan's resignation, most of the candidates took an even firmer line in support of Nagorno-Karabakh than they might have otherwise.

*Robert Kocharian:* The Acting President and Prime Minister was best known as the former President of Nagorno-Karabakh, and a committed defender of Nagorno-Karabakh's right to self-determination. Exactly what that meant was not clear but most voters probably assumed he understood self-determination in the broadest possible terms, including *de jure* independence. In contrast to his rationalist predecessor, Kocharian openly campaigned as a nationalist, promoting nationalist themes. He was endorsed by Armenia's most nationalist party, the ARF, and his campaign was heavily manned by prominent Dashnaks.

During his tenure as prime minister, Kocharian had pursued economic reform and fought corruption. He pledged to continue these policies and to attract Western investment. Kocharian maintained that Armenia's economic possibilities were not exhausted or entirely dependent on ending the country's isolation from its neighbors, but that greater "organization" could squeeze out greater production. He advocated limiting the powers of the presidency and restoring the balance between the executive and legislative branches, while promoting the independence of the judiciary.

Kocharian sharply differed with Ter-Petrossyan on dual citizenship, which Ter-Petrossyan always opposed. During the election campaign, Kocharian often spoke of the need to involve the Armenian diaspora in the country's politics and strongly advocated dual citizenship.

*Karen Demirchian:* The Communist Party boss of Armenia (1974 to 1988), and most recently the manager of Armenian Electric Machinery Plant, was nominated by the Socialist Party Congress on February 13. It would be an exaggeration to say Demirchian had an actual program. Without providing details, he promised to solve Armenia's foreign and domestic problems, alluding to his considerable experience. Demirchian pointed to the alleged success of his plant as proof of his ability to turn the economy around. He promised to ease the plight of those who had suffered the consequences of industrial decline and seen the benefits of privatization go to the well-connected allies of those in power. As for Nagorno-Karabakh, he hinted that his old association with Heydar Aliiev would facilitate an accord, while insisting on Nagorno-Karabakh's right to self-determination.

*Vazgen Manukian:* The man who maintained he had been robbed of victory in September 1996 advocated parliamentary control of the executive branch and eventually, a parliamentary, not presidential, system. Manukian urged the election of local officials, instead of their appointment by the president. He called for turning Armenia back into an industrial country, with emphasis on high technology, and restoring free medical care and education. Like Kocharian, Manukian favored dual citizenship. He repeatedly said throughout the campaign that holding a free and fair election was more important than his victory.

*Sergei Badalian:* Badalian called for returning to a socialist economy, restoring the social benefits of the Soviet era, a parliamentary form of government, a Union with Russia and Belarus, and eventually a restored USSR on a confederative basis. Badalian attacked Demirchian, who obviously threatened to steal his voters, and also accused Kocharian of violating the Constitution by agreeing to run.

*Paruir Hayrikian:* Armenia's most famous dissident, Hayrikian had spent 17 years in Soviet Gulag for advocating Armenian independence. In 1996, he had withdrawn in favor of Vazgen Manukian in order to improve the odds of defeating Levon Ter-Petrosyan.

## **CAMPAIGN**

Constitutional provisions stipulate 40 days for an extraordinary election, a short time, as all acknowledged. The campaign officially began on March 7 and ended on March 15.

All candidates received 90 minutes of free air time on television, in an order determined by lottery. Candidates could buy another 180 minutes. They also received 120 minutes of free time on radio and could purchase another 240 minutes. Helsinki Commission staff attended meetings the candidates held with members of the OSCE Parliamentary Assembly observer delegation. None of the candidates complained about unequal access to the media, including television.

Apart from television and radio spots, candidates campaigned all over Armenia. For the most part, these rallies went well. There was one violent incident on March 8 in Ararat, where toughs disrupted a Manukian rally. Eight people were injured, two of whom required hospitalization, including one member of the Central Election Commission. The Ministry of Internal Affairs fired the local police chief, and four people were arrested.

Robert Kocharian was backed by the Unity and Justice bloc, which included numerous parties, including the Social Democratic Party, the Armenian Union of Industrialists and Businessmen and the Scientific-Industrial and Civic Union.

As the election campaign heated up, candidates traded accusations. The most common charge against Kocharian was that he unfairly exploited the powers of the presidency. For example, the Public Center in Support of Vazgen Manukian charged that the government-run electronic and print media were supporting the candidacy of Kocharian, even before the official start of the campaign. Several days before the election, Demirchian alleged wholesale intimidation and bribery on behalf of Kocharian. Kocharian, for his part, responded that the others were, in fact, guilty of all the above, and were making groundless accusations so as to be able to claim fraud when they lost.

## **MEDIA COVERAGE**

The European Institute for the Media, which monitored coverage of the campaign, confirmed that all the candidates got their allotted air time and space in the print media. But EIM also reported that Kocharian received far more news coverage during the first round on Channel 1 of State television than other candidates, and the official newspaper *Hayastani Hanrapetutium* gave him four-to-five times more editorial coverage than any other candidate.

## **OBSERVERS**

*Domestic:* The election law did not mention domestic monitoring, which the CEC understood to mean it was not sanctioned. After the experience of the September 1996 election, Western organizations and embassies strongly urged that provision be made for domestic observers, such as Vote Armenia, which had observed the July 1995 election throughout the country, and had issued

a strongly critical report. Twenty Members of the U.S. Congress, including some of Armenia's strongest supporters, sent a letter to Robert Kocharian on March 1, urging the accreditation of domestic monitors. Kocharian publicly favored the idea, but on March 2, Parliament voted it down. As a result, there was no countrywide observation effort by local, non-partisan observers.

*Foreign:* The OSCE's Office of Democratic Institutions and Human Rights (ODIHR) mounted an observation mission, which arrived in Yerevan about a month before the voting. The mission was based in Yerevan and set up several regional offices. ODIHR appointed Sam Brown, former head of the U.S. Delegation to OSCE, as Special Representative. He was primarily responsible for writing the observation mission's assessment of the election.

For election day, observer delegations also came from the Council of Europe, the European Parliament, the CIS Inter-Parliamentary Assembly and the Russian Duma.

## **VOTING**

Voting took place on March 16 from 8 a.m. to 10 p.m. Helsinki Commission staff observed voting in various precincts in Yerevan.

Voters had to present a form of photo identification, usually a passport, to receive ballots, which they marked near the name of their preferred candidate. The ballots listed in alphabetical order the names of the candidates, their party membership, place of employment and occupation, the party or bloc which nominated the candidate, or the words "civic initiative." Voters opposed to all the candidates could mark the box "Against All."

Polling station workers registered the voter's identification number on the voter list, which voters had to sign to receive a ballot. As a safeguard against fraud, the ballots had a detachable tear-off coupon, on which polling station workers wrote the voter's identification number. Voters deposited the ballots and the coupons in separate ballot boxes, and the number of coupons was supposed to match the number of ballots.

Mobile ballot boxes, which are easily susceptible to ballot stuffing, were not used for civilian voters, but the Ministry of Defense reached agreement with the CEC to allow them in 13 border regions where troops were stationed. The boxes were to be under civilian control and international observers were permitted, although they had to accept responsibility for their own security.

In all the precincts visited, there were proxies of various candidates. The most striking feature of the balloting was overcrowding, as large numbers of voters tried to fit in small polling stations. For the most part, however, Helsinki Commission staff observed no serious violations, except for the presence everywhere of people loitering in the precinct. In one polling station, there was a serious disturbance when someone later identified as a director of one of Yerevan's markets entered, accompanied by over a dozen young men. He immediately began screaming that the polling station was located too far from his home. The ruckus lasted about 45 minutes until he left with his entourage. Voting continued throughout, but the atmosphere was certainly intimidating, and the election commission chairman engaged in a shouting match with a candidate's proxy.

## COUNTING

Helsinki Commission staff returned to the same polling station in Yerevan where, in September 1996, serious electoral violations took place. In March 1998, the former chairman had been replaced, and none of the commission members was familiar.

The count began on an excited note: at closing time, about 100 people were in the polling station, demanding to vote, and loudly protesting the refusal of the chairman to let them. They explained that they had fled as refugees from Baku to Armenia almost 10 years ago. On election day, they had been driven around the city from precinct to precinct, but had not been allowed to cast ballots. The chairman explained that as refugees, they were not citizens and could not vote. Some complained bitterly to Helsinki Commission staff that “their sons had to serve in Armenia’s army but they were deprived of the right to vote.” Ultimately, the chairman held his ground and ordered them to leave. They eventually did and the count began about 10:30 p.m.

Whereas in 1996, the chairman in this polling station had obviously tried to draw out the vote so foreign observers would leave, in the first round of March 1988, the count went quickly, without any obvious violations. The chairman, as stipulated in the law, showed every ballot to all commission members. There were no signs of ballot stuffing, i.e., bunches of ballots stuck together. None of the observers or candidates’ proxies, who remained in the precinct throughout, complained of or displayed signs of intimidation, or protested the behavior of the election commission.

It soon became clear that the race in this precinct would be between Kocharian and Demirchian, with the others far behind. Demirchian won, with 630 votes to Kocharian’s 535, while Manukian got 308.

## RESULTS

According to the CEC, voter turnout was 63.4 percent. Kocharian received 38.76 percent, Demirchian 30.67 percent. Manukian came in third, with 12.24 percent, followed by Badalian’s 11.01 percent. The rest of the field was far behind: Hayrikian got 5.41 percent, and nobody else managed to win one percent.

Shortly before the polls closed, Karen Demirchian, Vazgen Manukian, Sergey Badalian, Paruir Hayrikian and David Shakhnazarian issued a joint statement protesting the conduct of the election. They charged large-scale fraud, including ballot stuffing, intimidation of proxies, etc. Hayrikian subsequently retracted his objections, describing the vote as “substantial progress in Armenia’s democratization,” and asserting that “cases of alleged vote irregularities will hardly affect the outcome of the pre-term ballot.”

Six members of the CEC, claiming electoral violations, refused to sign the final protocol on the March 16 vote: Norayr Khanzadian (Self-Determination Union), Armen Khojoyan (Intellectual Armenia), Filaret Berikian and Vova Hakhverdian (National-Democratic Union), Vania Mkhitarian and Vilen Sukiassian (Communist Party).

## ODIHR ASSESSMENT

The OSCE/ODIHR long-term observer mission arrived in Yerevan February 14. For election day, the mission fielded over 200 international observers, visiting over 800 of almost 1600 polling stations, and then following the vote count in polling stations, in many Community Election Commissions and all 11 Regional Election Commissions. On March 18, the mission issued a preliminary statement about the first round, which noted that the campaign had generally gone smoothly, although the abbreviated election calendar meant that voter lists were not in the best order and local precincts were not as well prepared as they might have been.

The ODIHR assessment of the voting, based on the observations of the international monitors, was that in most polling stations, election personnel tried diligently to implement the law. “However, in approximately 15 percent of precincts significant violations of law or regulations were observed. These would have called into question the validity of the election had there been a close result. We regret that this first round of the elections fell short of the standards to which Armenia has committed itself in OSCE documents.”

The ODIHR mission singled out the following problems requiring attention before the second round: incidents of ballot stuffing in at least three precincts and substantial evidence of attempts at ballot stuffing in several more precincts; instances of military officers directing their soldiers how to vote; the use of state resources on behalf of Robert Kocharian, when, for example, kerosene was distributed to voters who promised to vote for him; the presence of unauthorized and unidentified people in polling stations, especially personnel of the Ministry of Internal Affairs; a continuing imbalance in state media coverage of the candidates, favoring Kocharian; and the above-mentioned violent incident in Ararat on March 8.

Other international observers, including the Council of Europe and the British Helsinki Human Rights Group, had a better opinion of the election, which they believed had certainly gone better than previous elections in Armenia. It was their view that whatever violations may have occurred were minor and inconsequential. A Council of Europe expert said at a press conference that other observers were surprised at the ODIHR statement and that Sam Brown’s statement “reflected a rather falsified picture of reality....an objective observation was not expected from the OSCE.”

In Armenia, the ODIHR preliminary statement generated protests. The head of the CEC criticized the report and dismissed the flaws cited. Political forces across Armenia’s political spectrum described the OSCE as prejudiced against Armenia, because of its opposition to the Minsk Group proposals. In Washington, Armenian-American organizations also condemned ODIHR. On March 20, the Armenian Assembly of America (AAA) wrote to the U.S. Helsinki Commission: “We can draw no other conclusion except that the OSCE report seriously calls into question the impartiality of that body concerning Armenia and its democratic institutions. Regrettably it follows a consistent pattern of bias against Armenia which has manifested itself most flagrantly in the proceedings of the OSCE Minsk Group where demands for compromises have been one-sided in favor of Azerbaijan.” The AAA attacked as “irresponsible” Sam Brown’s characterization of the election as “deeply flawed” and ascribed the differences between the OSCE preliminary statement and the more positive assessment of the Council of Europe to the “deliberate omission” by ODIHR of the good points of the election.

## **RUNOFF ELECTION**

As none of the 12 candidates had garnered 50 percent of the vote, the two highest vote-getters, Robert Kocharian and Karen Demirchian, emerged as the contenders in the runoff scheduled for March 30. Kocharian won the endorsement of first-round candidates Paruir Hayrikian, Aram Sarkissian and Hrant Khachatryan, as well as the “Russia-Belarus-Armenia National Initiative” public organization. The small Christian Democratic Union (KDM), previously allied with Ter-Petrosyan’s Armenian National Movement, came out for Demirchian.

Vazgen Manukian’s NDU refused to back either candidate, charging the results of the first round were falsified. He called on his supporters to “vote in accordance with their conscience.” The Communist Party also refused to endorse either candidate. But the Union of Patriotic Forces of Armenia (UPFA), which had backed Badalian, supported Kocharian.

Both candidates campaigned on television and at rallies across the country. Once again, Demirchian accused his opponent of trying to create an atmosphere of fear and pressuring the public to vote for him. Kocharian responded that Demirchian was merely preparing to claim fraud when he lost. He, in turn, accused Demirchian’s campaign of spreading libelous leaflets about him, which Demirchian’s campaign denied. Demirchian also denied charges that he was secretly allied with Levon Ter-Petrosyan’s Armenian National Movement. He called for strengthening the legislative branch and said he had no substantive differences with Kocharian on Nagorno-Karabakh. Demirchian promised to revive Armenian heavy industry but, as before, provided no details as to how.

Kocharian again advocated amending the constitution to limit presidential power, especially the right to dissolve parliament. He pledged to pursue economic reforms despite his support by leftist parties and predicted economic growth of eight to ten percent. Addressing a rally in Yerevan, Kocharian said a close contest might lead to problems: “There should be more than a 10 percent difference between the candidates so that no one can humiliate our country and call into question the legitimacy of the president.”

Demirchian charged that Kocharian was dominating television coverage and “imposing an information blockade” on him, by giving him only a few minutes of air time a day. But Demirchian did not appear at a scheduled television debate with Kocharian on March 28, insisting on changes in the election law as a precondition.

According to the European Institute for the Media, during the second round campaign, Channel 1 devoted 42.15 per cent of its editorial coverage to Kocharian and 16.65 percent to Demirchian, leaving the rest of its coverage to the election process itself. *Hayastani Hanrapetutiun* gave 53.32 percent of its coverage to Kocharian, versus 37.79 percent to Demirchian. Also, the ratio of positive/negative/neutral references to candidates in state-controlled media was greatly in favor of Kocharian.

## **SECOND ROUND VOTING**

On March 30, the Helsinki Commission’s Senior Advisor observed the voting in over a dozen precincts in Yerevan. Voter participation was quite modest all day—a fact confirmed by

precinct committee chairmen and by the candidates' proxies (present at all polling stations visited). Instances of crowding at peak voting periods were strikingly absent.

In general, election officials followed most of the formalities of the voting process. There was no campaign agitation or literature present, police remained off the premises of polling stations as required by law, the registration of voters was generally correct, and voting took place in private without any observed efforts by officials to influence the choice. In fact, some precincts made a notably positive impression. One chairman, for example, had gone through the voter list name by name to note deceased persons and residents known to be out of the country or in the military to prevent any attempt to vote using those names.

There were problems, however. The voter lists were woefully out of date and incomplete (a frequent complaint of election commission personnel). Access to stocks of unused ballots resided almost exclusively with the precinct committee chairmen and were out of sight of candidates' proxies. Safeguards against abuse of voting materials by election officials were almost non-existent. Finally, at many precincts, the arrival of foreign observers often prompted large numbers of young men to leave rapidly, sometimes in vehicles with two-way radio antennas. The law prohibits unauthorized persons in the polling stations, and it was noteworthy that ordinary voters—indeed, all persons other than these young men—did not loiter in and near the polls. Questions addressed to officials and police about the presence and activities of these unauthorized groups elicited no satisfactory answers.

## **SECOND ROUND VOTE COUNT**

For the vote count, the Helsinki Commission's observer selected a precinct typical of those visited during the day, neither the best nor the worst. Indeed, this polling station had received high marks on procedures and organization during the actual voting.

When the observer arrived, election officials were unwelcoming but made no attempt for the next six hours to conceal what can only be described as flagrant fraud. It was immediately evident that the front of the ballot box had been pulled out from the frame, for purposes that soon became clear. The obviously frightened Demirchian proxy scarcely uttered a word throughout the night, did not object to the fraud being committed, and spent much of the night slumped in a chair in dejection. The Kocharian proxy, by contrast, impeded the process, frequently consulted through a window behind a curtain with associates outside, and made (clearly audible) telephone calls to Kocharian headquarters.

The opening of the ballot box revealed a lower layer of neat piles of individually-folded ballots in groups of twenty and fifty, all for Kocharian, all marked in the same manner, and without any of the peculiarities of folding or smudging characteristic of the genuine ballots which emerged from the box. An upper stratum of ballots exhibited more hurried stuffing, with groups of Kocharian ballots folded together in clumps, often of fifteen or twenty but also in smaller numbers. When questioned about the ballots folded together, the chairman initially explained them as "family voting" but later ceased any pretense. Of the more than twenty-seven hundred ballots, there was only a single instance of even two folded together for Demirchian.<sup>3</sup>

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<sup>3</sup>When the first clump of twenty ballots was noted by the monitors, one member of the committee angrily said to the Kocharian proxy, "You idiot, look what you've done to us."

The committee chairman, who showed the ballots to other commission members, did not try to hide the packets of stuffed ballots. His deputy attempted subterfuge by dropping packets on the floor and pushing stuffed ballots around on the table in order to confuse the monitors in their count, but he gave way to another member who simplified matters by ostentatiously fanning ballot packets while counting them and then declaring all for Kocharian without bothering to glance at them. Most committee members cheered the announcement of the first Kocharian ballot; at the end of the count one member telephoned to Kocharian headquarters to announce, “We won!”

According to the tabulation of the Helsinki Commission monitor and his OSCE co-observer, at the very least, there were 580 obvious stuffed ballots, or 21 percent of ballots counted. This figure does not include any of the hundreds of packets of fewer than five ballots. A reasonable but still conservative estimate is that one-third of the ballots counted, and quite possibly one-half, were false.

The box of detachable coupons from this polling station arrived at the Community Election Committee over one hour later than the international observers, with the lid of the supposedly sealed box ripped open. OSCE monitors at a number of Community Election Committees observed obvious evidence of coupon stuffing by numerous precincts: folded packets of coupons, coupons with identical signatures and piles of coupons in sequential numbered order. The OSCE monitors at Achapniak reported that, after some initial effort to count coupons, the officials there simply gave up and recorded the number of coupons based on the precinct reports of ballots cast. The precinct officials clearly opened their coupon box to mix up the coupons so as not to present such obvious stuffing.

## **RESULTS**

The Central Election Commission released the final results on April 6. Robert Kocharian was the victor, with 59.49 percent to Demirchian’s 40.51. Voter turnout was 68.14 percent.

## **ODIHR ASSESSMENT**

ODIHR issued a preliminary statement about the second round on April 1. Noting that the mission had deployed almost 140 observers to over 680 polling stations (over 40 percent of polling stations throughout the country), and monitored the vote count, the statement concluded that “in some areas, the elections fell short of the commitments Armenia has made to OSCE standards.” These included: large discrepancies in some Yerevan precincts between signatures and ballots cast; clearly forged voter signatures; ballot box stuffing; extraordinarily high turnout in several polling stations, which raised questions about the integrity of the process; a high level of unauthorized personnel in polling stations; and inadequate voter lists. “In several instances, there is sufficient indication of vote fraud to require further investigation and possible criminal charges.”

Nevertheless, given the compacted election schedule, both for the first and especially the second round, the CEC “performed professionally.” Most important, “Overall, these elections are a

step forward from the troubled 1996 elections toward a functioning democracy.” The shortcomings [mentioned above] “do not cause us to question their outcome.”

Again, the Council of Europe’s assessment was more favorable. Lord Russell-Johnston, head of the Council of Europe’s Monitoring Mission, told a press conference in Yerevan: “The second round of the presidential voting was well-organized: the elections were passed peacefully and in accordance with the law. There is no doubt concerning the legitimacy of these elections. This is a steady step along the path towards Armenian accession to the Council of Europe. I congratulate Mr. Kocharian on his election and commiserate with Mr. Demirchian on his defeat and congratulate both of them on having met together in a civilized way to discuss the best future for Armenia. That is the democratic way forward.”

## **ODIHR FINAL REPORT**

On April 3, ODIHR announced that the observation mission was extending its activity in Armenia to investigate continuing reports of violations. In fact, ODIHR was scrambling to address a serious problem: Sam Brown’s second preliminary statement had generated deep dissension among ODIHR personnel, who considered the election to have been more seriously flawed. On April 10, the final report, which reflected a more negative view of the conduct of the election, was released.

As for media coverage, the election demonstrated significant improvements over prior Armenian elections, and “both print and broadcast media endeavoured to provide improved coverage in the second round over the March 16 poll. All presidential candidates were provided opportunities to present themselves to the electorate through the provision of free and paid access to state media. Nonetheless, media coverage failed to meet the requirements set out in paragraph 7.8 of the Copenhagen Document to provide unimpeded access to the media for candidates on a non-discriminatory basis.”

ODIHR’s overall verdict was that “Armenia’s Extraordinary Presidential Election of March 16 and 30 does not meet the OSCE standards to which Armenia has committed itself in the Copenhagen Document of 1990. Armenia held elections that were characterized by serious flaws in both 1995 and 1996. This election showed improvement in some respects over the 1996 election, but the 1996 election is not an appropriate standard for assessing a meaningful election process in line with OSCE commitments.” Specifically, “the Election Observation Mission observed widespread ballot stuffing, discrepancies in the vote count, a large presence of unauthorized persons in polling stations, and instances of intimidation directed toward voters, election commission members, candidate proxies and international observers.”

In response, Armenia’s Foreign Ministry released a statement expressing puzzlement over the significant differences between the April 10 final report and the preliminary statement, issued on April 1, two days after the runoff election: “In all likelihood we should look for the source of these contradictions inside the OSCE. We don’t want to believe that the only organization—the OSCE—mediating the Nagorno-Karabakh conflict has any sort of prejudicial relationship toward Armenia.”

Again, pro-government parties and allies of Kocharian blasted the report’s alleged bias against Armenia. By contrast, the newspaper of Vazgen Manukian’s NDU said Armenia had “lost

its chance to join civilized Europe.” Demirchian reportedly did not comment on ODIHR’s final assessment, which also generated no strong public response.

## CONCLUSIONS AND PROJECTIONS

### *Democratization*

Unfortunately, after the experience of 1995 and 1996, it would have been difficult to justify expectations of a good election while Levon Ter-Petrosyan and his team were in power. Their departure generated hopes that Armenia, now under new management, could get back on track. In the event, the 1998 campaign was certainly better than in previous elections, considering that no candidates were excluded, all received the allotted time in the electronic and print media and were able to meet as they pleased with the electorate. Moreover, it took two rounds to determine the outcome, a first in presidential elections in the Caucasus, where incumbents have great advantages.

However, the voting and especially the vote count in both rounds continued to exhibit serious problems. Observers’ reports of ballot stuffing, coupon stuffing and protocol tampering in many precincts and Community Election Commissions indicate an intention to ensure a particular outcome. The fact that all of the above took place in the presence of international observers raises obvious questions about what happened in precincts where no observers could watch the proceedings. Reports by OSCE/ODIHR monitors about how widespread these patterns were indicate direction from above and, perhaps, intimidation.

There have been divergent assessments of Armenia’s election (see below). But the fact remains that Armenia has not held an election since 1991 that the OSCE’s observers have been able to characterize as free and fair, or that has been accepted as such by the loser. Optimists take heart from the positive assessment of the Council of Europe, seeing progress compared with previous elections, and presumably extrapolating continued advances in future elections. Pessimists despair at the negative judgement of the OSCE/ODIHR, seeing a pattern of flawed elections, regardless of who is in power.<sup>4</sup>

ARF leader Vahan Hovannisian, citing international pressure related to the Minsk Group, said the OSCE assessment would have been negative, even if the conduct of the election had been ideal. His statement accords with the views of the Armenian Government, with which the newly re-registered Dashnaks are now closely aligned. But during the September 1996 election, when the ARF was still banned, the party did not accuse the OSCE/ODIHR election observation mission of bending to political or geostrategic pressure when the final, negative verdict was announced.

After the 1995 and 1996 elections, which foreign observers criticized, Armenian Government spokesmen and its defenders abroad claimed different—higher—standards were being set for Armenia than for other countries. Yet with Levon Ter-Petrosyan out of power, it would be difficult to find anyone in Armenia now who would claim those earlier elections did not deserve severe criticism. Today, those justifying the March 1998 election maintain that ODIHR unfairly dispar-

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<sup>4</sup>A Karabakh journalist writing in *Pravda* (April 4, 1998) concluded that “It is always the authorities that triumph at the elections in Armenia....Throughout the republic not a single official was to be found who ventured openly to urge people to vote for anyone other than Kocharian. Because bitter experience suggests that he who at that moment is in power will invariably win the election...”

ages Armenia's conduct of elections to force Armenians into accepting an OSCE-brokered deal on Nagorno-Karabakh that is favorable to Azerbaijan or to penalize them for resisting such pressure. The argument has apparently convinced some non-Armenian organizations as well.<sup>5</sup> But ODIHR's final report on the 1996 re-election of Levon Ter-Petrosyan did not temper its criticism, even though he was always seen as a moderate on Nagorno-Karabakh. Nor is it clear how or why a negative ODIHR assessment of the 1998 election should sway Robert Kocharian into softening his attitude to OSCE Minsk Group proposals he considers dangerous for Nagorno-Karabakh. And if the purported intention was to punish him by withholding international legitimacy, it would signal the OSCE's giving up on the Minsk Group: the example of Ter-Petrosyan's failed effort to sell the Minsk Group package to Nagorno-Karabakh and Armenia should have demonstrated conclusively that only a popular, legitimate president has any hopes of doing so.

In fact, various observers and ODIHR personnel have voiced the suspicion that Sam Brown wrote the relatively positive preliminary assessment of the second round precisely to help save a Minsk Group process that is floundering. If so, there might indeed be a link between the OSCE negotiations on Nagorno-Karabakh and the ODIHR's April 1 judgement of the election—but not the one official Yerevan, the ARF and the Armenian Assembly allege. In a conversation with Helsinki Commission staff, Brown strongly denied any such motivation, and restated his conviction that the violations observed did not influence the outcome of the election. He acknowledged, however, that his appointment as ODIHR Special Representative added an element of political sensitivity to the technical aspects of election monitoring and assessing an election's fairness.

*OSCE/ODIHR and Armenia:* In the last two presidential elections, the OSCE's election observation has become part of the story, instead of merely reporting on and evaluating the fairness of the process. In September 1996, ODIHR's preliminary assessment concluded that the reported irregularities had "not materially affected the outcome" of the vote "at this stage of the process," a very careful formulation that proved highly controversial, and the subsequent judgement of the final report was far harsher. In 1998, the shift between the first and second preliminary statements and especially the discrepancies between the second preliminary statement and the final report have raised questions about ODIHR's professionalism and ability to conduct disinterested election observation, at least in Armenia.

ODIHR's problems in Armenia are relevant to all OSCE states and merit serious discussion. To some extent, the difficulties flow from the proliferation of organizations now observing elections. OSCE/ODIHR, the OSCE Parliamentary Assembly (which has an agreement to coordinate election observation with ODIHR), the Council of Europe, the European Parliament, the British Human Rights Helsinki Group, the CIS Parliamentary Assembly and the Russian Duma all sent delegations to Armenia in March 1998. Unquestionably, not all of these organizations employ the same standards, and some, it is clear, have agendas other than election monitoring. Specifically, the CIS Parliamentary Assembly delegations are well known for approving elections in the former USSR routinely. In fact, during the second round in Armenia on March 30, the delegation's blessing was broadcast on television *before the vote count had even begun*. These delegations, generally headed by a Russian, appear to be instruments of Russian foreign policy, intended to smooth rela-

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<sup>5</sup>See, for the example, the report by the British Helsinki Human Rights Group, *Armenia 1998: Update on the Presidential Elections*, April 24, 1998.

tions between Moscow and the capitals of other former Soviet republics. The same obviously applies to Russian Duma delegations.

The Council of Europe, for its part, had an observer delegation of two people for the second round. Moreover, the Council of Europe, which accused OSCE/ODIHR of politicizing its assessment, is itself vulnerable to the same charges. The Council is currently considering the application of Armenia, Azerbaijan and Georgia, all of which now have “Special Guest” status, for accession to the CoE. Among the conditions for entry is the holding of democratic elections. It would be politically very awkward to reject or delay the acceptance of any one of the three countries, which presumably creates pressure to sanction elections in all, lest the entire process of integrating the Southern Caucasus states into European institutions be uneven or grind to a halt. Indeed, on April 22, Armenpress reported that newly appointed Armenian Foreign Minister Vartan Oskanian said the Council of Europe’s positive opinion of the Armenian presidential election would greatly facilitate Armenia’s joining the Council of Europe.<sup>6</sup>

Of all foreign election observation missions, only ODIHR is able to cover a significant percentage of polling stations by fielding large numbers of foreign observers during the vote and vote count. Many of them are experienced election monitors, others are employees of governments or NGOs working in the country, quite familiar with the terrain and the local politics. The national origin of the observers is highly varied, and it is unreasonable to assume they share whatever views their governments may have about the country or region where the election is taking place. In any case, they generally travel in pairs, which is a safeguard against prejudicial reportage. ODIHR delegations are also headed by election specialists, backed up by logistical experts.

Still, the most critical issue is what use the person/persons writing ODIHR’s assessment make of all the information thus gathered. Both Sam Brown and ODIHR acknowledge serious, continuing disagreements between them in evaluating observers’ reports about the second round, and as a result, the handling of the 1998 Armenian presidential election has left ODIHR particularly open to charges of politicizing election observation. If a component of OSCE is to engage in election observation, it must rigorously eschew any agendas other than evaluating the fairness of the process, with no thought to the political fallout, which is the responsibility of individual governments and the OSCE to address. Should ODIHR continue to appoint special representatives to oversee the observation mission and write the assessment, clearly, better coordination is needed between them and the entire observation team than was evident in Armenia.

Among the most basic rationales for international observation of elections is that first, foreigners are less directly involved in the outcome, not personally tied to any of the candidates or parties, not subject to possible intimidation and so are able to assess objectively the conduct of the election. Second, the judgement of international observers should therefore be more credible to the electorate than the claims of governments or partisan monitors. But if these factors are not in place, perhaps it is preferable for the brunt of the election observation to be borne by non-partisan, local

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<sup>6</sup>Hovannes Igitian, Chairman of the Armenian Parliament’s Committee on Foreign Relations, told reporters on April 28 that the Council of Europe’s Parliamentary Assembly considered Armenia in compliance with two of the three conditions for full membership: adequate handling of elections and legalization of the Dashnak party. *RFE/RL Armenia Report*, April 28, 1998.

election monitors, accompanied by international observers whose primary function would be to protect them from possible pressure by interested local parties, instead of making judgements.

*Robert Kocharian:* Ordinarily, a negative assessment of an election by the international community's observation mission undercuts the legitimacy of the winner. In the case of Robert Kocharian, the damage is mitigated by several factors: first, the Council of Europe's blessing of the election; second, the flip-flops between the first and second preliminary statement and the final report undermine ODIHR's credibility.

Third, and more important, most of the candidates in the first round have made their peace with Kocharian. Paruir Hayrikian, for example, backed him in the runoff, and was rewarded with the post of Advisor to the President on Human Rights.<sup>7</sup> On May 4, Kocharian also appointed first-round candidate Aram Sargissian his advisor on foreign policy. In contrast to Levon Ter-Petrossyan, therefore, Robert Kocharian and his presidency have not polarized Armenian politics and society. Nor does he have to deal with the unfortunate legacy of personal antipathy characteristic of the last few years. This reservoir of good will—or at least, absence of bad will—and the desire by all parties to look forward and address Armenia's problems will stand Kocharian in good stead. Obviously, he will have to produce results to maintain his currently strong position.

Still, though well ensconced and obviously capable of political infighting, Kocharian, like his predecessor, must reckon with Vazgen Sarkissian and Serzh Sarkissian—the “power” ministers. Unlike Ter-Petrossyan, he may not have any serious disagreements with them over policy and may not fear ministers who control the country's armed forces. Should discord arise, especially over Karabakh, Kocharian may also be in a better position to convince them of his position and win them over. But he cannot fail to see that the Sarkissians helped to oust one president and might do the same to another if they felt it necessary.

During the campaign, Kocharian often pledged to amend Armenia's 1995 constitution to restrict the power of the presidency, a promise he repeated in his inauguration address. This has not happened in any of the Newly Independent States, so if Kocharian follows through on his pledge, it would be an innovation. But it is one thing to call for cutting back presidential power when one is not yet a president, and another to limit one's own prerogatives. The most frequently mentioned restraint involves stripping the president of the right to dissolve parliament, instead giving parliament the right to dissolve itself. Even if implemented, however, Armenia's head of state would retain very wide powers, and the result would still be far from the parliamentary system advocated by the NDU's Vazgen Manukian and the ARF when the latter party was banned and hounded. Rethinking the relations among the branches of power may become a critical issue in Armenian political discourse in the next year.

Finally, Kocharian enjoys broad support among Armenia's far-flung diaspora, a reflection of his toughness on Nagorno-Karabakh, his good relations with the ARF and his call to involve the diaspora more closely in Armenia's governance. In fact, he has ordered the establishment of a special department for relations with the diaspora within the Foreign Ministry, headed by a deputy

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<sup>7</sup>Hayrikian on April 27 said that the human rights situation in Armenia is “catastrophic.” He accepted the post on the understanding that reforms would focus on curbing executive abuses, enlarging the powers of parliament and establishing the independence of the judiciary. Noyan-Tapan, April 28, 1998.

minister. The intensified interaction between Armenians abroad and their homeland should make the diaspora's backing for Armenia, already impressive, even more effective.

*Government-Opposition Relations:* The events of the last few months have shaken up Armenia's political constellation. When Robert Kocharian became Acting President, he moved to re-register the ARF and release Dashnaks from prison. *Yerkir*, the Dashnak newspaper closed in December 1994, resumed publication. The speed of the ARF's legalization after Ter-Petrosyan's resignation demonstrates how politicized the Ministry of Justice had been. After over three years in the political wilderness, the ARF is closely allied with Kocharian, who, after winning the presidency, appointed a Dashnak, Yuri Mkrchian, Minister of Education and Science.<sup>8</sup> Kocharian also appointed ARF leader Vahan Hovanissian Advisor to the President, in charge of relations with NGOs and political parties.

Leading the opposition now are the Communists, the NDU and Karen Demirchian. Yet even they do not seem inclined to confrontation with Kocharian. Sergey Badalian, for his part, endorsed nobody in the second round, but his Communist Party does not question Kocharian's legitimacy and pledged to work with him on national security, economic and social development issues.<sup>9</sup> Even members of Vazgen Manukian's NDU have been approached by Kocharian and offered positions in his administration,<sup>10</sup> although there have been no overt signs of reconciliation between Manukian himself and Kocharian. Karen Demirchian, for his part, apparently still smarting from defeat in a contest he considers unfair, has remained aloof. He did not attend the inauguration (nor did Manukian), and while Demirchian has not indicated acceptance of Kocharian's victory, he has not openly challenged him or made a point of denying his legitimacy.

While Kocharian did not create a coalition government, he has called for a forum institutionalizing a consultative role on policy for all political forces in the country. Unlike Ter-Petrosyan, therefore, Kocharian has thus far promoted inclusiveness in the political system, which should help smooth relations with all parties and moderate the tone of political discourse.

Kocharian's relations with the ANM are harder to predict, as are the overall prospects for that party. Levon Ter-Petrosyan accepted the invitation to attend Kocharian's inauguration, even though the gesture could not have been easy or pleasant on the personal level. His statesmanship, comportment and status as president emeritus foster the development in Armenia of a tradition of civilized transfers of power, despite the controversial nature of his resignation. Kocharian, for his part, has sought to reassure the former ruling party that there will be no reprisals against it, even though some ARF spokesmen have called for retribution against those who persecuted the Dashnaks. The influence of the ANM, still headed by the controversial Vano Siradeghian, has waned. Kocharian has begun naming his own people to head Armenia's 11 regions—the positions remain appointive, unless future constitutional amendments make them elective—and he presumably will also replace many other ANM members in local positions of influence. Finally, it may prove politically attrac-

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<sup>8</sup>His appointment signals the first time since 1920 that a Dashnak is a member of Armenia's government. Another Dashnak, Roland Sharoyan, was subsequently appointed Minister of Culture, Youth Affairs and Sports.

<sup>9</sup>Noyan Tapan, April 1, 1998. Badalian stressed that he has no differences with Kocharian over Nagorno-Karabakh: "We both reject defeatist sentiments."

<sup>10</sup>In May, Kocharian offered the post of Chief of the Presidential Oversight Service to David Vardanian, a senior NDU member. *RFE RL Armenia Report*, May 11, 1998.

tive to bring legal proceedings against ANM members who became wealthy over the last eight years.

Karen Demirchian has applied to run for a recently vacated seat in parliament, and the outcome will demonstrate whether he has staying power. Overall, Armenian politicians are planning for parliamentary elections. Scheduled for July 1999, they may take place before, as everyone recognizes that the current legislature reflects the realities and the flawed election of three years ago. The ARF, which was excluded from the July 1995 vote, strongly favors pre-term elections. So does Vazgen Manukian's NDU, which also charged the 1995 vote was fraudulent and artificially resulted in such a large majority for Ter-Petrosyan's ANM-led Republic bloc. But leaders of Yerkrpah, now the largest faction in the legislature, are lukewarm, if not opposed, to pre-term parliamentary elections. Yerkrpah's disagreement with the ARF over the timing of parliamentary elections is only one aspect of a struggle for power and influence on President Kocharian between these two organizations, which, in 1996, were on opposing sides of the barricades.

Whenever parliamentary elections take place, Armenian politicians, NGOs and international observers—whichever organization they represent—will be interested to see whether the shortcomings specified in the assessments of the 1998 presidential election have been addressed. If those elections go well, concerns about the apparent difficulties of holding free and fair elections in Armenia may be alleviated.

## **ECONOMY**

The day after President Kocharian's April 9 inauguration, he nominated Armen Darbinian, who had been finance and economics minister since June 1997, as prime minister. Darbinian on April 20 announced his choices for Cabinet ministers. Naturally, both Defense Minister Vazgen Sarkissian and Minister of National Security and Internal Affairs Serzh Sarkissian kept their jobs. Acting Foreign Minister Vartan Oskanian was elevated from his post as Deputy Foreign Minister and was granted full Armenian citizenship.<sup>11</sup>

Darbinian's overriding task is to improve the economy. After declining about 50 percent in 1992, Armenia's economy rebounded in 1994, but in 1997, grew by only 3.3 percent and the inflation rate was 21 percent, versus forecasts of 6 and 10 percent respectively. For the last two years, all Armenians have been receiving electricity round-the-clock, after four years of rationing. But most of the population still endures very difficult circumstances, mitigated by remittances from abroad of roughly \$350 million in 1997, a sum that equals the national budget. With much of the country's manufacturing at a standstill, unemployment—estimated as high as 40 percent—is a critical problem.<sup>12</sup>

As Prime Minister, Kocharian tried to improve tax collection, and he has pledged to revive industry, create favorable conditions for business and attract foreign investment. The level of such investment is low, and Armenian officials have complained about the slowness of even co-nation-

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<sup>11</sup>He had until then been an American citizen.

<sup>12</sup> Emil Danielyan, "The Armenian Economy: Continuing Stagnation Amid Fresh Promises of Recovery," *Prism*, Vol. IV, No. 9, Part 4.

als abroad to put money into the country, though charitable contributions have been significant. In an effort to attract foreign investors, Yerevan plans to step up privatization: by the end of 1998, Armenia plans to have sold 90 percent of state enterprises, mostly through public offers.

Armenia's fiscal and monetary policy have won praise from the International Monetary Fund (IMF), which cited "significant progress" in reversing 1997's macro-economic setbacks. Kocharian has said there is "no alternative to a market economy," and Darbinian's government will adhere to IMF recommendations. At the same time, Kocharian continues his campaign against corruption. On April 23, he warned personnel of the Ministry of Internal Affairs and National Security that combating economic crimes, the shadow economy and smuggling was a top priority. "Armenia must be the most organized country in the region in terms of its system of management, legislative field and the work of the law-enforcement bodies."<sup>13</sup>

Kocharian's commitment to economic reform may well encounter resistance from the Dashnaks, the Communists and the reported 41 percent of the electorate who voted for Demirchian. One reason for Kocharian's tough line on Nagorno-Karabakh is his conviction that Armenia can make economic progress without resolving the conflict and establishing normal relations with Azerbaijan and Turkey. As Prime Minister, he tried to do so. Now he has based his presidency on this proposition.

*Nagorno-Karabakh:* The conflict did not play a prominent role in the 1996 presidential election. A cease-fire had been in place since 1994 and no new proposals were on the table, leaving candidates and voters alike to concentrate on bread and butter issues. In 1998, however, Nagorno-Karabakh proved emotive enough to force the resignation of Levon Ter-Petrossyan for daring to argue in public that the disputed territory could not become independent or join Armenia. Nagorno-Karabakh, which had been responsible for the downfall of two presidents of Azerbaijan, now includes among its victims a president of Armenia.

There are different perspectives on the conflict, and specifically, on the freedom of maneuver of the parties involved. Widespread in Baku (and to a lesser extent, in Tbilisi), for example, is the conviction that Armenia and Nagorno-Karabakh are the instruments—witting or not—of a Russian policy aimed at restoring Moscow's control of the oil-rich and strategically vital southern regions of the former Soviet Union. In this view, little or nothing happens in the Caucasus that does not reflect the probably malevolent but always conspiratorial will of someone in Russia. Accordingly, the resignation of Levon Ter-Petrossyan caused deep concern in Baku, because he had the reputation of a reasonable statesman, open to compromise, and the manner of his fall seemed part of a broader Russian plot. Its purported goals were to destabilize pro-Western Azerbaijan—by bringing to power the hardline Robert Kocharian—and pro-Western Georgia, where less than a week later, the latest assassination attempt on Eduard Shevardnadze took place, thereby undercutting growing U.S. influence in the Caucasus.

In this view, Armenian politicians are not independent actors, and there are no serious differences between Yerevan and Stepanakert, which both operate at Moscow's behest. Moreover, Russian neo-imperialism, though today relatively weak, remains strong enough to scuttle chances of a negotiated settlement of Nagorno-Karabakh and other conflicts. Robert Kocharian, whose

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<sup>13</sup> Armenpress, April 24, 1998.

close ties to the Russian military many in Baku take as an article of faith, is seen as the most dangerous agent of the most reactionary forces in the former USSR. In the worst case scenario, this alliance could lead to the resumption of military hostilities. Also possible are intensified clashes that would frighten Western oil companies, which value “stability uber alles,” away from further investments and maybe even from pursuing current development plans.

If this approach truly reflects the relations between players in Moscow and the Caucasus, the Nagorno-Karabakh conflict can be resolved only if it suits the purposes of the former. The most conspiratorially-inclined analysts see little reason to believe a resolution would be in Moscow’s general interest, as it threatens to: eliminate a source of friction between Armenians and Azerbaijanis that Russians have exploited to make themselves indispensable mediators and arbitrators; permit the normalization of relations between Armenia and Russia’s historic rival in the region, Turkey, thus lessening Armenia’s dependence on Russia and giving Ankara easy access through Armenia to the Caucasus and Central Asia; make possible a pipeline for Azerbaijani oil through Armenia (to consolidate economically an eventual political settlement), which would add to the growing number of alternatives to the northern route through Russia; undercut Moscow’s opportunities to derive revenue from oil exports by offering a competing source and/or by keeping the price of oil low through the enhanced supply; and, sanction the growing political and economic involvement and the mediating role of the United States and other Western countries in a region Russia has for centuries regarded as its backyard.<sup>14</sup>

Other analysts inside and outside the region emphasize the divergence of goals and tactics among a multiplicity of actors in Moscow. This more optimistic view focuses on the emergence of a super-wealthy stratum in Moscow, mostly linked to the energy sector and particularly to LUKoil, who have grown beyond the traditional Russian political or geostrategic understanding of Russia’s national interests. Such politicians and businessmen purportedly see greater advantage in making money by cooperating in deals with Azerbaijan, Kazakstan and other resource-rich states than in subversion, intimidation and the instigation and perpetuation of ethnic conflicts to destabilize weaker neighbors.<sup>15</sup>

Even if various Russian actors exert influence on events in the Caucasus and on Armenia and Nagorno-Karabakh specifically, politicians in Yerevan and Stepanakert are surely not just passive pawns in this game. To the extent that they enjoy freedom of maneuver, their non-negotiable goals are the primary determinant of the prospects for peace. For if Nagorno-Karabakh insists on *de jure* independence from Azerbaijan, no settlement is possible, as no Azerbaijani leader could ac-

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<sup>14</sup> At the April 29 CIS Summit in Moscow, President Boris Yeltsin told Armenia and Azerbaijan to “sit down and end” the Nagorno-Karabakh conflict. First Deputy Foreign Minister Boris Pastukhov, however, after dismissing “totally imaginary accusations about Russian imperial behavior and ambitions,” described the CIS as an arena of competition between Russia and the West: “Russia’s influence in the CIS has somewhat declined, but this phenomenon is temporary. Western and other countries are, understandably, eyeing the post-Soviet space. The struggle for markets and spheres of influence in the world has never ceased. We shall not allow this process to develop to the detriment of Russia’s interests.” *Prism*, Vol. IV, No. 9, Part 1.

<sup>15</sup> In an unexpected move, Russian tycoon Boris Berezovsky, who has mediated the Russo-Chechen conflict and has traveled to the Caucasus capitals, was named Executive Secretary of the CIS at a summit in Moscow on April 29. Robert Kocharian reportedly opposed the appointment, perhaps a sign of concern that an emphasis on economic interests in Russia’s foreign policymaking might work to Azerbaijan’s favor.

cept such an outcome; if, however, the real prerequisite for Nagorno-Karabakh is reliable security guarantees, an agreement may be possible, though the negotiations will be very difficult.

The appointment of Robert Kocharian as Prime Minister in March 1997 brought into Armenia's government a convinced proponent of Nagorno-Karabakh's self-determination. For many in the Caucasus, his 1998 election as president signals the unification of Armenia and Nagorno-Karabakh, though not in the manner often envisioned. One thing is certain: Kocharian does not share the view of Levon Ter-Petrossyan that time is on Azerbaijan's side. In a conversation with Helsinki Commission staff in September 1996, Kocharian said Azerbaijan would never be able to make use of its one real advantage over Armenia: oil. The profits from the anticipated boom, he maintained, would wind up in foreign bank accounts, instead of strengthening Azerbaijan. Meeting with an observer delegation of the OSCE Parliamentary Assembly in March 1998, he repeated these arguments, adding that oil might make certain Azerbaijani families or clans wealthy, but would not make Azerbaijan a stronger state. Some countries, he continued, have oil [Azerbaijan], some have transit [Georgia], and others have "organization." It was his intention, said Kocharian, to make Armenia the most "organized" state in the region.<sup>16</sup>

As long as Kocharian holds these views, he will not feel time pressure to conclude an agreement with Baku, for fear that a future deal would not be as advantageous, or that oil money will allow Azerbaijan eventually to develop the military capability required to retake the occupied territories by force. In any case, Kocharian must demand, at least initially, more than the Minsk Group proposals he ousted Levon Ter-Petrossyan for accepting. In an April 8 interview in *Izvestiya*, Kocharian cast doubt on the Minsk Group's ability to resolve the conflict, given the differences between Yerevan and Baku, and rejected as unacceptable Baku's offer of broad autonomy. As Nagorno-Karabakh is already *de facto* independent, he suggested either a federation or a confederation with Azerbaijan or the creation of "equal, horizontal relations." But he stressed that the final decision must lie with Nagorno-Karabakh's leadership.

Foreign Minister Oskanian has officially rejected the OSCE's phased approach and called for a package deal instead.<sup>17</sup> On May 4, he visited Bonn and presented the German representative to the Minsk Group Armenia's position: a package solution excluding preconditions, i.e., the principles of the 1996 Lisbon Summit. A Foreign Ministry spokesman explained "That means that negotiations on status should start without preconditions; 'autonomy' and 'self-government' formulations should be excluded." Furthermore, Karabakh's direct subordination to Azerbaijan is unacceptable and the solution should ensure balanced relations between Karabakh and Azerbaijan which can be achieved through direct talks between them.

As for the latter demand, Armenia and Nagorno-Karabakh have long argued that Azerbaijan should negotiate directly with Nagorno-Karabakh, as Russia does with Chechnya and Tbilisi with Abkhazia. In fact, Nagorno-Karabakh does participate in all Minsk Group negotiations, though it does not have the status of "state party to the conflict," as does Azerbaijan. It appears that Nagorno-Karabakh wants that status and also wants to negotiate with Azerbaijan, without Armenia.

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<sup>16</sup>He repeated this point in his inauguration address.

<sup>17</sup>*Respublika Armeniya*, Noyan-Tapan, April 23.

Considering that Haydar Aliev faces a presidential race of his own in October 1998, the likelihood that Baku will consider any such concessions before the election is nil. Indeed, the Minsk Group talks seem doomed to irrelevance this year. Nevertheless, when Aliev and Kocharian met for the first time as presidents, at the April 29 CIS Summit in Moscow, they issued the following statement: “The Azerbaijan Republic and the Republic of Armenia confirm their adherence to the political peace settlement of the Karabakh armed conflict through negotiations within the framework of the OSCE Minsk Group and express their readiness to abide by the cease-fire regime introduced in May 1994.”

The general view of Robert Kocharian is that he is a “hardliner,” who will insist on Nagorno-Karabakh’s self-determination, and has thereby set back or even scotched any chance of a negotiated settlement.<sup>18</sup> Surely, it will be harder for Baku to reach agreement with Robert Kocharian than with Levon Ter-Petrosyan. But Kocharian would be better able than anyone else, including Ter-Petrosyan and certainly Karen Demirchian, to sell any negotiated settlement to the population of Nagorno-Karabakh and Armenia. Optimists see him as the “Nixon in China” of the Caucasus; pessimists see war clouds.

Levon Ter-Petrosyan argued that Armenians would support the Minsk Group approach if they knew what it contained. But because the plan was secret, he could not spell out precisely what Armenia and Nagorno-Karabakh would have gained from the package and was hard pressed to defend his position. Should serious negotiations resume, one new wrinkle may involve scrapping the confidential nature of the proposals.

*Relations with Neighbors:* Cut off by Azerbaijan and Turkey, Armenia desperately needs its lifelines through Georgia and Iran. Kocharian has stressed the further development of transport routes, particularly the Georgian ports of Batumi and Poti, as a top-priority issue in Armenian-Georgian relations. Tbilisi, for its part, enjoys good relations with both its warring neighbors, and welcomes enhanced economic ties with them. But while Eduard Shevardnadze congratulated Robert Kocharian on his election victory, Kocharian’s hardline reputation and the return to legal political activity of the nationalist ARF—which maintains that regions of Azerbaijan, Georgia and Turkey are rightfully Armenian—have made Tbilisi very nervous. In particular, Georgian officials fear the possibility of troubles with the half-million strong Armenian population of Javakhetia. ARF spokesman Vahan Hovanissian, freshly out of prison, told Helsinki Commission staff that if Georgia guarantees their autonomy in language, culture and other issues, there would be no problems. But Georgia, he claimed, was trying to force them out of their territory, so they are naturally turning to Armenia, as happened in Nagorno-Karabakh. The ARF, he said, would prevent the expulsion or the forcible de-nationalization of Georgia’s Armenians. Ominously, Hovanissian said there had been instances of Armenian monuments being destroyed or converted to Georgian monuments.

Georgian officials acknowledge poor socio-economic conditions in Javakhetia, such as impassable roads and frequent problems with electricity. They hope, however, that Yerevan under-

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<sup>18</sup>A typical appraisal is that of Hugh Pope, “Hardline Nationalist Is Victorious In Armenia’s Presidential Elections,” in *The Wall Street Journal*, March 31, 1998: “...hardline nationalist, Robert Kocharian[’s] victory is likely to dim hopes that Armenia will compromise with Azerbaijan over the disputed territory of Nagorno-Karabakh, a source of instability in the increasingly important Caucasus oil region....International peace efforts will probably go on the back burner.”

stands the politicization of such issues—adding to Georgia’s separatist movements in Abkhazia and South Ossetia, and Tbilisi’s problematic relations with Ajaria—would quickly damage the good Georgian-Armenian bilateral relations developed to date. In summer 1996, Levon Ter-Petrosyan traveled to Georgia, where, accompanied by Shevardnadze, he warned the local Armenian population against demanding autonomous status. Tbilisi will be closely following Kocharian’s statements and actions, and to see whether he reins in less cautious Armenian politicians.<sup>19</sup>

Armenia, for its part, increasingly views Azerbaijan’s prospects for enrichment through oil exports as a threat and is therefore concerned about Tbilisi’s determination to ensure the success of the “western” route for Azerbaijani oil through Georgia. Listing dangers in the Caucasus region, Foreign Minister Oskanian warned that the “Georgia-Azerbaijan rapprochement...can create problems between Armenia and Georgia since Georgia is evidently making broad political pronouncements in support of Azerbaijan’s regional ambitions, with the clear economic goal of securing a pipeline.”<sup>20</sup>

Armenia’s openly expressed reservations about a project Tbilisi views as a life and death issue cannot serve to advance Georgian-Armenian relations.<sup>21</sup> Yerevan will have to balance its fears of Georgian-Azerbaijani cooperation with the need to consolidate ties with one of its two outlets to the world.

As for Turkey, a defining, untraditional and highly controversial aspect of Ter-Petrosyan’s foreign policy was his effort to normalize relations without preconditions, leaving himself open to criticism from more nationalist politicians who demanded that Ankara first acknowledge and make amends for the Genocide of 1915-1923. Ter-Petrosyan’s late brother, Telman, was an active participant in this initiative, leading delegations of Armenian businessmen to Turkey and trying to persuade Ankara to heed the pleas of Turkish businessmen in Kars province to open the border to trade with Armenia. Turkey, however, has refused to open the border or establish diplomatic relations pending a settlement of the Nagorno-Karabakh conflict and the withdrawal of Armenian forces from Azerbaijani territory.

By contrast, on April 24, President Kocharian confirmed earlier statements that Yerevan would raise the Genocide with Ankara. He denied that the move would harm Armenian-Turkish relations. There is little reason to believe, however, that Ankara will agree to include the issue on the countries’ bilateral agenda or that Yerevan really expects any such concession. More likely, Armenia hopes to counter Turkey’s linking of normalized diplomatic relations with a resolution of the Nagorno-Karabakh conflict.

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<sup>19</sup> Dzhavakhk, the organization representing Georgia’s Armenian population, has issued a statement expressing its support for the Georgian government’s planned measures to improve social and economic conditions in those areas of southern Georgia with a majority Armenian population. *RFE/RL Newslines*, December 2, 1997.

<sup>20</sup> Vartan Oskanian, “International Developments and their Influence on the Caucasus and Armenia,” *The Speaker*, No. 17, May 21, 1998.

<sup>21</sup> Georgian’s Foreign Minister Menagarishvili has specifically denied that Georgian-Azerbaijani rapprochement could have a negative impact on Armenian-Georgian relations. He stressed that closer relations with any country, especially in the Transcaucasian region, are not aimed against third parties. Noyan Tapan, June 15, 1998.

## *Relations with Russia*

When Levon Ter-Petrosyan resigned, Russian President Boris Yeltsin went on television to declare Armenia “a part of Russia’s strategic field of interest. It is an Orthodox country. Under no circumstances can we afford to lose Armenia, and we won’t lose it.” That reasoning had led to the signing in August 1997 of a 25-year comprehensive military and economic agreement between Armenia and Russia that consolidated already excellent bilateral relations. At Yerevan’s request, Russia has long had a military base in Armenia, with a 25-year tenure assured. Between 1994 and 1996, according to reports from the Russian Duma, Russia transferred about \$1 billion worth of arms to Armenia.<sup>22</sup>

The August 1997 Treaty of Friendship, Cooperation and Mutual Assistance obligates the two countries to come to each other’s assistance in case of military aggression against either of them. Moscow has signed no such treaty with any other CIS country. Russia and Armenia also pledged not to take part in any initiative or join any alliance that could violate the sovereignty or territorial integrity of either country. Furthermore, the treaty specifies continuing close cooperation between them in foreign policy. Levon Ter-Petrosyan said the treaty would lead to even closer integration between Russia and Armenia than between Russia and Belarus, which had formally created a union.

Robert Kocharian—apart from whatever relations he and Nagorno-Karabakh may have had before with Russia—thus inherits a legacy of extremely close Yerevan-Moscow ties. Like Ter-Petrosyan, he does not support Armenia’s accession to the Russia-Belarus Union, to the dismay of Armenia’s communists and of the Russian Duma, which in May 1997 unanimously approved a resolution encouraging Armenia to join. But Yerevan’s failure to accede to the union is obviously in no way a barrier to strategic partnership between the two countries.

In fact, Levon Ter-Petrosyan’s efforts to normalize relations with Turkey were based on the understanding that otherwise, Armenia would be wholly dependent on Russia. Given the likelihood that Kocharian’s insistence on raising the Genocide issue with Ankara will slow, if not make impossible, the establishment of diplomatic relations and improved economic links, Armenia may fall even deeper into Russian embraces.<sup>23</sup>

*U.S.–Armenian Relations:* The State Department used the OSCE/ODIHR assessments as guidance for comments on the election. Department spokesmen echoed the concerns about violations expressed in the first preliminary statement on March 18. On April 1, 1998, the Department cited the ODIHR Mission’s judgement that “these elections are a step forward from the troubled 1996 elections toward a functioning democracy. While in some areas the elections fell short of the commitments Armenia has made to OSCE standards, these shortcomings did not cause the OSCE to question the outcome. We endorse the conclusions of the OSCE preliminary report issued by Ambassador Sam Brown on April 1.”

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<sup>22</sup>The matter remains a source of contention between Baku and Moscow, which has assigned the matter to a commission to investigate. Armenian officials, for their part, claim that Azerbaijan has received even more weaponry from Russia and other sources.

<sup>23</sup>Kocharian’s newly appointed foreign policy advisor, Aram Sarkissian, argues that Armenia must be part of a Russia-Iran-Armenia axis to counter the emerging Turkey-Azerbaijan-Israel alliance.

The State Department urged Yerevan to eliminate irregularities, investigate reported abuses, and take appropriate legal action against those responsible. In conclusion, the statement congratulated President-elect Kocharian and wished him success in forming a new government, implementing economic and democratic reforms and reaching a political resolution of the Nagorno-Karabakh conflict. “We look forward to continuing our close cooperation with the government and people of Armenia as they work to bring about a stable, democratic and prosperous Armenia at peace with its neighbors.”

President Clinton sent Robert Kocharian a letter of congratulations—which he pointedly did not do for Levon Ter-Petrosyan after the September 1996 election—on April 9, after the second, positive ODIHR preliminary statement, and before the April 10 release of the negative, final ODIHR report. The State Department made no comment on the Final Report, but the U.S. Delegation to the OSCE, in an April 23 statement to the OSCE Permanent Council in Vienna, said: “We have carefully studied ODIHR’s final report on the Armenian presidential election and endorse its conclusions and recommendations. We note that the balloting represented an improvement in some respects over the 1996 election but clearly fell short of OSCE standards.” The statement urged Armenian authorities to address the problems and take appropriate legal action.<sup>24</sup>

The Armenian National Committee of America (ANCA), the American branch of the ARF, of course, followed the lead of Armenia’s Dashnaks in strongly backing Kocharian in the election. Thus, for the first time since the early 1990s, when the ANCA was highly critical of Levon Ter-Petrosyan, whereas the Armenian Assembly of America (AAA) was supportive of him, both major American Armenian organizations are now united behind Armenia’s president.

The Clinton Administration has drawn heavy criticism from American Armenian organizations for allegedly trying to impose, through the OSCE Minsk Group, a resolution of the Nagorno-Karabakh conflict favorable to Azerbaijan. The Administration will also be under pressure to implement provisions of the 1997 foreign aid bill, which call for allocating \$12.5 million for Nagorno-Karabakh directly. On March 31, 1998, the Armenian Assembly of America charged the Clinton Administration with violation of “clear congressional intent,” as Nagorno-Karabakh had not received humanitarian aid earmarked by Congress four months earlier. The Armenian Assembly has also voiced alarm over suggestions that some of the \$12.5 million will be spent on Azerbaijan, as the language of the law calls for aiding “victims of the Nagorno-Karabakh conflict.” American Armenian organizations have called for a hard earmark of \$20 million for Nagorno-Karabagh and for raising aid to Armenia from the FY’98 \$87.5 million earmark to \$100 million.

Simultaneously, the Armenian Assembly and the ANCA are mobilizing Congressional opposition to the Silk Road Strategy Act, introduced by Senator Brownback, which would effectively eliminate Section 907 of the 1992 Freedom Support Act. Section 907 bars any assistance from the U.S. Government to the Government of Azerbaijan until Azerbaijan “ceases all blockades” of Armenia and Nagorno-Karabakh. Instead, the Armenian Assembly has urged Members of Congress to support the Caucasus Peace and Stability Act, which insists on ending the blockade as a precondition to U.S. Government assistance to Azerbaijan’s government.

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<sup>24</sup>The same day, the Presidency of the European Union made a similar statement, noting [it is] “clear that elections do not meet OSCE standards to which Armenia has committed itself in the 1990 Copenhagen Document.”

The outcome of the struggle between these legislative initiatives will demonstrate how successfully American Armenian organizations can combat the growing efforts by some in Congress to dilute or eliminate entirely Section 907. In the 1997 foreign aid bill, Congress agreed to permit U.S. Government assistance to Azerbaijan's government for democratization, humanitarian aid and economic investment (the latter by approving for the first time the involvement of OPIC, the Import-Export Bank and the Trade and Development Association). Armenian American organizations opposed this weakening of Section 907, and presumably now see the Silk Road Strategy Act as the threatening culmination of these inroads already made against U.S. sanctions on Azerbaijan.

Armenia's and Azerbaijan's respective achievements in democratization are an issue, though hardly decisive, in the battle over Section 907. After the controversial handling of the election observation in Armenia, American Armenian organizations, which accuse OSCE of treating Azerbaijan with kid gloves, will surely be watching carefully to see how the OSCE/ODIHR judges the October 1998 presidential election in Azerbaijan.

