A few years ago a former prime minister of Armenia visited University of Michigan’s campus. In addition to a public lecture, Mr. Hrand Bagratian visited my undergraduate class on the Republic of Armenia. Bagratian’s visit coincided with the week when we were discussing economic reforms and economic transitions in general. As was the case with the position of prime ministers in most post-Soviet republics, prime ministers were mainly responsible for the economic and social spheres. Bagratian had been responsible for the radical effort to transform the state-owned and centrally commanded economy into a free market economy (1993–1996).

Bagratian sat through my class as students assembled a list of legislation necessary for economic transitions, unaware of who the guest was. Students suggested items for the list: the right to private ownership and privatization of state assets, a commercial code, and so on. At the end of the class I introduced the former prime minister—he had been 33 when he became prime minister and was still very youthful looking, so he could have passed for a student—as the government leader who brought the free market to Armenia. I asked the prime minister if the class had missed anything important on their list. “Price liberalization,” noted Bagratian, still surprised at the near perfection of the list. Then I invited students to ask questions; as one can imagine, there were many.

One student asked about the relationship between democracy and the free market, another on the disintegration of the social security network. One student’s question still resonates in my mind: “What was the most difficult legislation to pass in parliament, and what was the most difficult task in implementing the transition?” The answer came without hesitation: “Legislation was easy to pass; the most difficult part was changing the people who were to implement the new laws.”

There was a time, not so long ago, when it was assumed that adoption of a democratic constitution, a multiparty system, and elections would secure democracy in the post-Soviet republics. In the early 1990s, western governments and institutions poured money to bolster the emerging free market economies. Policy makers in the West believed not only in the “natural” tendency of all individuals on earth to strive toward participation in governance but also in the capacity of the free market system to support its democratic instincts. Most importantly, they believed in the power of the law to create an environment where all men and women can compete for ideas and policies on an equal footing, once legislation is in place. We now know, and should have known even then, that some men and women are more equal than others; that legislation in and of itself guarantees very little; that group dynamism and political culture are not changed overnight; that if a select group of Armenians, Azerbaijanis, Georgians, and others were able to co-opt the Soviet system to their advantage for seven decades, they or other groups would also be able to co-opt democracy and the free market system to their advantage, to the detriment of the larger populations in their countries.

Even when political changes brought about by the collapse of the USSR were followed by a second wave of “color revolutions” in some countries, those who came to power felt the need to use not-so-democratic methods to do battle to entrenched interests, as was the case in Georgia.

Yet the faltering of the democratization process in so many post-Soviet states cannot be explained by internal processes alone, especially in those countries that can be characterized as being somewhere between clearly authoritarian and clearly democratic. Where there are forces for democratization still at work, how the external world deals with them—“externalities” I would call them—matter a great deal.

When the Soviet Union collapsed and the 15 constituent republics became independent, western governments and regional/international...
institutions had to make a number of decisions with regard to the membership of these new countries. The UN would accept them all, that was relatively simple. But should the Organization for Security and Cooperation in Europe (OSCE) or the Council of Europe admit them as members? Should the South Caucasus states and, especially, the Central Asian states be members of the OSCE? What did these new states have to do with European security? In the end, these questions were answered by the need to fill the security vacuum left behind by the dissolution of the USSR, at least from the political point of view. All 15 republics were admitted to the OSCE, which then developed a special office to deal with democratization and human rights in the new countries. How about the Council of Europe, for whom membership constituted a seal of approval of the member’s democratic credentials and positive record on human, civil, and political rights, according to well-defined criteria? One option was to wait until applicant countries had achieved the level of democratic maturity required for membership. The other option was to admit them on their professions of faith, allowing the council leverage on developments in those countries and making it possible to prod them toward the adoption and implementation of appropriate standards. The Council of Europe adopted the second option and admitted most of the post-Soviet republics. In doing so, along with the OSCE, it assumed a measure of responsibility regarding developments in these republics. To these one might add the European Court of Justice, an adjunct of the European judicial system, where issues can be brought under limited circumstances. Assessments of the performance of member states by the OSCE, the Council of Europe, and individual western states constitute important measures of the compliance of new states based on established standards. Within the authoritarian and semi-authoritarian regimes of the former Soviet republics, professions of faith toward democratic principles should be accompanied by actual behavior. For functioning oppositions, such as in Armenia, Azerbaijan, and Georgia, faced with powerful police, security, and military machines that could be and are used for repression, these western institutions constitute the focus of ultimate appeal. In the rest of this article I focus on factors impacting democratization mainly in the South Caucasus, factors above and beyond those internal to these states. These encompass three categories of concern. The first, as noted earlier, is the impact of the engagement by western and international institutions of the new states in the processes of democratization within those states. The second is the dynamics of regional developments on decisions by those who have the power to repress. The third is the use of regional conflicts to stymie democratic impulses.

**Impact of International Institutions**

By admitting these states as members, western organizations secured the right to assess the constitutions and legislation being adopted by these states, the openness and fairness of elections through monitoring missions, and the progress toward human, political, and civil rights in general. These organizations also obtained assurances by governments of their commitment to achieve “European” standards, both in legislation and in action.

But these organizations also assumed certain responsibilities toward the citizens of these states, especially those affected by bad legislation and behavior. For citizens of these states, the OSCE and the Council of Europe have become the external reference for standards of legislation and behavior by which they could measure their governments and hold them responsible, since membership in these organizations constituted a seal of approval of good governance. Yet these organizations have failed in their responsibilities; in some cases, paradoxically, they have produced the opposite results. In consecutive election cycles in Armenia, Azerbaijan and Georgia, for example, they have approved of elections in the face of evident fraud, systematic intimidation of voters and opposition parties by the authorities, and the flouting of their own laws, including jailing of opposition figures, beating of protesters, and, as in the case of Armenia, the shooting of peaceful demonstrators.

One can easily observe a retreat from democratization in many of these countries since they joined the OSCE and the Council of Europe. In response, these organizations have at best issued rebukes, have threatened states with expulsion or suspension of voting rights, but have not taken any real action; thus they continue to provide that seal of approval precious to these regimes. The regimes can then boast of it and use it to legitimize, or at least transform, repression into accepted behavior. There are a number of factors that explain this paradox. These institutions are stuck with their initial policy of engagement. They may feel that drastic action will eliminate what they consider to be their ability to influence developments in those countries; potentially without such engagement the regimes, unchecked, will become less democratic. There may be logic in this rationale, but the fact remains that, in accepting this situation, these organizations are sacrificing the real-time, present opposition to these regimes in the name of imagined oppositions in the future. They are also devaluing the principles and standards they are supposed to uphold.

A corollary to this logic is the realpolitik dimension. Western states and organizations calculate that these regimes are harsh enough to use whatever means necessary to stay in power. Therefore, the logic asserts, these are the regimes they will have to deal with in the foreseeable future: in order to keep them engaged, it is best not to alienate them. Needless to say, this policy has been self-defeating. Equally important in trying to understand these policies, assessments of performance by governments are never made in a geopolitical vacuum. States whom the West wishes to commend for geopolitical “good behavior” are rewarded, and those who can play the new “great game” even more so. There is fear that reacting punitively to fundamentally flawed electioneering and elections might push this or that country toward the “Russian camp”. Armenia’s government is a master at this game. The Cold War never ended, not in the minds of many policy makers in the United States, Europe, and Russia, and certainly not in the South Caucasus, with the only difference being that Russia does not claim to be the guardian of democratic principles and standards, and no opposition in these countries looks to Moscow for moral or political support. Then there is the question of natural resources. Some time ago it was determined that Caspian and Central Asian hydrocarbon resources, coupled with a transport system to the West that bypasses Russia and Iran, are a matter of strategic interest to the West. Hence the primary significance of Azerbaijan, which commands significant oil and natural gas deposits in the Caspian Sea. The authoritarian regime in Azerbaijan, as regimes elsewhere in Central Asia,

**DEmocracy:**

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Deviations & Externalities

have been tolerated, even preferred by the West, in return for favorable treatment of western oil company interests. The same holds true for Georgia for its role as a transit country for these resources. The assessment by the West of democratic processes (and especially of elections) in these countries consequently operates through a filter of strategic self-interest.

Regional Developments

There is a particular element of political culture in many post-Soviet states that is often disregarded by outside viewers. Beyond the reach of constitutions, legislations, or the wording of formal statements, leaders of the new republics will ask themselves: How is Moscow dealing with this particular problem? and how are my neighbors dealing with this same problem? What I point out here is beyond the normal consideration by any government of factors that may affect its decision beyond its borders; rather, it is a consideration with emotional overtones, leftover baggage that reflects transition from a Soviet republic to an independent one. These questions will often define the parameters of their response, the degree of authoritarianism they will allow themselves in legislation, and the level of repression they will use. They learn from each other to create new on-the-ground standards, standards that they hope their own people and western organizations will digest. As each repressor and falsifier of elections takes an extra step, the interested international community makes its own adjustments, legitimizing new standards of normalcy.

This is a dynamic process not necessarily based on imitation, it is, rather, a "building up" process, that is, the construction of "acceptable" authoritarianism.

The Value of Conflicts

Much of what has not happened, but should have and might still happen, in the South Caucasus is due to regional conflicts: Nagorno-Karabakh, Abkhazia, and South Ossetia. The first is more critical for the region since it pits against one another two of the three states of the South Caucasus, Armenia and Azerbaijan, the latter two conflicts have been transformed into a problem between Georgia and Russia. These conflicts have stymied a regional approach to economic development, even possible political cooperation. In substance, the three republics of the South Caucasus do not have major disagreements regarding larger regional and international issues, despite appearances. All three aspire toward integration in European institutions. Georgia’s drive toward NATO membership is an extravaganza that neither Georgia nor NATO can afford. And none can manage the geopolitical and geostrategic issues are regional and do not dictate country-specific formulas, once Azerbaijan is on board.

What is important here is how these conflicts have enabled political regimes to arise or to repress opposition. What we are looking at is the "securitization" of conflicts: "If you oppose me, you are endangering the ability of the state to safeguard national interests. All measures I take, therefore, are legitimate." We know from wider experience, including in the post-9/11 United States, what that kind of logic does to basic principles. In the case of democracy in the South Caucasus, more vulnerable than western states to this logic, such an argument is fatal to democratic evolution.

To the extent that the resolution of these conflicts is important, the West has bargained with the regimes and lost. In the case of Armenia, it appears that in the last 10 years the West has linked its assessment of the regime’s adherence to democratic principles to the promise of that government to resolve the Nagorno-Karabakh problem. Fluctuations in the Council of Europe/OSCE assessments of elections and postelection developments can be explained by the degree to which they believe (at any given moment) whether the current government in Armenia will deliver on its promise to resolve the Karabakh conflict, or the degree to which they can push the current Armenian government to make concessions on the Karabakh issue in return for western sanctioning of the regime. All of which make democracy more problematic and the solution of the conflict undesirable, from the point of view of those in power.

There are, at the end, those who hold power and intend to keep it for a variety of reasons, and those who challenge that power, relying on extant laws in their countries and on the values and standards promoted, and ostensibly enforced, by international organizations. Those who uphold international standards have achieved that level by a variety of means. In the states in question, some people had adopted democracy as an ideal and as a political program as adults, before the dissolution of the USSR. Others, mainly university students, achieved adulthood subsequently and have joined opposition groups resisting authoritarianism. They are all there—real individuals, groups, political parties, and movements. Yet they are shunned in favor of governments whose many officials, trained or educated in the West, have learned to speak the language of democracy and human rights while at the same time justifying repression.

It seems that Mr. bagrationi’s response to the student’s question regarding the most difficult problem related to the transformation of the old economic system applies to “people” in charge of political institutions even more than to those in charge of the economy. And international organizations have not helped.

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