

the trend of globalization, the pattern of opening up will be improved in all directions, at all levels, and in a wide range, so as to develop an open economy, enhance China's international competitiveness, optimize economic structure, and enhance its comprehensive national strength. For this purpose, China will continue to deepen the reform of the foreign trade system, actively participate in regional economic cooperation and the global multilateral trade system, and rationally and effectively make use of foreign capital. China will open its market even wider to the outside world.

With the implementation of the above reform measures, China will, preliminarily, establish a socialist market economy by the middle of the next century.

Armenia's economy, and the danger of war

by Haik Babookhanian

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Just after getting independence, Armenia's development was hampered, from the one hand by Azerbaijan's aggression against Nagorno-Karabakh, and the associated blockade of the roads organized by Azerbaijan and Turkey; on the other hand, by the activities of the International Monetary Fund, which, parallel to lending credits, used the hard situation which Armenia faced to dictate conditions which, in total, destroyed about 60-70% of Armenia's industry, reduced to about one-fifth the agricultural land under cultivation, created mass unemployment, which resulted in the emigration of one-third of the population, and, finally, drastically reduced the birth rate and the average life expectancy.

As a result, Armenia ran into external debts of almost \$690 billion, which exceeds the annual budget of Armenia by more than two times. And now, in order to pay the debts, Armenia is obliged to obtain new credits. The external debt as compared to the gross domestic product has reached the disastrous ratio of 50%. But when, in 1994, after the armistice, the political situation in the Transcaucasus was stabilizing and there was a possibility to restore the losses by working in peace, probably some circles didn't like these prospects. And, during the last months, Nagorno-Karabakh and Armenia have been put under heavy pressure, when the Organization for Security and Cooperation in Europe demanded that Kara-

bakh, which had already been independent from Soviet Azerbaijan for ten years, and which had never been a part of independent Azerbaijan, be yielded to Azerbaijan.

It is clear that in this case, again, wars will occur, with thousands of deaths, invalids, and refugees, and thus Armenia and Azerbaijan will be thrown back in their economic development again by several decades. This evident pressure is portrayed as necessary to protect the oil companies' interests (the major part of which are English and American). And, Armenia is simply told that if it goes along with this perspective, it will get the only possible way out of the economic crisis: that is to say, the pipeline will pass via Armenia, and thus, with the revenues generated from the oil transit, Armenia will have the possibility to meet the external debts.

The real issue is stability

But the real question is not oil, but the destabilization of the region, and not only of the Transcaucasus countries, but probably, which is very important, also Russia and Iran. For the first time in history, it is proposed to bring NATO troops into the territory of the former Soviet Union (into Nagorno-Karabakh), and to have them take up positions near the northern border of Iran and the southern border of Russia. Here it is worth mentioning that Iran and Russia are arguing about the Azerbaijani possession of Caspian oil—the oil reserves are in that part of the Caspian Sea which is considered for general use, according to the agreement between Iran and the U.S.S.R.

Thus, the question of oil possession can become a serious means of destabilization. By beginning a war, or in the case that enslaving conditions are dictated by the OSCE and the UN, the export of oil will become more unreal, because all the routes to the West will pass through territories where Armenians live—and history shows that the Armenian nation has borne many avengers, as, for example, after the genocide of Armenians in 1915, their true revenge continues till today.

The creation of a new center of tension in the region is explained by the oil interests, which becomes more absurd when we speak about small reserves of Caspian oil, and particularly in such part of the world, where there exist the Russian reserves in the north, and boundless Persian and Arabian reserves in the south.

Is there any alternative to so-called "oil development"? Yes, it is the economic integration of the countries of the region, restoration of the Silk Road, and building of the Eurasian economic bridge. Armenia is at the crossroads of the axes of north-south (Moscow, Yerevan, Teheran, and the Arab world) and east-west (Europe, Africa, and China and Asia), round which can be created effective, large-scale economic development, which will be on the basis, not of the enslaving credits of the IMF, but on the basis of healthy, physical economics. I must inform you, that our organization, together with the Schiller Institute, intends to organize an international conference on the above-mentioned theme, in April 1998, in Yerevan.