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REVAMPING THE NAGORNY KARABAKH PEACE PROCESS

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On June 18, at the G8 summit in Northern Ireland, Presidents Francois Hollande, Barack Obama and Vladimir Putin issued what has become an annual statement about an ignored conflict. The three are the presidents of the three countries which have since 1997 been co-chairs of the so-called Minsk Group of the Organization for Security and Cooperation in Europe that mediates the Armenian-Azerbaijani conflict over Nagorny Karabakh. Despite the eminence of the men issuing the declaration, it received virtually no international media coverage. In Armenia and Azerbaijan it was met by a collective shrug of cynicism or apathy.

The indifference is unfortunate, but not so surprising when you consider that the statement repeats much of the language of its predecessors from past G8 summits. For the third year in a row the three presidents have urged that there be “no delay” in implementing a peace agreement for Nagorny Karabakh. At Deauville in 2011 the statement said, “Further delay would only call into question the commitment of the sides to reach an agreement.” What will they say in 2014 if there is still no agreement?

The protracted struggle over Karabakh must rank as Europe’s most dangerous and most forgotten conflict. It has now entered a new phase of intractability. It began in 1988 as a Soviet-era political dispute over the autonomy of one region, then escalated into an inter-state war between Armenia and Azerbaijan in 1991 and was halted, but not resolved, by an Armenian victory on the ground and a ceasefire in 1994. Conflicts that last this long are not liable to easy resolution.

The increasingly tired language of the international statements reflects a power-shift that has taken place over the years in the relationship between the Armenian and Azerbaijani leaders and the mediators. In the 1990s, the parties in the conflict were prostrate from war and more susceptible to international leverage. That is no longer the case. In retrospect the most auspicious moment for untying the knot was probably 1997-8, when it was still recognizably a post-conflict situation, President Heidar Aliyev had unquestioned authority in Azerbaijan and Armenian President Levon Ter-Petrosian was supporting a deal. Unfortunately, most of Ter-Petrosian’s inner circle (led by Karabakh Armenians) mutinied and not only sabotaged the peace plan but deposed Ter-Petrosian as well.

Since then it has got progressively harder. The states in the region have grown more sovereign. This has generally been a good thing for their citizens, but it has also strengthened the capacity of the elites to resist pressure to

compromise on the conflict. Vested interests have gotten entrenched, Nagorny Karabakh has built up its own quasi-statehood, societies have got used to the situation of “no war, no peace.” And the international actors have had other urgent international issues land on their desks—Kosovo, Afghanistan, Iraq, the Eurozone crisis, to name but a few. On several occasions they have tried what might be called a “diplomatic blitz” of foreign ministerial visits and presidential phone-calls. But the locals have considered what was on offer, calculated it was not worth the risk, played for time and politely said no—paying no price for their stubbornness. Each time, lacking the will or capacity to apply more pressure, the Minsk Group mediators have expressed disappointment, taken a time-out and then returned to the negotiating table a few months later, as if nothing had happened.

Another way to say this is that the Nagorny Karabakh conflict is “managed.” That is not a small thing. The Minsk Process has achieved two important things over the years. First, it has established a mechanism to monitor the ceasefire along the Line of Contact, which has helped keep casualties low (if not low enough) along what is potentially one of the most dangerous military front-lines in the world.

Secondly, it has come up with what is – on paper – a sophisticated and workable peace plan: a framework document to be based on the six so-called “Basic Principles,” a draft of which was lodged with the OSCE secretariat as long ago as 2007. To all appearances, the mediators and the parties have spent the past five years discussing the finer points of a two- or three-page document consisting of around 14 points. It has been serious enough to keep them at the negotiating table—even if they never actually agree to it.

Is this enough—or at least as much as we can expect? Some would argue that this is an essentially intractable conflict which can only ever be managed and that the Minsk Group co-chairs are doing their job if they keep the two sides talking and not fighting. As Winston Churchill put it, “To jaw-jaw is always better than to war-war.”

That would be too simple. Karabakh is not a “frozen conflict.” It is not Cyprus, where the situation could easily stay in the same place for a number of years and there is almost no chance of new fighting. Here there are a number of factors that keep this conflict “stably unstable” and suggest that the status quo must break at some point – in favor of either peace or war.

One of these is the issue of the seven Azerbaijani “occupied territories” around Nagorny Karabakh. As noted, the dispute began in 1988 in the late Soviet era as a quarrel solely over the status of the autonomous region of the Armenian-majority Nagorny Karabakh Autonomous Region. When the dispute turned into a full-scale war, the Armenians captured, in part or whole, seven Azerbaijani regions outside Karabakh. They were ordinary regions of Azerbaijan that just had the misfortune to be strategically important geography in the battle over Karabakh. They constitute twice as much territory as Nagorny Karabakh and were home to around 550,000 Azerbaijanis, compared to just 40,000 in Karabakh itself. (All of the Azerbaijanis from these territories are now displaced refugees).

If it wants a peace agreement, Baku will need to accept the possibility of a de facto loss of Nagorny Karabakh—although it is unlikely it will do so as a formal surrender. And it will also need to concede some kind of arrangement for the so-called “Lachin corridor” which connects Karabakh to Armenia. But Azerbaijan will never accept a loss of sovereignty of these seven occupied regions.

Armenian officials say they have agreed in the course of the negotiations to give up these lands in return for a deal that gives them sovereign control over Karabakh—and blame Azerbaijani intransigence for their non-return. But much of the Armenian public now calls these seven districts not “occupied” but “liberated” territories. And the distinction between Nagorny Karabakh and the surrounding regions is gradually blurring on the ground. There are no longer sign-posts to tell you where one begins and the other ends. This factor alone is enough to keep the conflict smoldering.

The other reason that this conflict is not “frozen” is the rise of Azerbaijan as a petro-state much wealthier than Armenia. In the last 18 years, thanks to new oil and gas revenues from the Caspian Sea, Azerbaijan’s GDP has risen more than 20 times and now stands at more than \$70 billion. Over the last few years, the Azerbaijani government has spent more than \$4 billion a year on the military—a sum deliberately arrived at for being more than the entire Armenian state budget. This has caused a new arms race, with the Armenians buying cut-price weapons from Russia in order to keep up.

The Armenians argue that “possession is nine tenths of the law” and that the Azerbaijani boom is a flash in the pan which is already dissipating. But the numbers are real. And, perhaps even more important, Azerbaijan’s new *perception* of its status is real.

President Ilham Aliyev is careful to include a “let-out clause” in his many belligerent speeches against the Armenians, insisting that he prefers a peaceful solution to the dispute—but this is a distinction lost on the Armenian side. At some point—more likely in a few years’ time than imminently—there is a risk that rising expectations and the gap between Azerbaijan’s self-perception and its continued lost territory, could trigger a new conflict. The U.S. scholar Wayne Merry now says that what he sees in Karabakh is no longer a “post-conflict situation” but a “pre-conflict situation.”

The arms race is also putting pressure on what is perhaps the most militarized zone in Europe, the so-called Line of Contact north and east of Karabakh that marks the ceasefire line between the two sides. The line is around 160 miles long, heavily fortified, dug with trenches, with more than 20,000 troops on each side. In the years after the 1994 ceasefire, this zone came to resemble a World War I battle-theater. But the weapons concentrated on each side—heavy artillery, multiple-rocket launchers, airplanes and anti-aircraft systems—tell us that if a conflict were to break out, it would be a 21st century one capable of wreaking greater destruction in a few days than the previous fighting did over three years.

Just six international monitors from the OSCE make twice-monthly inspections of the ceasefire line. This means that the truce persists due to the good sense of the two parties. But, despite its name, there is very little contact across the Line of Contact between the commanders on either side, which raises the risk of military miscalculations, big or small. Over the last few years around three dozen soldiers and occasional civilians have died annually in shooting incidents or explosions in the military zone.

There is another reason to fear a flare-up here this summer. The Armenians have rebuilt the old airport in Nagorny Karabakh, which will enable them to connect Yerevan and Karabakh by airplane. Although, there is currently communication by road and helicopter, the Azerbaijani side declared that this was a “red-line issue” in contravention of the Chicago Convention. Both sides have boxed themselves in on the airplane issue. The Armenians have a newly refurbished airport and seem determined to use it, even if this provokes a military response. One possibility is that they might use some kind of incident—perhaps a “medical emergency” in Karabakh—to launch an inaugural flight from Yerevan to their new airport. The Azerbaijani government has backed down from an initial threat to shoot down an airplane, but will feel compelled before its public to make a response to an Armenian flight. They might decide to fire a missile at the air-strip in the middle of the night or launch mortars across the Line of Contact. In short, it could get very dangerous very quickly – and also expose how limited are the international instruments of response.

All of this shows that the current Minsk Group model, both at the negotiating table and on the ceasefire line, is insufficient.

The Minsk Group format, which dates back to 1992, has come in for much criticism, especially in Azerbaijan, where it is perceived as an ineffective body that has failed to deliver peace. There are of course grounds to criticize the Minsk Group co-chairs, like any mediating mission for a conflict—although the diplomats could equally be praised for having devised solutions that have close to resolving an extremely difficult problem.

What is beyond dispute is that the Minsk Group mediators look beleaguered and tired after more than two decades of unsuccessful diplomacy. Doing less and walking away from the process cannot be an option, given the fragile situation on the Line of Contact, which leaves only the option of doing more.

There is much that can be done if the outside powers want to invest the effort and resources into a stronger Karabakh peace process. They could blunter with the conflict parties and threaten diplomatic consequences in return for failure to cooperate with a peace plan. They could invite the European Union, with its huge expertise from the Balkans, to play a more active role. They could draw up a more proactive post-conflict settlement that would promise tens of thousands of soldiers and billions of dollars to the conflict zone, if the two sides commit to make peace. But given that one or both sides in the conflict will strongly resist each of the items on this wish list, it is hard to imagine Moscow, Paris or Washington following through with it. The political will is simply not there to

invest so much in this obscure and intractable conflict.

The worry with this conflict is that concerted international attention to solve it might only come if the Minsk process breaks down and the two sides begin a slide towards renewed fighting. If that does happen, it is only to be hoped that there is sufficient warning so that the diplomats can move faster than the military commanders to solve the smoldering Karabakh conflict.

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