



## **LINKS Briefing Paper**

# **Karabakh: the quest for peace**

written by:

**Amanda Akcakoca**  
(European Policy Centre, Brussels)

and

**Dennis Sammut**  
(LINKS, London)

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## **About the authors:**

**Amanda Akcakoca** is a Policy Analyst at the European Policy Centre, a leading Brussels based think-tank. She has studied at the University of Newcastle and is an expert on Turkish Foreign Policy, EU's Eastern Neighbourhood and Eurasia region including conflict resolution and energy security issues

**Dennis Sammut** is the Executive Director of LINKS, as well as a special advisor to the John Smith Memorial Trust and an advisor to the Webb Institute for Leadership in Democracy in Oxford. He studied at Ruskin College, Oxford and the London School of Economics and has followed closely events in the Caucasus region over the last two decades. He recently served as an expert member of the “Tagliavini Commission” (The Independent International Fact Finding Mission on the conflict in Georgia).

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## **About LINKS**

**LINKS is an independent non-governmental organisation working for the peaceful resolution of conflicts and the advancement of democratic values in societies in transition. LINKS supports the idea of an expanded and inclusive European Union and engages with countries with aspiration for membership. LINKS promotes dialogue between Europe and the Islamic world based on mutual respect. LINKS has over the last decade actively engaged with different stakeholders working on the resolution of the Karabakh conflict and is an active member of the Consortium Initiative, an NGO platform engaged in support of this process. More information is available on the LINKS web site [www.links-london.org](http://www.links-london.org)**

## **1. Executive Summary**

For fifteen years Armenia and Azerbaijan, with the assistance of the international community have tried and failed to resolve the Nagorno-Karabakh conflict. Over this time politics in both Armenia and Azerbaijan have been defined by the conflict with both government and opposition political elites locking themselves into a corner from which they have found it difficult to emerge. Both sides have sought refuge in seemingly irreconcilable and maximalist comfort zones, usually articulated around the principles of territorial integrity by the Azerbaijani side and self determination by the Armenians. The lack of people-to-people contacts, fragile civil societies and intense hate propaganda and distrust between the two nations have, also acted as a stumbling block to a solution.

On the ground the 1994 negotiated ceasefire – which is largely self regulated - has remained pretty much intact although regular sniper fire continues on an almost daily basis with human lives continuing to be lost. Defence spending in both countries continues to increase and the possibility of a new war cannot be ruled out.

However, recent developments in the region have challenged the perception that maintaining the status quo is benefiting each side. The 2008 war in Georgia demonstrated the risks of allowing so-called frozen conflicts to simmer as well as demonstrating the human and political costs of attempting to resolve conflicts through military force. It also reminded the west of the vulnerability of investments and projects in the region aimed at diversifying Europe's energy supplies.

The re-emergence of Turkey as an active player has also had a considerable impact on the region. Ankara's Caucasus Stability and Cooperation Platform (launched in the aftermath of the Georgia-Russia war) and Turkey's groundbreaking rapprochement with Armenia has not only brought Karabakh back to the international agenda but also has the potential to change the regional dynamic in the South Caucasus.

Moscow was quick to draw a line separating events around the Georgia conflicts from the situation in Karabakh and has taken a lead role in encouraging the Presidents of Armenia and Azerbaijan to make progress in the process of resolving the Karabakh problem, sooner rather than later, through negotiation and not war. This has been enhanced by the change of leadership in Washington and President's Obama's willingness to "reset" relations with Moscow, a more hands on approach from the EU in its eastern neighbourhood; and a willingness by the West to revisit the debate on European security. For the first time there is a strong and collective drive from the international community to bring this conflict to an end.

2009 has seen six meetings between the presidents of Armenia and Azerbaijan and even usually sceptical diplomats are now expressing cautious optimism. At the last meeting in Munich on 22 November further progress was made towards reaching an agreement on the "Basic Principles" document which the two leaders have been negotiating under the mediation of the OSCE Minsk Group since 2004. With a final deal apparently almost within reach the two sides, nudged along by the international community, need to find the courage and political will to overcome the remaining sticking points – including a formula on how to deal with defining the eventual final status of Nagorno Karabakh – and, crucially important, sell the deal to their societies.

With the end so close the international community needs to make the solution of Karabakh a priority - speaking with one voice and in more robust tones to both sides including the two populations. Procrastination should not be excused further for the sake of behind the scene deals on energy, military and security facilities or trade. Benign pressure should be placed on the two leaders to ensure they start the important process of bringing on board different elements of their own societies as stakeholders in the peace process. Armenia needs to be told that the continued occupation of Karabakh and the seven surrounding Azerbaijani territories is not acceptable nor sustainable. Azerbaijan needs to be told that any attempt to take back these lands with force, without a UN Security Council Resolution, will bring the country into direct confrontation with the international community. The fact that both Azerbaijan and Armenia want to be forward looking partners of the international community, wanting to be at the heart of regional economic processes and not marginalised in global and regional politics offers the international community an opportunity to influence events.

Karabakh also represents an opportunity for the European Union foreign policy, energised by the recently ratified Lisbon Treaty, providing an early chance for the newly restructured EU diplomatic service to show it can act quickly and effectively by bringing into play the combined resources of the Union and the member states. Once an agreement on Karabakh is in place the EU should act quickly to be present on the ground, taking a lead role in a multi-faceted peace operation whilst drawing on its experiences and lessons learnt in the Balkans. The EU can also, as in Georgia, lead the way in co-ordinating the rebuilding of the conflict region. All this can happen better if France can be persuaded to allow its role as Minsk Group co-chair to operate under an EU mandate.

In the search for a final settlement on Karabakh the international community will need to be flexible and creative in advancing possible solutions. The straight forward black and white solutions of the past may not be applicable. Already there are in Europe interesting examples of unusual arrangements: for example Andorra, is a duumvirate with two Heads of State; and Liechtenstein is an example of a state that delegates some of its external representation to another state, and for some purposes to two other states. In the interim creative arrangements that will give those with a legitimate interest an opportunity to interact with the international community will be beneficial to the resolution of the conflict.

The international community needs to show it is ready to carry more responsibility, by making a solution to the Karabakh conflict a priority, and by offering continued support to the “Minsk Process” whilst not using the “Minsk Process” as an excuse for inertia.

If the present process collapses it will take years for an alternative to emerge and reach the point at which we are today. As 2009 comes to a close we are at the end of the beginning in the Karabakh conflict resolution process. It is vital that the window of opportunity that is now open should not be allowed to slam shut.

## **2. Introduction – The elusive quest for peace.**

The Presidents of Armenia and Azerbaijan have met six times in 2009 as part of a concerted effort to try to solve the conflict over Nagorno-Karabakh. The Georgia-Russia War concentrated minds both in the region and in the wider international community.

A terse statement by the co-Chair of the OSCE Minsk Group, entrusted by the international community to facilitate the negotiations described the latest talks held in Munich on 22 November as “constructive” and that “in some areas progress was made. At the same time some issues still remain open”<sup>1</sup>. It seems that once more agreement has eluded them, and the two Presidents were obliged to refer the issues back to their Foreign Ministers.

Both sides, as well as the facilitators, agree that the sides are very close to an agreement that will take the negotiation process to a new level, and that will result in important changes on the ground that will hopefully make an eventual final solution to the conflict, including on the all important sticking point of the final status of Nagorno-Karabakh, possible.

There is now an urgent need to bring this phase of the negotiations to a successful conclusion. Many consider that the credibility of the OSCE Minsk process is already stretched to the limits and that any further procrastination will make the continuation of negotiations in this format difficult, if not impossible.

It is time that the international community ups the stakes. It must tell Armenia that its continued occupation of Azerbaijan territory around Nagorno-Karabakh is not acceptable or sustainable long term. It must tell Azerbaijan that continued talk of regaining these territories by force is counter-productive and goes against the wishes of the international community. The international community must also engage with the process more robustly, and be ready to show flexibility and creativity in its engagement. Simply stating support for the work of the Minsk Group at this stage is inadequate. .

We are approaching the end of the beginning in the process to resolve the Karabakh conflict. The next days and weeks will determine if the Caucasus region can look forward to a period of peace or whether failure of diplomacy will open the way for further destruction and loss of human life.

## **3. The domestic political context: The political elites and the legacy of winners and losers**

In many ways politics in Armenia and Azerbaijan have for the last fifteen years been defined by the conflict in Karabakh in 1989-94. In Azerbaijan the government led by the Popular Front collapsed following the loss of Karabakh and adjoining territories and Heydar Aliyev invited back into power. In Armenia, victory gave the leaders of

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<sup>1</sup> OSCE Minsk Group Co-Chairs Issue statement, [www.osce.org/item/41436](http://www.osce.org/item/41436)

Karabakh a prestigious position in Armenian society. In 1998 Levon Ter Petrossian was forced to resign, ostensibly for weakness in the negotiations on Karabakh. The Karabakh elite led by Presidents Robert Kocharian and Serzh Sargissian have dominated Armenian politics ever since.

On the other hand the status quo on Karabakh that has prevailed ever since the 1994 cease fire was the result of both the military actions on the ground, but also of the political reality that emerged as a result of those military events.

In Armenia, those that fought in the conflict are perceived as heroes. The leaders of Karabakh, particularly the current President Serzh Sargissian and the former President Robert Kocharian, are depicted as the victors. The picture of the two presidents in military fatigues talking to troops is prominently displayed on the web site of the President of Armenia and often in public places. Armenia is constantly described as having emerged from the conflict as the winner, having achieved “all” of its objectives.

Underlying the discussion on the future, amongst both government and opposition politicians, is the sense that anything else than the present status quo is somehow less beneficial to Armenia. No serious politician dares to offer an alternative scenario, at least in public.

In Azerbaijan the situation is the other way round. Azerbaijan emerged from the conflict a loser, and the military defeats, as well as the loss of territory and the influx of refugees and IDPs defined the post conflict political landscape. The parties that governed Azerbaijan immediately after its independence following the collapse of the Soviet Union in 1991 are still tainted with the stigma of defeat. The government of Heydar Aliyev is depicted as having saved the country by negotiating a cease fire which gave Azerbaijan the chance to regroup and prepare to regain back its territory either through negotiation or, if that fails, through war. This configuration will change if the government is seen negotiating a deal on Karabakh that will not deliver on this promise. Opposition parties therefore see any sign that the government may be ready to compromise in the negotiations on Karabakh as a sign of weakness, and an opportunity to recover the political ground that they lost when Karabakh was lost. Conscious of this the Azerbaijan government has shown little desire to compromise and its public statements are inevitably robust.

Both government and opposition political elites, in both Armenia and Azerbaijan have therefore locked themselves into a corner from which they do not seem able to emerge and this has been one of the major obstacles to the peace process so far. Both sides have sought refuge in seemingly irreconcilable and maximalist comfort zones, usually articulated around the principles of **territorial integrity** by the Azerbaijani side and **self determination** by the Armenian side.

This also means that whilst all sides – both the Armenian and Azerbaijani governments and the Armenian and Azerbaijani opposition forces want to emerge as winners if there is change to the current stalemate, and see danger for their domestic political agenda in case of a Karabakh settlement, they may not, on the other hand, quite appreciate that the status quo is not so good for their interests after all.

For the Armenian government the limitations of the victory in Karabakh has long since become obvious. Whilst Armenia captured territory it has paid for this with isolation. A lot of its limited resources have to be dedicated to the military budget; its dependence on Russia increases rather than decreases and its economic vulnerability has been exposed by the Georgia-Russia war and the global economic crisis. The efforts to normalise relations with Turkey, is part of an effort to start addressing these problems, but not everybody understands that only a resolution of the Karabakh conflict can address the fundamental problem.

For the Armenian opposition the dangers of the status quo should also be obvious. For as long as there is a Karabakh conflict those who are perceived as the victors of the conflict will always have the upper hand. The current authorities could always also justify economic and social problems and blame them on the Karabakh conflict, the Turkish-Azerbaijani blockade and the need to dedicate resources to the military budget, rather than on corruption, mismanagement or bad policies. By defending the status quo the Armenian opposition is therefore narrowing its own chances of ever winning power. One can argue that rather than oppose the peace process the Armenian opposition would be much better served seen as part of a national effort for peace which would create a level playing field and move the political debate to other issues where the government does not have such strong credentials.

Many similar arguments also exist on the Azerbaijani side. Fifteen years after the cease fire Azerbaijanis are asking if the time for Azerbaijan to regroup and regain its lost territory has not been enough. Increased oil revenues, and in tandem, huge increases in the military expenditure have increased people's expectations. The government is now under pressure to show results. After the war in Georgia in 2008 the folly of the military option has become all too apparent. The remaining option is progress through negotiations and in this regard the options currently under consideration offer Azerbaijan the best opportunity to regain its territory and repatriate its refugees and IDPs.

For the embattled Azerbaijani opposition, already under considerable pressure because of the heavy handed approach of the government, the quicker Karabakh stops being the dominant factor in Azerbaijani politics the better. If the opposition is able to present a united front with the government on a peace deal on Karabakh it can then shift the political debate to other issues and share some of the credit that a peace deal can bring rather than wait for the government to make a mistake on Karabakh that could trigger mass opposition against it.

### **The need for a broad based national consensus in support of an invigorated peace process**

Many are optimistic, that Armenia and Azerbaijan may be about to enter a new phase in their relationship – one of engagement and negotiations that would hopefully in the end result in a solution to the Karabakh conflict and to the opening of a new era of peace in the South Caucasus. This period is bound to be fraught with danger. Any number of incidents or scenarios can undermine the process.

For the peace process to succeed and evolve at a reasonable quick step there is a need of a broad political consensus around it in both Armenia and Azerbaijan. This is

easier said than done given both the polarisation of politics in the two countries, as well as the fragmentation of the opposition. However there may now be a convergence of interests of all the sides which may offer an opportunity for this to work.

Of course it is the governments that are better placed to reach out to their opponents. In Armenia there have been some signs of this. President Sargissian has initiated a dialogue with some of the opposition parties on the issue of Karabakh. However the main opposition parties are not part of this dialogue – either because they do not want to or because they have not been invited. This notwithstanding the fact, that the main opposition personality, and former president, Levon Ter Petrossian has broadly been supportive of a Karabakh peace deal and of rapprochement with Turkey.

Reaching out to the opposition is not something that the governments in either Armenia or Azerbaijan do very well. There is scope therefore for wider civil society – or the intelligentsia, as some of the soviet trained elites persist in calling it – to take the lead in developing the national consensus. This however can only succeed if the governments make it clear from the outset that they are ready to engage.

The international community should also be more vocal in supporting a broad based consensus on Karabakh in its dealings with both the governments and the opposition forces in the two countries.

#### **4. Civil society and Communities as stakeholders**

For a long time the Karabakh peace process has been a top down process, with only a very small group within the ruling elites involved in any way in developing policy or strategy around it. Public engagement with the process was, with some small exceptions, discouraged. This may have worked for as long as negotiations were taking place in distant places on broad principles or abstract issues. However once a peace process starts involving the movement of people and discussions that will have immediate impact on people's lives, a much broader process will need to emerge, one in which communities may help determine the momentum of events.

Both governments will have to go through a steep learning curve with regards to how to involve their populations in this process and make them stakeholders of a peace deal rather than passive recipients. If they do not understand this challenge than they will only have themselves to blame if the problems that will invariable arise spiral out of their control.

#### **People to people contact – Civil society and the peace process**

The lack of people-to-people contact is also a burden given the younger generation in particular has grown up without having any contact and been subjected to intense hate propaganda. Efforts by the international community to increase contacts have not always been consistent and neither has been the attitude of the two governments towards such initiatives.

Initially Azerbaijan opposed any efforts to improve contacts as long as Armenia continued to occupy its territories. They regularly chastised representatives of civil

society, academia, or the media for visiting Karabakh or even for meeting Armenian or Armenian Karabakhi representatives in third countries. Over the last five years however there has been some softening of this position.

On the other hand Armenia was initially in favour of people to people contacts. Recently however Armenians and Armenian Karabakhis have increasingly made these contacts conditional on arrangements and contexts that were not always possible for even the Azerbaijani civil society representatives to accept.

In both countries civil society remains fragile and there is deep distrust between government and civil society organisations. In an attempt to defuse criticism that they were not doing anything to prepare their societies for a resolution of the conflict the governments of Armenia and Azerbaijan have subsequently resorted to artificial confidence building measures, using the old style ex soviet intelligentsia.

Given the pains of the conflict - including the tens of thousands of bereaved, the suffering of hundreds of thousands of displaced, and the vehemence of the enemy imagery that has now sunk deep in both Armenian and Azerbaijani societies, especially amongst the young any peace process to have a chance to succeed needs to be accompanied by a very intensive and concerted effort to heal the wounds and improve understanding.

Civil society has an important role to play in this process. However it should not be taken for granted that this will happen. Many civil society organisations are part of the problem rather than part of the solution, and in this they are just reflecting the unpleasant reality of the current perceptions amongst the populations at large. A lot of work needs to be done by both the local governments and the international community if any peace process is to have enough popular support to make it sustainable.

## **5. Towards a solution – Time for the Minsk Process to deliver**

For some time diplomats close to the OSCE Minsk process have been expressing cautious optimism about the conduct of the negotiations and the likelihood of a breakthrough. However, because Nagorno-Karabakh is an issue of national identity for both parties, neither Armenia nor Azerbaijan has been willing to let go of their maximalist ultimate goals.. For a time each side believed the status quo was working in their favour. Recent developments in the region seem to have challenged this perception. . The 2008 Georgia Russia War demonstrated the risks of allowing so-called frozen conflicts to simmer, and also exposed Armenia's vulnerability as a result of its isolation. The recent warming of relations between Turkey and Armenia, and increased pressure from the international community – particularly Russia and the US - have given new momentum to the talks. During 2009 the two Presidents have already met a record six times, the most in any year since the end of hostilities.

The Minsk Group co-Chair have been trying to get the sides to agree to a set of “basic principles” that will start the process of actually unpacking the various issues around the conflict. At the last meeting, in Munich on 22 November 2009 the co-Chair reported that “progress has been made. At the same time some questions are still open”. In Athens on 1 December 2009, after meeting on the margins of the OSCE

Foreign Ministers meeting "The Foreign Ministers of Armenia and Azerbaijan reported on progress during the course of this year in achieving common understanding on points of the basic principles. They stated the willingness of their countries to complete work on the Basic principles, as stipulated by the Presidents of the co-Chair countries in l'Aquila. The Ministers reaffirmed their committment to work intensively to resolve the remaining issues, to reach an agreement based, in particular, upon the principles of the Helsinki Final Act of non use of force or threat of force, Territorial Integrity, and the equal rights and self determination of Peoples".

### **Basic Principles and Sticking Points**

The Basic Principles were officially filed at the Madrid OSCE Summit in November 2007. The principles encompass four basic elements – status of Nagorno-Karabakh; the return of the occupied territories; return of refugees and security guarantees. They include a phased withdrawal of Armenian forces from the occupied territories surrounding Nagorno-Karabkah and the return of these territories to Azerbaijani control (five immediately and then Kelbajar and Lachin approximately five years later); a secure corridor (a strip of Lachin) linking Armenia to Nagorno-Karabakh; interim international status for Nagorno-Karabakh; providing guarantees for security and self-governance; the right of all IDP's and refugees to return to their former homes; international security guarantees and peacekeeping mission; determination of the final status of Nagorno-Karabakh through a referendum/plebiscite.

Although the Presidents have apparently reached an understanding on a number of these points, including the eventual pull-out of Armenian forces from the districts of Azerbaijan – excluding Nagorno-Karabakh itself – a number of sticking points remain which have been the main focus of the negotiations over the last year..

- The most controversial issue remains the eventual status of Nagorno-Karabakh and when this should be decided upon. The Basic Principles foresee this being determined by a referendum in approximately 10-15 years time. However, it is clear that each side wants a different outcome from any such plebiscite – Azerbaijan wants to achieve a confirmation of its territorial integrity and sovereignty within its internationally recognised borders while Armenia is seeking the continuation of a status for Karabakh outside the jurisdiction of Azerbaijan. To this end Azerbaijan believes that any such plebiscite or referendum should be nationwide (as is stated in the Azerbaijani Constitution) while the Armenian side presses for it to be limited only to the Nagorno-Karabakh province but include the expelled Azerbaijani community. Given the last census showed the population before the war to be at 189 000, of which 76% identified themselves as Armenian and 23% Azerbaijani, the outcome would clearly reflect this.
- Differences also remain on the timetable for the return of the Azerbaijani refugees to Nagorno-Karabakh and the surrounding territories: What would be the precise time frame? A quick return or phased over several years? To what would they return, given many of their original homes have either been demolished or are inhabited by others.

- The return of Kelbajar and Lachin, the most strategically important regions, also remains a thorny issue for the Azerbaijani side as there is still no agreed precise time frame for their return which is linked to Armenia securing the land corridor between Nagorno-Karabakh and Armenia
- On the “Lachin corridor” although both presidents seem to have agreed on the need for a secure corridor linking Armenia to Nagorno-Karabakh there are still problems concerning the functioning of the corridor, its status and the precise width. While it would seem that Armenia is keen for this corridor to become “de facto” Armenian, Azerbaijan wants it to be a type of international secure zone. It is envisioned that the corridor will be used by both sides on a 12 hour-12-hour rotation basis (at least in the beginning to avoid incidents and build trust). While Armenians would use it as a bridge between Armenia and Nagorno-Karabakh, Azerbaijan envisages it to extend across Armenia proper to the Azerbaijani territory of Nakhchivan. Disagreement continues over the size of this corridor. The Armenian side is pushing for the corridor to encompass the maximum territory (at least 100 km in width) while the Azerbaijan side want the opposite in order to have the remainder of Lachin returned to them sooner rather than later.
- Differences also remain on the interim status of Nagorno Karabakh as any system that would be seen as predetermining the “final status” is certain to be unacceptable to one of the two sides.
- Armenia is anxious about the security implications and fears the possibility that once it begins to withdraw from the occupied territories Azerbaijan will attempt to take back Nagorno-Karabakh by force. Therefore even though the Basic Principles are meant as a step-by-step approach Armenia still seems to be advocating a package approach meaning that nothing will be agreed until everything is agreed. This is in part due to lack of trust and fear that a change in the status quo could create new security threats. Therefore, this could imply that as long as there is no agreement on status an agreement could still be years away.

Additionally, without the support of the two societies it will be very difficult to secure a deal and unfortunately the Basic Principles have not been sold positively in either nation. In Azerbaijan they are seen as a tool to legitimise Nagorno-Karabakh’s independence while in Armenia they are viewed as a mechanism to push Armenia into giving up the strategically valuable territory adjacent to Nagorno-Karabakh without defining the future of the territory itself.

The credibility of the “Minsk Process” and its capacity to deliver a peace agreement, has been stretched to its limits, both within Armenia and Azerbaijan, as well as in the wider international community. Many fear that if once more the sides fail to bring the current negotiations to a conclusion, the Minsk process in the present format will no longer be sustainable. If the “Minsk Process” collapses re-inventing it will not be an easy task, and may take years. Efforts for a breakthrough in the present format must therefore be intensified.

## **6. The International and Regional Context: What is now expected of the international community in support of the Karabakh peace process.**

Although the dust from the short Georgia-Russia War fought in August 2008 has barely settled it is possible to already see that this was a defining moment for the Caucasus region. It showed how the low intensity conflicts that had plagued the post Soviet space for the previous two decades could easily turn into a major international crisis as well as being a salutary reminder of the human and political cost of attempting to resolve conflicts through military force

Both Armenia and Azerbaijan sought to draw some conclusions from the war and the events that followed. In public Armenia pointed out the inexpediency of resorting to war to resolve the conflicts, whilst Azerbaijan highlighted the danger of leaving the conflicts unresolved.

As consequence of the war the Nagorno-Karabakh conflict reappeared on the radar of the international community. While avoiding another human tragedy was a significant element in this drive there is also another broader and more materialistic consideration linked to a region of great geostrategic significance, namely energy security and western projects for diversification of energy supplies. The ceasefire line in Georgia and the Line of Contact in Nagorno-Karabakh are only 15 km from the Baku-Tbilisi-Ceyhan pipeline that connects Caspian oil fields to European and global markets. In addition, in Azerbaijan, as well as in Georgia and Turkey there are pumping stations along the length of the line which are exposed and very vulnerable to attack. Therefore if a new conflict were to breakout it would have a serious impact on these existing pipelines and put into question the West ambitions for further projects such as the Nabucco natural gas pipeline.

### **Russia redefines its role in the Karabakh peace process**

At the end of 2008 Russia moved quickly to draw a line separating events around the Georgia conflicts from the situation on Karabakh. After some considerable political arms twisting President Medvedev summoned the Presidents of Armenia and Azerbaijan to Moscow and convinced them to sign on 2 November 2008 a declaration that in essence committed all sides to resolve the Karabakh problem soon, but through negotiations. Whilst this declaration has been dismissed by some as political posturing it did several things. It asserted that Russia sought to play the role of primus inter pares amongst the three co-Chair of the Minsk group; it reassured both sides that Russia wanted to play the role of honest broker in the negotiations, and it laid out (or some say reconfirmed) the parameters in which future negotiations would be held.

### **Turkey “returns” to the Caucasus**

The Georgia-Russia war also steered the other major regional player, Turkey. Up to that point Turkey had been self conscious of the baggage it carried in the region. Its policies were not only counter-productive but also added to instability in the region – cool relations with Russia; the decades long problem of relations with Armenia and a policy of unquestioned support for Azerbaijan. These policies were also detrimental to Turkey’s long term aim of not only being a significant regional power but also a major energy and transport hub. To achieve this Turkey not only needs to move away

from its image of a “problem creator” but also needs to build a secure and stable neighbourhood .

In 2008 Turkey embarked on two initiatives. In the immediate aftermath of the Georgia Russia War it launched an initiative to create a Caucasus Stability and Cooperation Platform, a forum to bring together Russia, Armenia Azerbaijan, Georgia and Turkey into a regional arrangement that will help solve the problems of the region. Although dismissed by some as a half baked idea, the initiative indicated a new Turkish readiness to play a role in the region and an example of a new trend in Turkish Foreign policy, one that uses soft power rather than projecting military might.

The second, more ambitious initiative was to normalise relations with Armenia. After more than eighteen months of negotiations, several “historical moments” which saw the presidents of the two countries visiting each other to attend football matches, and some last minute brinkmanship the two sides have now agreed, subject to ratification by their parliaments, to establish diplomatic relations, open the borders and generally deal with each other through the civilised tools of diplomacy. Although there are still some obstacles ahead, and despite Azerbaijan's discontent with this process, the Turkey-Armenia rapprochement has greatly contributed to make a Karabakh peace process not only achievable in theory but also doable once it has been agreed. Of course, Turkey’s progress has also been facilitated by its increasingly warm ties with Moscow both economically and politically and for the present time, at least, Moscow does not view Turkey’s increased role in the South Caucasus as threat.

Although there is no mention of Nagorno-Karabakh in the two Protocols that were signed on 10 October 2009 Turkey has continued to make strong statements linking their eventual ratification and implementation to progress on the resolution of the conflict. It seems that Turkey is expecting some sort of symbolic gesture from Yerevan that would appease Baku. Indeed if Turkey continues to link the two process over a longer period of time it may result in Armenia hardening its position in the Nagorno-Karabakh negotiations.

### **Reset Relations between Russia and the West help the Karabakh peace process too**

The Georgia-Russia War marked an all time low in relations between Russia and the US and the EU (together still sometimes referred to as the “West”.) Despite this chill, relations between the three co-Chair in the framework of the Karabakh conflict resolution process remained largely good, except perhaps for a few weeks immediately after August 2008 when senior diplomats from the conflict parties joked that they soon have to start mediating between the mediators.

A number of factors, including a new administration in Washington ready to “reset” its relations with Russia, and a more hands on approach by the European Union in its engagement with its eastern neighbour has seen a marked improvement in the relations. An initiative close to the heart of Russian diplomacy, aimed at revisiting the debate about security in Europe, was finally given a cautious hearing by the US and the EU and in June 2009 the so called Corfu process was launched as a reaction to Russian President Medvedev’s security proposals Although this is meant to be an all encompassing process likely to take a number of years before it comes to a

conclusion, it is bound to impact the resolution of the conflicts in the OSCE space, such as the one over Karabakh.

There is thus a major change in the international context around the Karabakh conflict and this has undoubtedly helped the momentum of the negotiations to resolve it.

### **Time for plain talking**

It is now time for the international community to speak with one voice and in more robust tones to both sides. Some messages that have been transmitted before, but in cautious diplomatic language need to be repeated in more clear terms and without ambiguity in such a way that not only the leaderships, but also the populations of the two countries, will understand clearly. Armenia needs to be told that the continued occupation of the Azerbaijani territories around Nagorno Karabakh is neither acceptable nor sustainable. Azerbaijan must be told that any attempt or talk of regaining these territories by force without a UN Security Council resolution will bring Azerbaijan in direct confrontation with the international community. Both sides must be reminded of the right of all refugees and IDPs to return to their homes in safe and dignified conditions.

### **The international community must now use the leverage it has**

Unlike many other conflict situations and despite claims to the contrary, the international community has considerable leverage in the Karabakh conflict, especially if it decided to act in harmony. This leverage stems from the wish of the Armenian and Azerbaijan governments to be responsible and forward looking partners of the international community. Both countries are keen to put themselves at the heart of regional economic processes and not to be marginalised in global and regional political fora. This gives the international community an opportunity to influence events.

How to use this leverage constructively and sensitively in support of the Karabakh peace process is an important challenge for the coming one or two years.

(a) Peace between Armenia and Azerbaijan cannot be imposed by the international community. However now that the two sides are so close to at least moving the peace process to the next level, the international community must also rise to the occasion and help the sides make the next few difficult steps. This may entail the personal involvement of key leaders of the US, Russia the EU, and where appropriate, Turkey. It may also mean sharper use of the sticks and carrots approach to help see the process through. For example the international community may need to offer Armenia an extensive economic aid package as a sweetener for progress linked to withdrawal from Azerbaijan's occupied territories.

(b) There is also a need to lean more persuasively on the leaders of both Armenia and Azerbaijan to ensure that they start the all important process of bringing on board different elements of their own societies as stakeholders of the peace process. In both Armenia and Azerbaijan, public opinion on key issues, including peace in Karabakh, is only tolerated in pre determined "spaces". It is now time that these spaces are

expanded and that a true debate on the issue be allowed to take place within both societies.

(c) In pushing for a solution to the Karabakh problem to be prioritised by the governments of Armenia and Azerbaijan, the international community must also lead by example. In the dealings with Armenia and Azerbaijan solving the Karabakh conflict must be brought to the forefront of the agenda and procrastination not excused further for the sake of behind the scenes deals on energy, military and security facilities or trade. In other words a solution should not be based on a fight for control of the South Caucasus by the West and Russia.

**Karabakh: – for the European Union an early test for the mechanisms of the Lisbon Treaty. Soft power with a firm approach.**

In 2010 Karabakh is more likely to be an opportunity rather than a crisis. If the appropriate political can be mustered from EU member states, it could provide one of the early tests for the new mechanisms for a more harmonised and effective EU foreign policy that came into force with the recently ratified Lisbon Treaty. It needs to become a priority for the new EU High Representative on Foreign Policy and it could provide one of the first opportunities for the newly restructured EU diplomatic machinery to show that it can act with efficiency, speed and effectiveness. Such a response would represent a change in EU policy towards the conflict which has received the least attention from the EU in comparison to other such conflicts in the EU's Eastern Neighbourhood even though it is by far the most dangerous. Until now the EU has preferred to limit its role largely to supporting the efforts of the OSCE Minsk group.

Karabakh can allow the European Union to do what it can do best, namely project soft power. Under the new Lisbon Treaty arrangements, rather than do this in a disjointed and somewhat chaotic manner, it has the potential to do so firmly and in a timely fashion with a harmonised approach between the efforts of the Brussels institutions and those of the member states.

At the very least the European Union must be ready to be present on the ground and to take the leading role in any eventual peacekeeping or peace-monitoring force. However it needs to keep in mind that the kind of peacekeeping operation that is going to be required in Karabakh will be less dependant on tanks and guns and more on creative diplomacy and tact. The EU needs to prepare for a presence that will rely on diplomats in jeans who are ready to travel away from the comfort of their embassies to remote villages and communities, and on soldiers who are able to talk and communicate as much as they are able to carry and use arms. The EU should draw on its experience and the lessons it has learnt in the Balkans.

Financing peace and rebuilding the destroyed territories will also be extremely costly. The EU should take the lead in making a cost estimate and when the time comes be responsible (as it did in Georgia) for the organisation of a donor conference.

Many also consider it expedient that the role of France as co-Chair of the "Minsk process" evolves into one that carries with it the clout of the whole European Union. Whilst France jealously guards its role of co-Chair, and French diplomats have

traditionally done an excellent job of it, this may not be what will be needed in the future. A possible solution will be for an agreement for a French diplomat to replace the current French co-Chair when the time for the normal rotation comes, but to give the new appointee an EU mandate.

### **Time for flexible and creative diplomacy**

With Karabakh, as indeed with the other conflicts such as Abkhazia, South Ossetia and Transdniestria the international community is faced with a further challenge – that of coming up with flexible and creative solutions to address some of the outstanding, seemingly insurmountable obstacles to conflict resolution. The apparent contradiction between the principle of territorial integrity of states, and that of the right of nations for self determination, has been used on many occasions as proof that the Karabakh problem has no solution. It may be that the straight forward black and white solutions of the past are no longer applicable in the current international context. Defining sovereignty in a world of interdependence has stopped being simply a question of whether or not a state has a seat in the United Nations. Even that in the past has had its shades of grey.

It is neither logical nor fair to expect the parties to the conflict to come up with solutions to these international rules that are not of their own making and it is appropriate that on these issues solutions are offered. There are already in Europe examples of small states that because of a mix of size, history and geo-political context have been accepted as part of the European family with unusual arrangements. For example the tiny principality of Andorra is a sovereign state, member of the United Nations and the OSCE, but it is also a duumvirate, with sovereignty shared between the President of France and the Bishop of Urgell in Catalonia<sup>2</sup>. The Principality of Liechtenstein provides another example of creative diplomacy, Liechtenstein foreign relations was until recently shared between Switzerland, responsible for political and consular matters, and Austria, responsible for trade and commercial matters<sup>3</sup>. None of these examples offer a “cut and paste”

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<sup>2</sup> The term duumvirate was originally associated with the two pro consuls that jointly ruled Rome. In modern times it is used to describe the current government of Andorra which has two Heads of State, The President of France Nikolas Sarkozy and Joan Enric Vives Sicilia, the Bishop of Urgell in Catalonia, Spain.

<sup>3</sup> For a long time Liechtenstein was represented internationally by Switzerland and Austria. Although Liechtenstein now assumes some responsibilities for its overseas representation Switzerland and Austria still play an important role. According to the Liechtenstein government “within the scope of an accord concluded in 1919, Switzerland assumes the representation of Liechtenstein interests at the diplomatic and consular level in countries where it maintains a representation and Liechtenstein does not. In such cases, Switzerland acts pursuant to general or specific requests, which it may accept or reject, while Liechtenstein reserves the right to conduct relations with these States directly or to establish its own diplomatic representations. Switzerland has also concluded the “Swiss-Austrian Agreement on Cooperation in Consular Affairs” on 3 September 1979, which entered into force on 1 January 1980. On the basis of the accord between Liechtenstein and Switzerland of 1919 on the representation of interests by Switzerland, Liechtenstein is also included in this agreement. Accordingly, a Liechtenstein citizen may also turn to an Austrian representation abroad if needed, if Switzerland does not maintain a representation in the country in question.

(see

[http://www.liechtenstein.li/en/liechtenstein\\_main\\_sites/portal\\_fuerstentum\\_liechtenstein/fl-staat-staat/fl-staat-aussenpolitik/fl-staat-aussenpolitik-bilateral.htm](http://www.liechtenstein.li/en/liechtenstein_main_sites/portal_fuerstentum_liechtenstein/fl-staat-staat/fl-staat-aussenpolitik/fl-staat-aussenpolitik-bilateral.htm))

solution to the Karabakh problem, but they do show that creative diplomacy is possible.

### **Flexible Seating Arrangements**

The issue of diplomatic flexibility will also arise as to arrangements prior to the status of Karabakh being defined, particularly with regards to how to bring in the self declared “Nagorno Karabakh Republic”, which de facto administers the territory in the negotiations, as well as to how to give a voice to the expelled Azerbaijani Karabakh community. . The question of how the international community should deal with unrecognised or partly recognised entities is one that is now troubling diplomats and analysts. The OSCE can be a good first place where a creative “seating” arrangement can be looked at, where entities such as the current “Nagorno Karabakh Republic”, and indeed entities such as Abkhazia, South Ossetia and Kosovo, which are not recognised or are only partly recognised, can be invited to sit without prejudice with the rest of the international community, ending the misguided policy of isolation that has been the cause of much misunderstanding and misperception. Seating arrangements may be an issue for some discussion but the idea of constructive engagements with the separatist entities has much value, and indeed already takes place in other conflict contexts, such as the Transdnistria conflict in Moldova.

### **Next steps now**

The international community has throughout the whole period when the search for a solution to the Karabakh problem was ongoing, largely held Armenia and Azerbaijan responsible for finding a solution to it. In doing so it has opened itself to criticism and cynicism amongst both the Armenian and the Azerbaijani communities who see this as a means through which the international community was abrogating its responsibility.

In this important moment in the negotiations the international community must show that it also is willing to carry responsibility by engaging more, by showing that a Karabakh solution is a priority and by offering new frameworks from which a mutually acceptable solution can emerge.

### **7. The end of the beginning**

The process to resolve the Karabakh conflict is entering a new phase. The continuation of the process in the present mode is no longer sustainable. We have reached the end of the beginning. If the present negotiating process within the framework of the OSCE Minsk process collapses it will take years for an alternative to emerge and to reach the point where we are today. This scenario must be avoided at all costs. The alternative however is not stalemate but progress. The last steps are needed to move the process to a qualitatively improved level, enabling changes on the ground to take place and opening the way for a final solution. This objective is now within reach and this opportunity must not be squandered.

An agreement in the next weeks will however not be the end of the story. There is a lot of work to be done by both governments, and by the international community for an agreement on paper to be turned into a proper peace process, not least to help

ensure that the ownership of such an agreement does not remain a monopoly of a tiny political elite but is shared within the wider community on both sides.

A solution to the Karabakh conflict will bring a new dawn to the Caucasus region and will start the process of finally fully integrating the region within the global processes for the benefit of both the people of the region and of other nations with a stake in its success.