

# *The Nagorno-Karabakh conflict:*

*Regional implications  
and the peace process*

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Kasım\***

## **Abstract**

*The article explains the importance of the one of the “knots” in the region, the Nagorno-Karabakh conflict, and lays out the implications of the conflict for the domestic and foreign policies of Azerbaijan and Armenia as well as regional powers (i.e. Russia, Turkey, and Iran). The author provides a brief history of the conflict resolution process to date, and argues that Azerbaijan’s domestic stability was badly affected by the conflict, which delayed the establishment of a stable state structure. Additionally, Armenian domestic politics have become hostage to the Nagorno-Karabakh conflict due to the closure of its borders with Turkey and its increased dependency on Russia. The author concludes that prolonging the status quo blocks any kind of integration and keeps alive the possibility of another destructive war in the Caucasus.*

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The collapse of the Soviet Union and the end of the Cold War ignited numerous regional conflicts. Some of these disputes broke out immediately following the conclusion of Soviet rule, while others were longer-standing. The Nagorno-Karabakh conflict was underway before 1991 as a domestic dispute within the USSR; with the dissolution of the Soviet Union, it became a clash between two newly independent states, Azerbaijan and Armenia, and as such it was a regional issue. The Nagorno-Karabakh conflict was one of the bloodiest ethnic conflicts of the post-Soviet era, claiming more than 25,000 lives. As a direct consequence of the conflict, there are approximately 1 million people internally displaced, persons and 20% of the territory of Azerbaijan is occupied. A ceasefire has been maintained since 1994, though, violations have occasionally occurred, a reminder that the conflict could erupt again.

The Nagorno-Karabakh conflict has implications for the domestic and foreign policies of both Azerbaijan and Armenia. The conflict has influenced and also been affected by the policies of other regional powers, namely Russia, Turkey, and Iran. In its capacity as a non-regional actor and a superpower, the U.S. has also been influential, particularly after the ceasefire was reached. Azerbaijan's domestic stability was badly affected

during the conflict and the establishment of stable state structure was delayed as a result of the conflict. Azerbaijan was unable to develop – and profit from - its natural resources as quickly as it otherwise would have. The Nagorno-Karabakh conflict and consequent instability of the Caucasus hindered the implementation of the energy projects that would carry the wealth of the Caspian to world markets.

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Armenia was unable to develop healthy relations with its neighbors. The closure of Armenia's borders with Turkey and Azerbaijan increased Armenia's dependency on Russia. In addition, Armenian domestic politics have become hostage of the Nagorno-Karabakh conflict. Both Azerbaijan and Armenia spend substantial portions of their national budgets on arms. Azerbaijan is losing hope that the resolution of the conflict and the restoration of territorial integrity will be achieved through negotiation process. Modernizing the Azerbaijani army would give Azerbaijan the hope and confidence needed to end the occupation of its territories. As long as Azerbaijani territory is under the Armenian occupation, Armenia is

anxious about possible military intervention by Azerbaijan. This creates insecurity in Armenia, and increases the demand for military spending. Its increasing budget from oil and gas revenues gives Azerbaijan the upper hand in terms of military expenditure. Armenia continues to rely on Russia to purchase weapons and provide security. Russia, by trying to prevent Azerbaijan's integration with the West and by maintaining its military presence in Armenia without much objection there, has benefited from the conflict. Turkey is endeavoring to prevent the occupation of the Azerbaijani territories and the legalization of the occupation, through diplomatic mechanisms. The Nagorno-Karabakh conflict put Turkey in a very difficult position, since Turkey considers Azerbaijan its most important ally in the region, and the crucial gateway to Central Asia.

Iran also wanted to play a role in the negotiation and conflict resolution process, but its isolation prevents it from doing so. The role of the US during the conflict period and the peace process has been restricted due to the powerful influence of the Armenian diaspora in the US. The Congress decision to stop the US administration from providing aid to Azerbaijan (Freedom Support Act Section 907) contradicted US national interests in the Caucasus, and indeed the realities of the situation in the region.

Negotiations since the ceasefire have been largely unproductive, which means there remains a risk that military conflict will be resumed. The Russian-Georgian conflict of August 2008 provides a stark reminder of the threat to the regional stability posed by so-called "frozen conflicts".

This article will evaluate the Nagorno-Karabakh conflict and the subsequent peace process in terms of their regional implications. The factors influencing the conflict will be analyzed and the reasons for the failure of the peace process will be examined.

### **Brief History of the Conflict**

The Nagorno-Karabakh conflict started as a domestic dispute within the USSR before the collapse of the Soviet Union. After the end of the Soviet Union, the conflict became first a regional and then an international issue. However, the roots of the conflict lie in the historical claims. Armenia claims that the region was a part of the Armenian kingdom as early as the fourth century BC. However, Karabakh was aligned to kingdoms in the east, where Azerbaijani Turks lived. Throughout history Karabakh, has been ruled by Caucasian Albanians, Arabs, Mongols, Turks, and Persians. The Caucasian Albanian state existed until the ninth century AD, and from

the seventh century, with the arrival of Arabs, the state converted to Islam. There are arguments that the inhabitants of Karabakh are the descendants of Albanians. There were Khanates in the Caucasus until the Russian invasion of the region. Russia gained control of Karabakh after the Russian-Persian war of 1812-1813 with the Treaty of Gulistan, and Russian rule was consolidated after the second Russian-Persian war with the Treaty of Turkmenchay in 1828.<sup>1</sup>

Russia encouraged Armenians to settle in Nagorno-Karabakh. This policy, along with population exchanges and the deportation of the Muslim population of the Caucasus, the Armenian population increased sharply. This process was secured by the Turkish-Russian war of 1877-1878. Russia's perception of Armenia as a natural ally in the Caucasus shaped Russian strategy. After 1828, 57,000 Armenians emigrated to Karabakh and Yerevan. In 1823, the Armenian population was 8.4% of the total population of Karabakh, with the Muslim population making up 91%. By 1832, Muslims represented 64.8% of Karabakh's total population, Armenians 34.8%. At the end of the nineteenth century, the Armenian popula-

tion had reached 53.3%, and Muslim population stood at 45.3%.<sup>2</sup>

A violent clash between Armenians and Azerbaijani Turks broke out in 1905, and 10,000 Azerbaijani Turks were killed and high officials of the provincial government were assassinated by an armed Armenian group, Dashnaksutyun, or "the Armenian Revolutionary Federation". After the short-lived Transcaucasus Republic that followed the 1917 Russian revolution, Azerbaijan, Georgia and Armenia were declared independent. However, all of them lost their independence with the advances of the Red Army.<sup>3</sup> Nagorno-Karabakh was placed under the jurisdiction of Azerbaijan by the July 5<sup>th</sup> 1921 ruling of the Caucasian Section of the Russian Communist Party Central Committee. Nagorno-Karabakh was made autonomous, and in 1923 its capital was moved from Shusha to Khankendi (Stepanakert). Armenia was not happy that Karabakh had remained within the Azerbaijan SSR, and demanded its incorporation within Armenian SSR. A petition signed by 2,500 Armenians was presented to Moscow in 1964, demanding Karabakh's inclusion within the Armenian SSR. There were also violent clashes

1 See Suzanne Goldenberg, *Pride of Small Nations, the Caucasus and Post-Soviet Disorder*, London and New Jersey: Zed Books, 1994, p. 157. Michael P. Croissant, *the Armenia-Azerbaijan Conflict, Causes and Implications*, Westport, Connecticut, London: Praeger, 1998, p. 11. Svante E. Cornell, *the Nagorno-Karabakh Conflict*, [http://www.silkroadstudies.org/new/inside/publications/1999\\_NK\\_Book.pdf](http://www.silkroadstudies.org/new/inside/publications/1999_NK_Book.pdf), Uppsala University Report No. 46, 1999, p. 5.

2 Suzanne Goldenberg, *Pride of Small Nations, the Caucasus and Post-Soviet Disorder*, London and New Jersey: Zed Books, 1994, p. 158. In 1820 Armenians consisted of only 20% of the total population of Yerevan (Goldenberg, p. 158).

3 Svante E. Cornell, *the Nagorno-Karabakh Conflict*, [http://www.silkroadstudies.org/new/inside/publications/1999\\_NK\\_Book.pdf](http://www.silkroadstudies.org/new/inside/publications/1999_NK_Book.pdf), Uppsala University Report No. 46, 1999, p. 6-8.

in Nagorno-Karabakh during which 18 people were killed.<sup>4</sup>

During Gorbachev's presidency, Armenian demands were expressed with organized demonstrations, and in 1987 a petition was signed by 75,000 Armenians demanding that Nagorno-Karabakh be made part of the Armenia SSR. In 1988, the Armenians majority in Nagorno-Karabakh's Soviet ("Assembly") passed a resolution demanding to be put under Armenian jurisdiction. The USSR Supreme Soviet rejected the demand. In January 1989 Moscow imposed direct rule over Nagorno-Karabakh. In November 1989 this direct rule was lifted and Nagorno-Karabakh returned to the direct control of Azerbaijan.<sup>5</sup>

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Violence against Azerbaijani Turks in Nagorno-Karabakh increased towards the end of 1989. The failure of the authorities to stop the attacks sparked demonstrations in Baku.

<sup>4</sup> Michael P. Croissant, *the Armenia-Azerbaijan Conflict, Causes and Implications*, Westport, Connecticut, London: Praeger, 1998, p. 20. Suzanne Goldenberg, *Pride of Small Nations, the Caucasus and Post-Soviet Disorder*, London and New Jersey: Zed Books, 1994, p. 161.

<sup>5</sup> Kamer Kasim, "The Nagorno-Karabakh Conflict from Its Inception to the Peace Process", *Armenian Studies*, Issue 2, June-July-August 2001, pp. 170-185.

Soviet troops entered Baku on January 20<sup>th</sup> 1990 and a state of emergency was declared. This day is now known as Black January: as a result of Moscow's intervention, hundreds of people died and many were arrested. The Nagorno-Karabakh conflict and forced deportation of Azerbaijani Turks from Karabakh began before the end of the Soviet Union, and when it finally disintegrated, the situation was already out of control.<sup>6</sup>

After the collapse of the Soviet Union, Azerbaijan and Armenia became independent. Nagorno-Karabakh also declared its independence, as a "republic". The conflict became a regional issue and in 1992, it intensified. During their advance into Azerbaijani territory, Armenian forces massacred Azerbaijani Turks and committed serious human rights violations. The most serious massacre happened in Khojali, which drew the attention of the international media to the Nagorno-Karabakh conflict. On the evening of February 25<sup>th</sup> 1992, Armenian forces attacked Khojali, killing 613 people in an act of ethnic cleansing. It is widely believed that the Khojali massacre was committed by Armenian forces with the help of the Russian 366 Motor rifle regiment. The fall of Khojali was the first key strategic loss for Azerbaijan. Later on, the Armenian forces occu-

<sup>6</sup> Michael P. Croissant, *the Armenia-Azerbaijan Conflict, Causes and Implications*, Westport, Connecticut, London: Praeger, 1998, pp. 36-37.

pied Lachin and Shusha and pushed the Azerbaijani forces out of Nagorno-Karabakh. On May 19<sup>th</sup> 1992, the Armenian attack on the autonomous exclave of Nakhichevan led to a dispute between the two regional powers; Turkey and Russia. In Turkey, the possibility of military intervention to protect Nakhichevan was discussed, in accordance with the 1921 Kars Treaty. In response, Russia's Commander of the CIS Joint Armed Forces, Shaposhnikov, stated that Third Party intervention (i.e. by Turkey) could trigger a Third World War. In the end, the Armenian forces ceased their attack on Nakhichevan and the crisis ended. However, the incident indicated that the Nagorno-Karabakh conflict had implications beyond Azerbaijan and Armenia.<sup>7</sup>

The occupation by Armenian troops extended beyond Nagorno-Karabakh, which created domestic instability in Azerbaijan. In addition to Nagorno-Karabakh, seven districts were occupied: Kelbajar, Lachin, Kubatli, Cebrail, Zangelan, Agdam and Fuzuli. The United Nations Security Council passed several resolutions calling for an immediate cease-fire, the withdrawal of the occupying forces and the reaffirmation of Azerbaijan's sov-

ereignty and territorial integrity. The UN resolutions did not change the situation on the ground. On May 12<sup>th</sup> 1994, the a ceasefire was reached with the Russian mediation, and the conflict reached a stage of 'Frozen Conflict'. Since then, the occupation of Azerbaijani territories, including Nagorno-Karabakh and seven adjacent districts, has continued.

### **Regional implications of the conflict**

The Nagorno-Karabakh conflict has at least delayed, if not prevented, the construction of state structures in Azerbaijan and Armenia; the conflict has also prevented Azerbaijan and Armenia from strengthening their sovereignty. As for the Caucasus, the Nagorno-Karabakh conflict contributed to regional instability and negatively affected the implementation of energy projects. The policies of regional powers, particularly, those of Russia, have determined the direction of the Nagorno-Karabakh conflict. Russia had difficulty accepting the new states of the Caucasus as independent, sovereign entities, and tried to influence and even control their foreign policies. One mechanism by which Russia was able to exert influence on the Caucasus republics was the Commonwealth of Independent States (CIS); another key tool was the Russian military presence in the region. Azerbaijan's initial rejection

<sup>7</sup> Kamer Kasım, "The Nagorno-Karabakh Conflict From Its Inception to the Peace Process", *Armenian Studies*, Issue 2, June-July-August 2001, pp. 170-185. Michael P. Croissant, *the Armenia-Azerbaijan Conflict, Causes and Implications*, Westport, Connecticut, London: Praeger, 1998, pp. 78-81. Kamer Kasım, "Azerbaycan ile İlişkiler", *USAK Stratejik Gündem*, <http://www.usakgundem.com/yazar/1990/azerbaycan-ile-ilişkiler.html>, 1 March 2011

of CIS membership and the Russian military presence in its territories that this membership entailed were significant factors in Moscow's support for Armenia in the Nagorno-Karabakh conflict. However, it is likely that Russia would have cooperated closely with Armenia regardless, due to their historical connection.

After Azerbaijan's entry into the CIS, with the help of other CIS members, Russian mediation led to the ceasefire. As the article will discuss below, the peace process has been conducted under the auspices of the Organization for Security and Cooperation in Europe Minsk Group (known as OSCE since 1994; previously it was called Conference on Security and Cooperation in Europe, or CSCE). Although Russia is one of the Co-chairs of the Minsk Group, it initiated its own peace proposals, and even undermined the role of OSCE. Russia pursued a more assertive strategy towards the Caucasus and Central Asia after introducing its 'Near Abroad' policy, which enabled it to regain its status in the region, as well as increasing its control over the region's energy resources. It is debatable to what degree the 'Near Abroad' policy truly served Russian interests. On one hand, Russia was able to some extent maintain its military presence, and delayed Azerbaijan's and Georgia's integration with the West. On the other hand, Russia alienated it-

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self from the West and other former Soviet Republics. And in the end, Azerbaijan chose the Baku-Tbilisi-Ceyhan oil pipeline as a major export route for its oil, and the Baku-Tbilisi-Erzurum pipeline for its natural gas. Russian support for Armenia in the Karabakh conflict provoked anxiety over national security in Azerbaijan, and prompted Azerbaijan to try to develop cooperation with the West. As Brzezinski stated, '*the near abroad option offered Russia not a geopolitical solution but a geopolitical illusion*'.<sup>8</sup>

The Nagorno-Karabakh conflict also affected Turkey's regional strategy. Turkey considers Azerbaijan its most important ally in the Caucasus, and Azerbaijan's stability and territorial integrity are crucial for the implementation of the energy projects. In comparison with Russia, Turkey lacks of experience in dealing with regional conflicts. However, Turkey used all the available diplomatic channels to bring the conflict to the UN and OSCE agendas. Turkey also closed its border with Armenia after the Armenian occupation of Kelbajar.

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<sup>8</sup> Zbigniew Brzezinski, *The Grand Chessboard American Primacy and its Geostrategic Imperatives*, New York: Basic Books, 1997, p. 115.

Turkey followed this policy despite pressure from its Western allies to re-open the border. Armenia's objection to Turkey's potential mediation role in the Karabakh conflict - on the grounds that Turkey supports Azerbaijan - limited Turkey's influence over the peace process. Unresolved conflict has also prevented the normalization of Turkish-Armenian relations, despite the conducive atmosphere to reconciliation that followed the August 2008 Russian-Georgian conflict.<sup>9</sup> The Armenian-Georgian border was closed during the conflict, which badly impacted on the Armenian economy; 2/3 of its foreign imports come to Armenia via Georgia.<sup>10</sup> This factor forced the Armenian administration to rethink its relations with Turkey. Protocols were signed between Turkey and Armenia on October 10<sup>th</sup> 2009. One of the central issues in the protocols was a bilateral agreement to open the border within two months after the protocol entered into force.<sup>11</sup> Azerbaijan objected to the protocols even as they were being negotiated, on the grounds that that there was no condition for the solution of the Karabakh conflict. On the other hand, Prime Minister

9 For the impact of the August 2008 conflict see Kamer Kasım, *Soğuk Savaş Sonrası Kafkasya*, Ankara: USAK Yayınları, 2011, chapter IV.

10 Naira Melkumian, "Armenia: Economy Hit by Georgian War", *IWPR*, 16 October 2008.

11 For the text of the protocols, see <http://www.mfa.gov.tr/protocol-on-the-establishment-of-diplomatic-relationships-between-the-republic-of-turkey-and-the-republic-of-armenia.en.mfa>

Erdogan assured Azerbaijan that Turkey would not open the border with Armenia without the resolution of the Karabakh conflict.<sup>12</sup> Ultimately, this normalization process between Turkey and Armenia was not going smoothly, and finally the Armenian government suspended the process. This process indicated that the solution of the Nagorno-Karabakh conflict is the most important issue in the opening of the Turkish-Armenian border. For the Armenian side, the Karabakh issue has nothing to do with its relations with Turkey. Thus Turkey's demand that the solution of the Karabakh problem be incorporated in the normalization process for Turkish-Armenian relations, and in the opening of the Turkish-Armenian border, is unacceptable. Armenia wants Turkey to draw a distinction between its relations with Armenia and the Karabakh issue. However, it is difficult as well as contradictory for Turkey to open its border with Armenia without any kind of agreement being reached between Azerbaijan and Armenia over Karabakh, given that Turkey closed its border with Armenia not because of Armenia's allegations of genocide or its ambiguity over Turkey's territorial integrity, but because of the continuing Armenian occupation of Azerbaijani territories.

12 "Erdoğan'dan Şehitlik Camiine Mesaj Gibi Ziyaret", *Zaman*, 13 May 2009; Mina Muradova, "Azerbaijan: Turkish Prime Minister Offers Strong Support For Baku's Position on Karabakh", *Eurasia Insight*, <http://www.eurasianet.org/departments/insightb/articles/eav051309a.shtml>, 13 May 2009.



It is impossible to talk about peace and stability in the Caucasus without first addressing the Karabakh conflict.<sup>13</sup>

Iran has played a limited role in the Nagorno-Karabakh conflict, before and after the ceasefire. However, it did act as a critical supply line for Armenia during the conflict. If Iran had behaved differently, and closed its border, Armenia would have faced a very tricky situation, one that could have pushed the government to be less intransigent, and be more open to compromise during the conflict. Despite the rhetoric of the Iranian government, Iran did not support Azerbaijan during the Karabakh conflict; on the contrary Iran maintained its cooperation with Armenia, in areas ranging from the energy sector to weapons technologies.<sup>14</sup>

<sup>13</sup> See Kamer Kasım, *Soğuk Savaş Sonrası Kafkasya*, Ankara: USAK Yayınları, 2011, pp. 91-111.

<sup>14</sup> For Iran's relations with Armenia and Azerbaijan, see Geoffrey Gresh, "Coddling the Caucasus: Iran's Strategic Relationship with Azerbaijan and Armenia", *Caucasian Review of International Affairs*, Vol: 1, No: 1, Winter 2006, pp. 1-13. Mitat Çelikpala, "Iran-Ermenistan İlişkileri ve Kafkaslar'a Yansımaları", *Stratejik Araştırmalar Dergisi*, No: 13, May 2009, pp. 123-129; Gökçen Ekici ve Nazmi Gül, "Ortak Tehdit Algulamaları ve Stratejik İttifaka Doğru İlerleyen İran-Ermenistan İlişkileri", *Stratejik Analiz*, Vol: 2, No: 22, 2002, pp. 37-43. Vladimir Socor, "Iran-Armenia Gas Pipeline: Far More Than Meets the Eye", *Eurasian Daily Monitor*, Vol: 4, No: 56, <http://www.jamestown.org/single/?nocache=1&txtnews%5Bttnews%5D=32607> 21 March 2007. Emil Danielyan, "US Concerned by Armenia's Energy Ties with Iran", *EurasiaNet*, <http://www.eurasianet.org/departments/insight/articles/eav06>., Brenda Shaffer, "Iran's Role in the South Caucasus and Caspian Region: Diverging Views of the US and Europe", Eugenia Whitlock (Ed.), *Iran and Its Neighbours: Diverging Views on a Strategic Region*, Berlin: Stiftung Wissenschaft und Politik (German Institute for International and Security Affairs), 2003, pp. 17-22. Kamer Kasım, *Soğuk Savaş Sonrası Kafkasya*, Ankara: USAK Yayınları, 2011, pp. 143-155.

Iran perceives Armenia as a kind of buffer zone between Iran and Azerbaijan, of which it is suspicious, harboring particular concern about the significant number of Azerbaijani Turks living in Iran (over 20 million). Azerbaijan's close cooperation with the West and its energy policy is an additional source of unease.

As a non-regional superpower, U.S. policy was also affected by the Nagorno-Karabakh conflict. The U.S. policy towards the Caucasus was basically energy oriented, especially prior to the September 11<sup>th</sup> terrorist attacks in 2001. However, the U.S. policy towards the Karabakh conflict contradicted its energy strategy. Despite the fact that Azerbaijan is the most important country in the region in terms of the U.S. energy policy, the U.S. administration was unable to give sufficient support to Azerbaijan due to the influence of the Armenian lobby. The U.S. Congress passed the Freedom Support Act Section 907, which prevented the U.S. government from sending humanitarian assistance to Azerbaijan. The Freedom Support Act Section 907 has damaged U.S.-Azerbaijan relations in the long term. The U.S. provides humanitarian assistance internationally, but Section 907 prevented the provision of desperately needed humanitarian aid for the one million Internally Dis-

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placed Persons of Azerbaijan.<sup>15</sup> The Congress decision was against the U.S. national interests, on the basis that the Armenian occupation created instability in Azerbaijan and enabled Russia to exert greater influence on Armenia and Azerbaijan. After 9/11, the U.S. policy toward the Caucasus has become more security conscious, and it is keen to maintain military influence in the region in order to pursue an effective anti-terrorism policy. Another change in U.S. strategy came with the Russia-Georgia conflict of August 2008. Some policy makers in the U.S. thought that Armenia should be tied to the West and “rescued” from the Russian domination as soon as possible. The key country in this strategy was Turkey. For this reason, Turkey was under pressure to open its land border with Armenia. The U.S. played an important role in launching the Turkish-Armenian negotiation process.<sup>16</sup> One reason for

15 Kamer Kasım, “The US Policy on Caspian Oil and Its Implications for Turkish-American Relations”, Mustafa Aydın, Çağrı Erhan (Eds), *Turkish-American Relations, Past, Present and Future*, London: Routledge, 2004, pp. 129-151. Kamer Kasım, “ABD’nin Kafkasya Politikası: Enerji, Güvenlik ve Demokrasi Denklemi”, Turgut Demirtepe, (Ed.), *Orta Asya & Kafkasya Güç Politikası*, Ankara: USAK Yayınları, 2008, pp. 119-146.

16 Kamer Kasım, “Turkey-Azerbaijan-Armenia Triangle”, *Journal of Turkish Weekly*, <http://www.turkishweekly.net/columnist/3153/turkey-azerbaijan-armenia-triangle.html>, 27

the U.S. administration’s insistence on the normalization of Turkey-Armenia relations is the Armenian diaspora’s campaign to get a Congress resolution supporting the genocide allegations. The U.S. administration calculated that if Turkey-Armenia relations were normalized, then the President would have a stronger hand against the local Armenian lobby.<sup>17</sup> However, the U.S. administration underestimated the importance of the Nagorno-Karabakh problem and the unresolved conflict has become the main obstacle in the U.S’ South Caucasus strategy.

The impact that the Nagorno-Karabakh conflict has on the parties directly involved, Azerbaijan and Armenia, has been powerful and long lasting. Azerbaijan has faced domestic turmoil since regaining its independence in 1991 largely as a consequence of the Nagorno-Karabakh conflict. IDPs from the occupied territories flooded the cities, which would have been difficult to deal with for any government. The operations of the oil and gas pipelines were delayed due to the conflict. After the ceasefire, Azerbaijan made progress regarding its natural resources, most

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May 2009. Conference paper Kamer Kasım “Turkey, Russia and the US’s Policy Towards the Karabakh Problem”, *International Conference on Nagorno-Karabakh Conflict and Its Solution Ways*, Azerbaijan/Baku, Qafqaz University International Conflict Research Center, 28-30 May 2010.

17 Kamer Kasım, “Türkiye-Ermenistan İlişkileri: Protokollere Giden Süreç ve Sonrası”, *Ermeni Araştırmaları Dergisi*, May 2011.

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## *The Nagorno-Karabakh conflict made Armenia vulnerable to outside influences, for example Russia, and the Armenian diaspora*

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importantly with the operation of the Baku-Tbilisi-Ceyhan oil pipeline. Despite the implications of Freedom Support Act section 907, Azerbaijan turned to the West and chose the east-west pipeline as its main oil export line. Although Azerbaijan managed to obtain important UN decisions emphasizing the territorial integrity of Azerbaijan and the illegality of the occupation, the international community did not act to change the situation on the ground. In this climate, Azerbaijan is keeping the military intervention option on the table, and has raised its military expenditure. Azerbaijan's military budget reached 3.1 billion U.S. dollars in 2011, 6.2 % of the GDP.<sup>18</sup> Azerbaijan wants its territorial integrity to be protected, and any negotiation process should take this into account.

The Nagorno-Karabakh conflict also affected Armenia's domestic and foreign policy. The conflict made Armenia vulnerable to outside influences, for example Russia, and the Armenian diaspora. Armenia's first President following independence, Levon

Ter-Petrosian, was aware of the fact that as a landlocked country, Armenia needed to establish good relations with its neighbors for economic recovery and political stability. To achieve this, Armenia needed to establish normal diplomatic relations with Turkey, and also had to reach some kind of understanding with Azerbaijan. One of the important issues in the normalization of its relations with Turkey was the Nagorno-Karabakh problem. However, Ter-Petrosian was unable to make progress in the resolution of the conflict, and he was criticized by the diaspora and diaspora based political parties. Pressure from hardliners led to Ter-Petrosian's resignation.<sup>19</sup> The subsequent Armenian presidents, Robert Kocharian and Serzh Sarkissian, had Karabakh connections and during their presidencies Armenia did not move any closer to the resolution of the conflict. Armenia refrained from recognizing Nagorno-Karabakh as an independent state, in order to avoid further international criticism. However, Armenia's economic, political and military support was obvious before and after the ceasefire of the Nagorno-Karabakh conflict. Armenia has a military presence inside the territory of Azerbaijan. In a report on Armenia's 1998 presidential elections, the Organization for Security and Cooperation in Europe's Office

<sup>18</sup> "Azerbaijan has second highest military expenditure in the CIS", <http://www.trdefence.com/2011/02/22/azerbaijan-has-second-highest-military-expenditure-in-cis/>

<sup>19</sup> Kamer Kasım, "Armenia's Foreign Policy: Basic Parameters of the Ter-Petrosyan and Kocharyan Era", *The Review of Armenian Studies*, Vol. 1, Issue 1, 2002, pp. 90-104.

for Democratic Institutions and Human Rights stated that “*Moreover, it is of extreme concern that one of the mobile boxes has crossed the national borders of the Republic of Armenia to collect votes of Armenian soldiers posted in the region of Kelbajar.*”<sup>20</sup>

### **Peace Process for the Nagorno-Karabakh Conflict**

The peace process for the Nagorno-Karabakh conflict was conducted mainly under the auspices of the OSCE. The OSCE Minsk Group was established before the ceasefire in 1994, at the OSCE was known as the CSCE). Following the ceasefire, the first important decision was made at the OSCE Lisbon Summit in 1996, where three principles were recommended by the Co-Chairmen of the Minsk Group as a part of the settlement of the Nagorno-Karabakh conflict. These three principles are: the territorial integrity of the Republic of Armenia and the Azerbaijan Republic; the legal status of Nagorno-Karabakh defined in an agreement based on self-determination which confers on Nagorno-Karabakh the highest degree of self-rule within Azerbaijan; guaranteed security for Nagorno-Karabakh and its whole population,

<sup>20</sup> OSCE, *Office for Democratic Institutions and Human Rights, Republic of Armenia, presidential elections March 16 and 30, 1998, Final Report*, [http://www.osce.org/documents/odihr/1998/04/1215\\_en.pdf](http://www.osce.org/documents/odihr/1998/04/1215_en.pdf), p. 2, footnote, 2. See also Kamer Kasim, “*Causes and Consequences of the Karabakh Conflict*”, *Basic Principles for the Settlement of the Conflicts on the Territories of the GUAM States*, 15-16 April 2008, Baku/Azerbaijan.

including mutual obligations to ensure compliance by all the parties with the provisions of the settlement. These principles were accepted by all the participating states with the exception of Armenia.<sup>21</sup>

The Minsk Group Co-Chairs proposed a plan at the end of May 1997. As a package solution, it proposed the withdrawal of Armenian forces’ from Azerbaijani territories outside of Karabakh and Shusha within Karabakh. According to the plan, OSCE forces would be stationed in these territories, and would be responsible for security of returning IDPs.<sup>22</sup> One of the features of the proposal was the separation of the two key issues, the cessation of hostilities and the status of Karabakh. The OSCE Co-Chairs indicated that an agreement on one of the issues could be implemented without having reached agreement on the other.<sup>23</sup> The Armenian President Ter-Petrosian deemed the proposal realistic, and Azerbaijan supported it on the condition of further discussion; however the Karabakh administration rejected it completely.

<sup>21</sup> OSCE 1996 Lisbon Summit Document, [www.osce.org/mc/39539](http://www.osce.org/mc/39539), p. 15.

<sup>22</sup> Carol Migdalovitz, “*Armenia-Azerbaijan Conflict*”, CRS Issue Brief for Congress, <http://www.au.af.mil/au/awc/awcgate/crs/ib92109.pdf>, 8 August 2003, p. 8.

<sup>23</sup> David Laitin and Ronald Grigor Suny, “*Armenia and Azerbaijan: Thinking a way out of Karabakh*”, *Middle East Policy*, Vol. 7, No. 1, October 1999, p. 164. For the details of the proposal See Ali Abasov and Haroutiun Khachatryan, *The Karabakh Conflict, Variants of Settlement: Concepts and Reality*, Baku/Yerevan 2006, [http://www.ca-c.org/dataeng/books/book-1/Abaso\\_Khachatryan.pdf](http://www.ca-c.org/dataeng/books/book-1/Abaso_Khachatryan.pdf), Appendix 17.

The OSCE Minsk Group made a second proposal in December 1997, which it called a 'step by step' approach. Under the terms of the plan, any Armenian forces located outside the frontiers of the Republic of Armenia would withdraw behind those frontiers. The forces of the Nagorno-Karabakh would withdraw behind the 1988 boundaries of the Nagorno-Karabakh Autonomous Oblast, with the exception of the Lachin District. It was proposed that after the withdrawal, a buffer zone would be drawn around the boundaries of the 1988 borders of the Nagorno-Karabakh and OSCE peacekeepers would be deployed. The status of Nagorno-Karabakh, and the issues surrounding the Shusha, Lachin and Shaumyan districts, would be negotiated later on. Both Armenia and Azerbaijan accepted the proposal as the basis for further negotiations, but again, the Nagorno-Karabakh administration rejected it.<sup>24</sup>

One of the basic problems during the process was the difference of opinion between Armenian President Ter-Petrosian and Armenian hardliners. Nagorno-Karabakh's unrealistic demand for independence and disagreements within Armenia exacerbated the problem. Ter-Petrosian resigned due to the pressure from diaspora and

<sup>24</sup> For the details of the proposal See Ali Abasov and Haroutiun Khachatryan, *The Karabakh Conflict, Variants of Settlement: Concepts and Reality*, Baku/Yerevan 2006, [http://www.ca-c.org/dataeng/books/book-1/Abaso\\_Khachatryan.pdf](http://www.ca-c.org/dataeng/books/book-1/Abaso_Khachatryan.pdf), Appendix 18.

diaspora supported groups in Armenia in February 1998. Ter-Petrosian said that *"It is not possible to maintain the status quo for a long period of time because neither the international community nor Armenia's economic capabilities will permit it. To solve the question of Karabagh we have only one option, a compromise solution, which does not mean that one side is the victor and the other the loser; it does mean finding an agreement based on what is possible when the conflict has reached maturity."*<sup>25</sup> Prime Minister Robert Kocharian became president, and he rejected the proposal.

In November 1998, the OSCE Minsk Group made a 'common state' proposal, which would give Nagorno-Karabakh de-facto independence, and its own constitution, flag, seal and anthem. Nagorno-Karabakh would form its own legislative, executive and judicial authorities. The proposal even accorded it the right to establish direct external contacts with foreign states. This proposal was rejected by Azerbaijan on the grounds that it would violate its territorial integrity.<sup>26</sup>

<sup>25</sup> Levon-Ter-Petrosian, "War or Peace? Time for Thoughtfulness", [http://khosq.com/hy/article/2009/08/06/war\\_or\\_peace\\_time\\_for\\_thoughtfulness\\_by\\_levon\\_ter\\_petrosian\\_1998](http://khosq.com/hy/article/2009/08/06/war_or_peace_time_for_thoughtfulness_by_levon_ter_petrosian_1998).

<sup>26</sup> For the details of the proposal See Ali Abasov and Haroutiun Khachatryan, *The Karabakh Conflict, Variants of Settlement: Concepts and Reality*, Baku/Yerevan 2006, [http://www.ca-c.org/dataeng/books/book-1/Abaso\\_Khachatryan.pdf](http://www.ca-c.org/dataeng/books/book-1/Abaso_Khachatryan.pdf), Appendix 19.

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*One of the important steps in the peace process of the Nagorno-Karabakh conflict was the implementation of the Madrid Principles, which were introduced at the OSCE Summit in Madrid in November 2007.*

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After the three unsuccessful proposals from the OSCE Minsk Group, the peace process shifted to direct negotiations between the Presidents of Azerbaijan and Armenia. Presidents Aliyev and Kocharian met in Paris in March 2001 and in Key-West, Florida in April 2001. Press reports speculated that the negotiations were based on territorial swap, whereby Armenia would be connected to Karabakh through the Lachin corridor, and Azerbaijan would be connected to Nakhichevan through the Megri corridor. Nagorno-Karabakh would be within Azerbaijan, but with very broad autonomy.<sup>27</sup> These talks did not produce results. In 2004, the Prague process was started with the direct talks between the foreign ministers of Azerbaijan and Armenia. In 2005 OSCE made another suggestion, based on the withdrawal of Armenian forces from five out of the seven districts surrounding Karabakh, and a referendum 10-15 years later to determine the status of Karabakh. In this proposal, five of the districts

27 Ömer Engin Lütem, "The Karabakh Problem", Ömer Engin Lütem (Ed.), *The Armenian Question Basic Knowledge and Documentation*, [http://www.avim.org.tr/bilgibankasi/en/index5\\_1\\_2.htm](http://www.avim.org.tr/bilgibankasi/en/index5_1_2.htm)

around Karabakh would be given to Azerbaijan. However, the resolution of the conflict would ultimately be postponed for 10-15 years.<sup>28</sup> This attempt also failed to yield results.

One of the important steps in the peace process of the Nagorno-Karabakh conflict was the implementation of the Madrid Principles, which were introduced at the OSCE Summit in Madrid in November 2007. After the G8 Summit in L'Aquila on July 10<sup>th</sup> 2009, US President Obama, Russian President Medvedev and French President Sarkozy made a joint statement about the Nagorno-Karabakh conflict, and announced the basic principles: the return of the territories surrounding Nagorno-Karabakh to Azerbaijani control; an interim status for Nagorno-Karabakh providing guarantees of security and self-governance; a corridor linking Armenia to Nagorno-Karabakh; future determination of the final legal status of Nagorno-Karabakh through a legally binding expression of will; the right of all internally displaced persons and refugees to return to their former places of residence; and international security guarantees that would include a peacekeeping operation. The statement also indicated that the endorsement of these Basic Principles by Armenia and Azerbaijan would pave the way for the draft-

28 Ömer Engin Lütem, "The Karabakh Problem", Ömer Engin Lütem (Ed.), *The Armenian Question Basic Knowledge and Documentation*, [http://www.avim.org.tr/bilgibankasi/en/index5\\_1\\_2.htm](http://www.avim.org.tr/bilgibankasi/en/index5_1_2.htm)

ing of a comprehensive settlement to ensure a future of peace, stability, and prosperity for Armenia and Azerbaijan and the wider region.<sup>29</sup>

The Russian-Georgian war in August 2008 also affected the Nagorno-Karabakh peace process. The Russian intervention in the Georgian territories brought harsh criticism from the West and damaged relations between Russia and the West. However, the conflict also demonstrated that the West was unwilling to get militarily involved to support its ally in a regional conflict. This might have an impact on Azerbaijan and Armenia view Russia's role in the region. At the same time, as discussed previously, the U.S. and the West, and even some members of the Armenian government, realized that it would be prudent to reduce Armenia's dependency on Russia, and to better integrate Armenia with the West. For this reason, the U.S. and the West encouraged the normalization of Turkish-Armenian relations. However, in their approach they undermined the importance of the Nagorno-Karabakh problem and its central position in Azerbaijan's foreign policy and Turkey-Armenia-Azerbaijan relations. Following the Russian-Georgian conflict, Russia wanted to recover its peacemaker role, inviting the Azer-

bajani and Armenian Presidents to discuss the Karabakh problem on November 2<sup>nd</sup> 2008. These talks produced the Moscow Declaration, which also referred to the Madrid Principles.<sup>30</sup> Under the Moscow Declaration, parties will try to solve the conflict on the basis of the norms and principles of international law, and of the decisions and documents adopted within that framework. This might be interpreted as confirmation that the conflict should be resolved based on the territorial integrity of Azerbaijan, since all the documents adopted by the UN, OSCE, Council of Europe and other organizations stressed a solution based on the territorial integrity of Azerbaijan. In Moscow talks there were also no representatives from the so-called "Nagorno-Karabakh Republic", which demonstrated that "Nagorno-Karabakh Republic" is not a party to the conflict.<sup>31</sup> These are the positive elements of the Moscow Declaration, along with its reference to the Madrid Principles. On the other hand, the Declaration's commitment to the political solution disregards Azerbaijan's warning that it will use military force to bring Nagorno-Karabakh under the control of the central government if negotia-

30 *Kamer Kasım, Soğuk Savaş Sonrası Kafkasya, Ankara: USAK Yayınları, 2011, pp. 40-41.*

31 *Fariz Ismailzade, "Moscow Declaration on Nagorno-Karabakh: A View From Baku", Turkish Policy Quarterly, Vol. 3, No. 3, 2008, [http://www.turkishpolicy.com/images/stories/2008-03-tpq/fariz\\_ismailzade.pdf](http://www.turkishpolicy.com/images/stories/2008-03-tpq/fariz_ismailzade.pdf).*

29 *For Joint Statement of Minsk Co-Chairs see <http://www.osce.org/item/51152> , <http://www.whitehouse.gov/the-press-office/joint-statement-nagorno-karabakh-conflict>*

tions fail.<sup>32</sup> The Moscow Declaration did not achieve any breakthrough in the peace process, but it was important as a declaration agreed by the parties involved in the conflict.

Meetings between the two sides have continued since the Moscow Declaration. In advance of the OSCE Summit in Astana (December 1-2 2010), a meeting was held in Astrakhan on October 27<sup>th</sup> 2010. The two sides agreed to maintain mutual trust in the military sphere, to reinforce the ceasefire, to bolster confidence-building measures for the exchange of prisoners of war, and to return the bodies of those killed. Despite the outcome of Astrakhan meeting, there was no breakthrough in the peace process at the OSCE Summit in Astana.<sup>33</sup>

An important meeting between presidents of Azerbaijan, Armenia and Russia was held in Kazan on June 24<sup>th</sup> 2011. After this meeting, Russia indicated that it might stop organizing talks between Azerbaijan and Armenia; the failure of the meeting had disappointed President Medvedev. At the Kazan meeting, Azerbaijan and Armenia failed to agree on the

32 Liz Fuller, "Moscow Declaration A Victory for Armenia", Radio Free Europe/Radio Liberty, [http://www.rferl.org/content/Moscow\\_Declaration\\_A\\_Victory\\_For\\_Armenia/1337592.html](http://www.rferl.org/content/Moscow_Declaration_A_Victory_For_Armenia/1337592.html), 3 November 2008. Liz Fuller, "Azerbaijan Floats Principles for Karabakh Peace Settlement", Radio Free Europe/Radio Liberty, [http://www.rferl.org/content/Azerbaijan\\_Floats\\_Principles\\_For\\_Karabakh\\_Peace\\_Settlement\\_/1357686.html](http://www.rferl.org/content/Azerbaijan_Floats_Principles_For_Karabakh_Peace_Settlement_/1357686.html), 9 December 2008.

33 See Gulshan Pashayeva and Nigar Göksel, *The Interplay of the Approaches of Turkey, Russia and the United States to the conflict over Nagorno-Karabakh*, SAM Review, Baku 2011, p. 21.

basic principles for ending the Karabakh conflict as put forward by the OSCE Minsk Group Co-Chairs. The Kazan meeting was the ninth summit between Azerbaijan and Armenia hosted by Russia in the past three years. Medvedev said that he would only organize another summit if both parties firmly expressed their readiness to sign up to the principles of the settlement.<sup>34</sup>

### **Why has the peace process failed so far?**

There have been difficulties in achieving results in the peace process for the Nagorno-Karabakh conflict. The conflict began before Azerbaijan and Armenia gained their independence. After their independence, the conflict became a regional issue, and a ceasefire was signed in 1994. At the time of the ceasefire not only Nagorno-Karabakh but also the surrounding seven districts of Azerbaijan were under occupation. The protection of Azerbaijan's territorial integrity is the heart of the Nagorno-Karabakh problem. Another important issue for Azerbaijan is the return of the IDPs to the territories currently under occupation. The Azerbaijani position is that Nagorno-Karabakh is a part of Azerbaijan. Thus if a referendum conducted on the status of the Nagorno-Karabakh, it will be held to de-

34 "Russia's Medvedev Frustrated with Karabakh Impasse", Radio Free Europe/Radio Liberty, [http://www.rferl.org/content/russia\\_medvedev\\_frustrated\\_karabakh\\_impasse/24248417.html](http://www.rferl.org/content/russia_medvedev_frustrated_karabakh_impasse/24248417.html), 27 June 2011.



cide the degree of autonomy *within* Azerbaijan. On the other hand, Armenia has asked for Nagorno-Karabakh to be accepted as a sovereign entity, separate from Azerbaijan, and has demanded a referendum, offering the option of separation from Azerbaijan. The Armenian side also intends to keep the occupied territories surrounding Karabakh, as a bargaining chip with Azerbaijan on the status of the Nagorno-Karabakh.<sup>35</sup>

Since there are so many disagreements and so many issues to be resolved, it is difficult to reach a breakthrough in the peace process. This requires extremely skillful diplomacy and mediation efforts and also some degree of pressure on the parties to the conflict. In the case of the Nagorno-Karabakh conflict, more pressure should be put on Armenia, since Nagorno-Karabakh and seven districts are under the Armenian occupation. However, one of the problems and contributing factors to the failure of mediation in the Karabakh conflict is the behavior of the mediators. There are suspicions about their motives and incentives. The competing agendas of the mediators were also problematic. Mediators' attempts to limit the roles of other mediators contributed to the failure of the mediation.<sup>36</sup> Rus-

35 Gulshan Pashayeva and Nigar Göksel, *The Interplay of the Approaches of Turkey, Russia and the United States to the conflict over Nagorno-Karabakh*, SAM Review, Baku, 2011, pp. 22-23.

36 Michael J. Baranick and Samuel Schwabe, "In Pursuit of Peace in Nagorno-Karabakh", *The Cornwallis Group XI: Analysis for Civil-Military Transitions*, pp. 321-322.

sia's alleged impartiality was particularly suspicious. On many occasions, Russia supported the Armenian side. This created suspicion about Russian intentions when Russia tried to take an active role in the Azerbaijani side. This also reduced the effectiveness of the OSCE Minsk Group, since Russia is one of the co-chairs.<sup>37</sup> The OSCE Minsk Group Co-Chairs' position on the resolution adopted in the 62<sup>nd</sup> session of the UN General Assembly on March 14<sup>th</sup> 2008 also disappointed Azerbaijan. The resolution supports the territorial integrity of Azerbaijan within its internationally recognized borders and demands the withdrawal of all Armenian forces from the occupied territories of Azerbaijan. The resolution confirms the right of the population expelled from the occupied territories of Azerbaijan to return to their homes.<sup>38</sup>

## Conclusion

The Nagorno-Karabakh conflict is one of the world's "frozen conflicts", and it has the potential to turn into regional war. The stalemate and failure of the mediation has been perceived by Azerbaijan as a consequence of

37 For the Third Party Mediation in the Nagorno-Karabakh conflict see Bahar Başer, "Third Party Mediation in Nagorno-Karabakh: Part of the Cure or Part of the Disease", *Journal of Central Asia and Caucasus Research*, Vol. 3, No. 5, 2008, pp. 86-114.

38 OSCE Co-Chairs did not support the resolution. Look for details of the issue, [http://www.azerbaijan.az/\\_News/\\_news\\_e.html?lang=en&did=2008-03-15](http://www.azerbaijan.az/_News/_news_e.html?lang=en&did=2008-03-15). Fuad Axundov, *Co-Chairs Against Azerbaijan, the UN General Assembly Against Co-Chairs, Region Plus*, No. 7, (51), 1 April 2008, pp.8-12.

an Armenian strategy to make the occupation permanent. In the case diplomatic means being exhausted, Azerbaijan is retaining the option of military force to regain the occupied territories. The Russian-Georgian conflict of August 2008 indicated the danger of frozen conflicts for regional as well as international stability.

The current stalemate is disadvantageous for both Azerbaijan and Armenia. Azerbaijan has the problem of IDPs, and the Nagorno-Karabakh problem is consuming the time and energy of foreign policy makers, which could be used in other areas. Moreover, the continuing occupation, despite the decisions of international organizations, creates frustration among the population of Azerbaijan. For the Armenian side, it might be argued that military victory has not provided economic and political stability, and has not led to the international recognition of the occupation. Armenia has become totally dependent on Russia as a consequence of the frozen conflict, which is damaging to its sovereignty. As an enclave inside Azerbaijan, Nagorno-Karabakh has no borders with any state, and for this reason, it is impossible for Nagorno-Karabakh to be granted independent status.

The arguments about Armenian ‘military success’ and ‘the results of war’ might be perceived by the Azerbaijani

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*The current stalemate is disadvantageous for both Azerbaijan and Armenia.*

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jani side as an indication that military force is the only way to solve the problem.<sup>39</sup> For this reason, if diplomatic means has still a chance to be successful in solving the Karabakh conflict, it is not helpful to repeat expressions like ‘military success’ and ‘reality of war’. It is possible to create regional integration in the Caucasus. The “frozen conflicts” are the major obstacles to efforts to construct regional peace and stability. The resolution of the Nagorno-Karabakh conflict will open the way for the major integration between Europe and Central Asia, and the Caucasus will benefit from this through increased economic and political stability. On the other hand, prolonging the status quo blocks any kind of integration and sustains the potential for another destructive war in the Caucasus.

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39 Ali Abasov and Haroutiun Khachatryan, *The Karabakh Conflict, Variants of Settlement: Concepts and Reality*, Baku/Yerevan 2006, [http://www.ca-c.org/dataeng/books/book-1/Abaso\\_Khachatryan.pdf](http://www.ca-c.org/dataeng/books/book-1/Abaso_Khachatryan.pdf), p. 42