The Nagorno-Karabakh Conflict: Obstacles and Opportunities for a Settlement

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Abstract

Out of the violent conflicts in the former Soviet Union, the war over Nagorno-Karabakh is the most threatening to the future development of the region, both economically and politically, as it is no closer to a solution than when the fighting ended in 1994. This is regrettable as there are some opportunities that provide the warring parties enough flexibility to move forward in the negotiation process. This thesis analyzes the evolution of the Nagorno-Karabakh conflict under the aegis of the OSCE Minsk Group from 1992 to the present. It discusses not only the history of the Nagorno-Karabakh conflict and what went wrong with the Minsk Group’s attempts to find a fair and objective solution to the conflict, but also the obstacles and opportunities for a settlement. From this discussion, suggestions to improve the Minsk Group’s performance are presented, and future predictions of a peaceful settlement to the Nagorno-Karabakh conflict will also be discussed.
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Many scholars believe that the Nagorno-Karabakh conflict involving Armenia and Azerbaijan is by far the most threatening in the region since it involves two independent states and could potentially have even larger humanitarian and regional implications. When the Organization for Security and Cooperation in Europe (hereafter OSCE) Minsk Group was created in 1992\(^1\) to find a peaceful solution to the Nagorno-Karabakh conflict, Armenians and Azerbaijanis held high hopes in this negotiating body. The OSCE Minsk Group represented not only the major powers in this region, Russia and Turkey, but also several European and North American countries. Many believed that such broad representation would result in impartial peacemaking negotiations.

Thirteen years later and the negotiations on the Nagorno-Karabakh conflict are still at a deadlock. The political battles are more heated than ever and favorable public opinion toward the Minsk Group is at a record low. Political leadership in Azerbaijan, Armenia, and the Nagorno-Karabakh Republic (NKR) has on several occasions publicly expressed disappointment with this negotiating body. This disappointment has not only been directed to the Minsk group as a whole, but also to the individual co-chairs as well. This conflict is undoubtedly one of the more difficult disputes in the world today and a mystery for observers and authorities of the region.

In Armenia’s case, the prolongation of the conflict keeps it from building neighborly relations with Turkey and slows economic growth. The conflict has cost “35,000 lives on both sides and displaced nearly one million Azerbaijani and 300,000 Armenian refugees from their homes” (Ismailzade, 2002: 2). In addition, the Azerbaijan Republic claims that twenty percent of its territory is occupied by the Republic of Armenia, which they see as a major embarrassment. At present, Azerbaijan doesn’t have the military capability to take back the lost lands; yet calls for a military solution are becoming more common (see “RFE/RL Newsline,” 20 July 1999, 9 and 13 March, 14 June 2001). Armenians and Azerbaijanis alike believe that there is a real danger that the Nagorno-Karabakh conflict may re-ignite. This is particularly true considering the frequent exchanges of fire between Armenia and Azerbaijan just last year (see “RFE/RL Newsline,” 9 and 16 June, 9 November 2004).

\(^1\) Before 1995, it was the Conference for Security and Cooperation in Europe or CSCE
II. Purpose

This thesis is an attempt to explain why there is still no solution for the Nagorno-Karabakh conflict. In light of this complicated stalemate, I decided to examine the situation in Nagorno-Karabakh, looking for obstacles that may impede a settlement and opportunities that may lead to a peace agreement. As such, this study provides a thorough explanation of the geopolitical realities of the region, the OSCE Minsk Group mediation attempts and peace plans, the annual developments of the conflict, the positions of the parties involved, the role each immediate party to the conflict has played in promoting and hindering a peaceful settlement, and the obstacles and opportunities to resolving the conflict. In particular, discussion focuses on the activities of the Minsk Group and why the Minsk Group’s attempts to find a peace settlement failed. Are the individual Minsk Group co-chairs to blame? Or is it the intransigence of the Azerbaijani leadership? Perhaps it is the structure of the OSCE Minsk Group, the lack of a regional security system, or mutual distrust among the warring parties. All are possible explanations. Hopefully through this discussion, the Nagorno-Karabakh conflict will move past the 1992 stalemate.

III. Chapter Summary

Chapter One provides background information about the Nagorno-Karabakh conflict and covers the geopolitical situation in the South Caucasus. Chapter Two discusses the mediation attempts by the OSCE Minsk Group and the proposed peace plans from 1992 through 1999. Chapter Three presents the annual developments of the Nagorno-Karabakh conflict from 2000 through 2004 and the current status of the negotiating process. Chapter Four details the position of the immediate parties to the conflict as explained in Chapter Two and Three. Chapter Five presents a comprehensive list of obstacles to a peace settlement. Chapter Six focuses on the shortcomings of the OSCE Minsk Group and how this has contributed to the failure of the peace process. In this chapter recommendations to improve the Minsk Group’s performance are also offered. Finally, Chapter Seven discusses several opportunities that provide the warring parties some flexibility to achieve a peaceful settlement.
Chapter One

I. Background Information

The conflict in Nagorno-Karabakh, the Armenian populated region within the borders of Azerbaijan, began in 1988 after a quick rise in inter-ethnic tensions between the Azeris and the Karabakh Armenians (Human Rights Watch, 1994: 1; Malysheva, 2001: 257). The Azeris and Armenians both claim to have historic entitlement to Nagorno-Karabakh and have fought over this region for generations. Many experts of the region attribute the origins of the conflict to Josef Stalin when he implemented his ‘divide-and-rule policy.’ Under this policy the region of Nagorno-Karabakh was included fully inside the boundaries of the Azerbaijani Republic. By dividing the two republics in this way, Moscow’s position as a power broker was guaranteed (Carley, 1999:1-3; Chorbajan, 2001: 95).

In February 1988, Deputies from the Nagorno-Karabakh Autonomous Region of Azerbaijan (NKAR) asked the Supreme Soviet of the USSR to approve the transfer of the NKAR from Azerbaijan to Armenia (Chorbajan, 2001: 2). A resolution on Nagorno-Karabakh’s reunification with the Armenian Republic was passed by both Armenia’s Supreme Soviet and the NKAR’s Regional Soviet on 1 December 1989. By September 1991 legislation was passed in Armenia and the NKR to legalize the creation of the Nagorno-Karabakh Republic (hereafter NKR) (Malysheva, 2001: 258). The Azerbaijani Supreme Soviet voted not to relinquish the region while the USSR government rejected the NKAR’s request for its incorporation into Armenia (Human Rights Watch, 1994: 1).

II. Main Issues Regarding the Conflict

There are five main issues regarding this conflict. First, the war has created close to a million refugees and internally displaced people. Roughly 750,000 Azerbaijanis had to flee their homes due to Armenian advances, and about 350,000 Armenians had to flee Azerbaijani territories in fear of retaliation from the Azeri government and people (Human Rights Watch, 1994: 58-59; Panossian, 1999: 1). Second and related, the NKR Army occupies large sections of Azerbaijani territory around Karabakh. Unfortunately, the Armenians are willing to give only some of these lands back. They are particularly adamant on keeping the land corridor between Karabakh and Armenia, which runs through Lachin. In addition, the Karabakh Armenians want to keep control over the once predominantly Azerbaijani inhabited town of Shusha, which is located fully within the NKR and overlooks the enclave’s capital, Stepanakert (Malysheva, 2001: 263; Panossian, 1999: 1-2). The problem is that the NKR leadership views the permanent land link (the Lachin corridor) and the town of Shusha as necessary security zones, which they can’t give up (see “RFE/RL Newsline,” 16 June 2000).

Third, even though the conflict is essentially an inter-state conflict involving the NKR and Azerbaijan, it is not identified as such. Instead, Azerbaijan refuses to regard the NKR as a party in the conflict and instead argues that the conflict is essentially between Armenia and Azerbaijan (Malysheva, 2001: 259; see “RFE/RL Newsline,” 12 March 1997, 9 February 1998, 18 October 2001, 19 February and 2 July 2003). Fourth, from the very beginning of the conflict Azerbaijan regarded Nagorno-Karabakh as an important part of its territory. It supported its cause from the OSCE principles of sovereignty, inviolability of frontiers, and territorial integrity. In contrast, Armenia believes that Nagorno-Karabakh is an Armenian territory and justifies its claims from the OSCE principle of self-determination of peoples (Helsinki Final Act; Principle IV: 1975).

Fifth and probably the most complicated is the final status of the enclave. Azerbaijan claims that it will give the enclave the highest level of autonomy, but only as a region within Azerbaijan. Azerbaijan’s main goal is to protect its territorial integrity. Armenians reject this approach and instead support either the independence of the NKR or its unification with the Armenian Republic. Basically, the NKR leadership opposes any settlement that involves the subordination of the enclave to Azerbaijani rule (Panossian,
1999: 2; Human Rights Watch, 1994: 105-112). Out of the five main issues regarding the Karabakh conflict, the latter two have proven to be the most difficult issues to reach a compromise on.

III. Geopolitics

The Nagorno-Karabakh conflict is a crossroads where the interests of many states and organizations meet to form a complex pattern. In fact Nagorno-Karabakh is located in the center of a regional system in which there is competition among the three major powers, Russia, Turkey and Iran, and deemed to be of “strategic interest” to both the European Union and United States. Even though after declaring independence, the Caucasus states pursued a similar Western oriented foreign policy, geography, conflict, and longstanding historical ties provided a foundation for the patterns of amity and enmity, which ultimately shaped post-Cold War relations. As a result of Turkey’s economic blockade on Armenia and the lack of other security possibilities, the Armenian leadership finally looked to Russia for its security guarantees and became actively involved in the Commonwealth of Independent States (CIS). Azerbaijan on the other hand pursued a Western oriented foreign policy and became actively involved in the GUUAM alliance, (Masih & Krikorian, 1999: 100-102; MacFarlane, 1999: 15-21; Torbakov, 2002: 1-3; Cornell, 1999: 2-7). This has been a major obstacle to resolving the conflict as the warring parties have looked to different regional powers for their security guarantees.

Russia supports its ‘strategic partner’ and traditional ally, Armenia, by supplying it with weapons, fuel, military technology, economic assistance, and border guards. By formally joining the Commonwealth of Independent States (CIS) in 1992, Armenia thereby invited Russia to patrol and operate military bases on its territory (Cornell, 2001: 5). Since 1992, Russia and Armenia signed eleven protocols on military projects and in the late 1990s they cooperated in air defense systems and local recruiting for combined forces (Masih & Krikorian, 1999: 107; Cornell, 2001: 5). Even today, Russia remains Armenia’s largest trade partner. Azerbaijan, on the other hand, has done a remarkable job at limiting Russia’s influence. Azerbaijan is in fact the only country in the region where no Russian troops are stationed (Human Rights Watch, 1994: 82).
For Russia, the South Caucasus carries an especially significant geo-strategic and historic weight. Beginning in the eighteenth century, Russia has sought to expand its territory and influence in this region. Russia views this area as a gateway to the Middle East and as its extended border. Russia is the main provider of peacekeeping troops, military technology, and economic investment in this region. Viewed from Moscow, the Caucasus is very much part of their ‘near abroad’. Armenia’s location in the Caucasus is vital for Russia as it separates Turkey from the rest of the Turkic nations and it shares a border with Iran, a country with which Russia wants to develop closer relations. Azerbaijan’s location in this region is important as Russia has wanted greater control over the Caspian oil export routes. Additionally, this region is important to Russia’s national security as it is a known terrorist foothold and believed to harbor Islamic extremists. Russia is clearly a key player in the South Caucasus and has considerable ability to sway the course of events in this region. According to Russia’s ambassador to Armenia, Anatoly Dryukov, Armenian-Russian relations have grown into an “allied strategic partnership” (see “ARMINFO Newsline,” 9 January 2004). On the other hand, Azeris-Russian relations remained ‘cool’ throughout the 1990s and have only started to warm in 2000 when Azerbaijan claimed that Russia was a ‘strategic partner’ (see “RFE/RL Newsline,” 28 November 2000).

The reassertion of Russian influence in the Caucasus can be attributed to the switch of Russian policy from the “Euro-Atlanticist” perspective to the “Neo-Eurasianist” perspective (Mesbahi, 1993: 181). The Neo-Eurasianist perspective maintains “that the success of the [economic and political] reform depends to a large extent on the reassertion of Russian statehood and the recovery of some of the lost ground resulting from the collapse of the Soviet Union” (Mesbahi, 1993: 185). This perspective questions western engagement in it’s near abroad and espouses a more realist foreign policy. Dmitri Trenin explains “Russia is basically interested in turning the former [Caucasus] republics into a belt of friendly states” and that “security, whether external or internal, is undoubtedly the overriding Russian interest” in this region (Coppieters, 1996: 94).

With this in mind, Russia’s strategic aim in the South Caucasus centers around three major principles: “The Caucasian states should be members of the Commonwealth of Independent States. Secondly, the ‘external’ borders – meaning Soviet external borders
with Iran and Turkey – of these states were to be guarded by Russian border troops. Thirdly, Russian military bases should be present on the territory of the three states” (Cornell, 2001: 5). Russia has been successful in implementing the above three principles in Armenia, but not in Azerbaijan (Masih & Krikorian, 1999: 108).

Azerbaijan, on the other hand, is primarily supported by Turkey. By 1993, Turkey completely closed its border to the transshipment of all humanitarian aid to Armenia through Turkish territory and explained that it would reopen its border with Armenia once the Armenian forces withdrew from the captured Azeri territory (Masih & Krikorian, 1999: 100-102; Ismailzade, 2002: 2; Croissant, 1998: 77-97). According to Armen Aivazian, an Armenian Fullbright fellow from Stanford University, Turkey’s principle strategic goal is to enhance its status in the Caucasus by deepening economic, political, and military relations with the five Turkic-speaking states which include Azerbaijan, Turkmenistan, Kazakhstan, Uzbekistan, and Kyrgyzstan (Carley, 1999: 5).

The United States government has not openly supported either side and instead has tried to balance its economic and strategic interests. In the economic realm, the U.S. has an interest in securing alternative oil pipeline routes for Azerbaijan’s Caspian Sea oil reserves and enrolling more allies in the war on terror (Babian, 2004: 19-21; Malysheva, 2001: 271-273). In the strategic realm the U.S. has openly supported the NKR’s democratization process even though the Council of Europe and the European Union claim that the NKR’s elections violate Azerbaijan’s territorial integrity (see “RFE/RL Newsline,” 6 September 2001, 12 and 16 August 2002). Furthermore, the U.S. also has to respond to its multi-million Armenian community and powerful Armenian lobby that have the support of twenty-five percent of all congressmen (Babaian 2004: 21).

The European Union (EU) recognizes that the Caucasus is an area of importance for European security because the region’s continual instability permits the expansion of terrorist movements, drug trafficking, and migrants aimed at western societies (Markedonov, 2004: 51; Chepurin, 2004: 57; Yalowitz, 2004: 109-110). This is also a main concern for the United States. Second, the EU views the deteriorating environmental situation and the deteriorating nuclear power plants in this region, such as the Medzamor Nuclear Power Plant in Armenia, as a possible security threat (CSP, 2002-2006; Light, 1998: 53-66). And third, this region is also viewed with great strategic value as the new
“Silk Road” linking Middle Eastern and Central Asian oil to Europe (Yalowitz, 2004: 105).

The European Union is a relatively new and admittedly limited actor in the South Caucasus. The EU is still trying to deal with the social and political complexities of this region all the while debating the Caucasus’ place in the European political framework (Zurabashvili, 2004: 140). The EU has provided a significant amount of economic, technical, and humanitarian assistance to the South Caucasus and has sought to promote the democratization process via the Council of Europe (MacFarlane, 1999: 10-15; Wittebrood, 2004: 11-21). Torben Holtze, head of the European Commission’s representation to Armenia explains, “as a matter of principle Armenia is a European country and like other European states it has the right to be an EU member provided that it meets necessary standards and criteria” (see “ARMINFO Newsline”, 22 January 2002). The same statements have also been said in reference to Azerbaijan. Likewise, Armenian and Azerbaijani leaders have discussed EU membership as a long-term objective (Wallace, 2000: 477).

Azerbaijan’s primary strategic objective is to protect its territorial integrity, strengthen its independence, and develop oil and gas pipelines that circumvent Russia. Azerbaijan is interested in providing economic and military security to the Azeri populated province of Nakhichevan, which is bordered on three sides by Armenia. As stated by Armen Aivazian, “the strategic goals of Turkey and Azerbaijan converge at the point of desiring to shrink Russia’s sphere of influence and eliminate the ‘narrow Armenian wedge’ between them” (Carley, 1999: 5).

Finally, the strategic challenge confronting Armenia and the NKR is to endure the economic embargo from Turkey and Azerbaijan so as to ensure its survival as a state and as nation. The Armenian nation is threatened by the history of genocide at the hands of the Ottoman Empire while the Armenian state is threatened by its unique geographical characteristics; it is the smallest of the former Soviet republics, landlocked between Turkey, Iran, Georgia, and Azerbaijan, and in possession of few natural resources (Masih & Krikorian, 1999: 95). Armen Aivazian explains that the threat from Turkey is exacerbated because it refuses to engage in diplomatic relations with Armenia and is situated only 200 kilometers from its capital, Yerevan (Carley, 1999: 5-7). Taken together,
these factors have a profound effect on Armenia’s economic development and on the security perceptions of the Armenian people and their leadership (Socor, 2002: 8-9; Cornell, 1999: 2-5).

Chapter Two


Mediation proposals to attain a settlement for the Karabakh conflict have been presented by various countries, political figures, and international organizations. Initially, Russia, Iran, Kazakhstan, France, and Turkey attempted to mediate the Karabakh conflict. Although, when both Armenia and Azerbaijan joined the OSCE in 1992 the mediation responsibilities were then passed on to that organization as listed in the Helsinki 1992 Council decision (First Meeting of the CSCE Council, 1992).

A division of the OSCE members, nicknamed the “Minsk Group” of countries, after the location of its first convening, was created to participate in the negotiation efforts. The members included twelve countries: Armenia, Azerbaijan, Belarus, the Czech Republic, France, Germany, Italy, the Russian Federation, Sweden, Turkey, and the United States (see OSCE press release, 7 April 1995). According to the OSCE, the Minsk Group’s main objectives are to provide an appropriate framework for conflict resolution in the way of assuring the negotiations process supported by the Minsk Group; obtain the conclusion by the parties of an agreement regarding the cessation of the armed conflict in order to permit the convening of the Minsk conference; and promote the peace process by deploying OSCE multinational peacekeeping forces (OSCE Mission Survey: Minsk Process).

Since that time the Minsk Group has presented four proposals on the solution of the Nagorno-Karabakh conflict. The first was the ‘package plan,’ the second was the ‘step-by-step’ or ‘phased’ plan, the third was the ‘common state’ plan, and the fourth plan involved an exchange of territory. Furthermore, the Minsk Group held high level negotiations in Key West and Paris in 2002. None of the proposals were accepted by the conflicting parties and the high level negotiations failed to achieve a settlement.
I. 1992-1993

The OSCE Minsk Group was created in 1992 from the Helsinki Council meeting decision and charged with the task of negotiating between the warring parties. The 1992 Helsinki Council meeting decision created the Minsk Group as the negotiating forum, it gave the OSCE participating states the status of a full-fledged member in the forum, and thirdly, it determined the status of the NKR in the conflict. It was agreed that the NKR representatives could be invited to participate in the negotiations as a concerned party only by the Chairman of the Conference and with the approval of the participating states in the negotiating forum. In other words, the NKR’s status was deemed to be lower than that of the participating states of the Conference (First Meeting of the CSCE Council, 1992: 14-15).

The first OSCE negotiations were held in Rome on 31 May 1992. The Minsk Conference hoped that at this negotiation the warring parties would sign a cease-fire agreement so that discussion could begin on the final status of Nagorno-Karabakh. To achieve this end the Minsk Group called for the withdrawal of armed forces from Lachin and Shusha, the return of refugees and displaced persons, and the establishment of CSCE monitors to observe the above mentioned tasks. The Rome negotiations continued until the fall of 1992 and did not yield any results (Mammadov, 2004: 11).

In March 1993, the fifth round of the Rome negotiations resumed. The representatives of Armenia and Azerbaijan agreed in text to send to the zone of the conflict a mission of international monitors (Fourth Meeting of the CSCE Council, 1993). However, from 27 March through 3 April 1993 the Armenian armed forces seized the Kalbajar district, located between Armenia and the NKR (Human Rights Watch, 1994: 8-16). The Armenian advances on Azeris territory effectively undermined the progress made at the Rome negotiations since its purpose was to end the military aspect of the conflict (Mammadov, 2004: 11).

In 1993 during the Italian chairmanship of the Minsk Group, several timetables were created to apply the U.N. Security Council resolutions 822 (30 April), 853 (29 July), and 874 (14 October), and 884 (12 November) and to resume negotiations. These resolutions called for the respect of Azerbaijan’s territorial integrity, the inviolability of international borders, and the inadmissibility of the use of force for the acquisition of
territory. The resolutions demanded the immediate cessation of all hostilities and the complete withdrawal of the occupying forces from the Republic of Azerbaijan. Furthermore, it called for the restoration of economic, transport, and energy links in the region, it enforced the efforts of the OSCE Minsk Group to achieve peaceful resolution of the conflict, and it appealed to assist refugees and displaced persons to return to their homes in security and dignity (U.N. Security Council Resolutions, 1993; Chorbajian, 2001: 251; Annual Report on CSCE Activities, 1993).

It was thought that the parties to the conflict would agree to the timetable so that the Minsk Conference could begin negotiating a political solution to the conflict. The timetables proposed on 3-4 June and 4-5 August 1993 were based on a “step-by-step” approach while the timetables proposed in Paris on 23 September and in Vienna on 12 November 1993 were based on a “package approach” (Mammadov, 2004: 11-12). None of the timetables suggested by the mediators were accepted by all parties (Annual Report CSCE Activities, 1993). Like 1992, the mediation efforts failed in 1993 because of the Armenian advances on Azerbaijani territory (Mammadov, 2004: 12-13).

II. 1994-1995

By 1994 the military situation greatly complicated the negotiation process. The Armenian armed forces occupied nearly all of Nagorno-Karabakh region and the surrounding seven districts. In May during the chairmanship of Sweden, Russia in cooperation with the Minsk Group was finally able to get the warring parties to agree on a cease-fire (Annual Report CSCE Activities, 1994). Since a cease-fire was reached the Minsk Group from this point forward began to host numerous negotiations. Specifically, at the Budapest Summit, it was decided that a co-chairmanship would be established for the peace process, that the OSCE would send peacekeeping forces to maintain the cease-fire, and the OSCE would intensify its actions to facilitate a political settlement. At this time the institution was transformed from a “Conference” to an “Organization” format (CSCE Budapest Summit, 1994).

The Budapest Summit agreement called for a cease-fire and cessation of hostilities and their consolidation; timetable of measures regulating the situation in some occupied areas; procedure for the removal of obstacles to the restoration of normal power and
transport links in the area of conflict; and international assistance in implementing the agreement (CSCE Budapest Summit, 1994). Establishing a cease-fire agreement, the return of occupied territories and refugees, the reinstatement of communications, and the deployment of the peacekeeping forces were the military-technical measures of the Budapest agreement and the focus of the document (Mammdov, 2004: 13). The warring parties have still not been able to agree on many key issues including the status of Shusha and Lachin, how to repatriate refugees, and the security and status of the NKR.

In 1995 a double chairmanship of Russia and Finland was created which lasted until the end of 1996. The OSCE-mediated talks on the Nagorno-Karabakh conflict reportedly achieved little substance in 1995 especially during the first quarter of the fiscal year. This was mainly due to political instability in Azerbaijan (see “RFE/RL Newsline,” 21 March 1995). Minsk Group negotiations were hosted by Russia in May, September, and November, hosted by Finland in August, and by Germany in November (see “RFE/RL Newsline”, 22 May, 11 September, and 13 November 1995). In December, the OSCE held the fifth meeting of the Ministerial Council on the decision of the Minsk negotiation process. During this meeting the Ministerial Council confirmed that OSCE should remain the sole forum for the settlement of the conflict. It commended the warring parties continual observance of the cease-fire, urged the warring parties to release all prisoners of war, and supported the efforts of the Minsk Conference to achieve a political agreement on the cessation of the armed conflict and principles governing the resolution of the conflict (OSCE Fifth Meeting of the Ministerial Council, 1995).

III. 1996-1997

The OSCE Minsk Group mediated talks reportedly achieved some substance by the end of 1996. The OSCE mediated negotiations where held by Russia in January, in late March, and in August (see “RFE/RL Newsline,” 16 January, 2 April, and 9 August 1996). The Swiss Foreign Minister discussed a solution to the conflict while in Baku in March and the U.S. delegation hosted talks with the Armenian and Azerbaijani Presidents that same month (see “RFE/RL Newsline,” 4 and 14 March 1996). Germany hosted talks with Armenian and Azerbaijani presidential advisors in September (see “RFE/RL Newsline,” 4 September 1996). This year Xavier Rupers of the OSCE Parliamentary Assembly while in
Baku advocated direct bilateral talks between Armenia and Azerbaijan (see “RFE/RL Newsline,” 6 November 1996).

In November there was a drafting of the declaration of principles on a settlement to the Karabakh conflict in the Lisbon document (see “RFE/RL Newsline,” 26 November 1996). These principles include: territorial integrity of the Republic of Armenia and Azerbaijan; 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; and guaranteed security for Nagorno-Karabakh and its whole population, including mutual obligations to ensure compliance by all the Parties with the provisions of the settlement (OSCE Lisbon Document Annex 1, 1996; Mammadov, 2004:9).

Unfortunately, Armenia and the NKR did not agree to these principles for a settlement because an article in the document upheld Azerbaijan’s territorial integrity (OSCE Lisbon Document Annex 2, 1996). The Armenian President said that the key principle for settling the conflict should be based on the Karabakh Armenian’s right to self-determination since Azerbaijan is unable to guarantee their safety. In contrast, the President of Azerbaijan said that high degree of autonomy for the NKR within Azerbaijan, along with security guarantees for the region’s population should be the key principles for settling the conflict (see “RFE/RL Newsline,” 3 December 1996, 16, 19, 22 December 1997). In addition, the third annex of the Lisbon document created a framework for arms control. As a basis for such a framework, the 1992 Treaty on Conventional Forces in Europe (CFE) was used (OSCE Lisbon document Annex 3, 1996).

At the end of 1996, when Finland announced termination of its obligations as a co-chairman of the Minsk Group, the chairman-in-office of the OSCE named the U.S. and France as new co-chairs together with Russia of the Minsk Group. This year the OSCE held the Sixth Meeting of the Ministerial Council in Copenhagen. This meeting reiterated the past OSCE agreements, but also described the Minsk Group negotiation process (OSCE Sixth Meeting of the Ministerial Council, 1997).

By April 1997 only one round of negotiations were held. In May the co-chairmen agreed on a comprehensive plan to approach the conflict. This plan consisted of two agendas. “The first comprises immediate steps to end the armed conflict including, inter alia, troop withdrawals, deployment of a multinational peacekeeping force, return of
displaced persons, establishment of measures to guarantee the security of all populations, removal of blockades and embargoes and normalization of communications throughout the region. The second agenda is to determine the status of Nagorno-Karabakh. The agendas were kept separate to allow the parties to negotiate and implement each at its own pace, but with a clear understanding that at the end of the day all outstanding issues will have to be resolved” (OSCE Sixth Meeting of the Ministerial Council, 1997).

The co-chairmen presented these new ideas in late May and early June in Yerevan, Stepanakert, and Baku. This comprehensive agreement became known as the “package plan” to resolve the Karabakh conflict (Mammdov, 2004: 14-15). Azerbaijan accepted the proposals in principle, but Armenia rejected the plan. Armenia insisted that the status of the NKR be determined before any military withdrawal from the occupied territories (Ismailzade, 2002: 3). Since that time all negotiations have been suspended. Instead, the co-chairmen of the Minsk group started to travel to the region.

From that time the Karabakh conflict has been discussed by presidents, prime ministers and foreign ministers of the three countries supplying the co-chairmen as well as in bilateral meetings among themselves and with representatives from Armenia and Azerbaijan. Such negotiations took place in late March, early April and May, and in late July (see “RFE/RL Newsline,” 27 February, 1 April 1997, 2 May, 18 July, 22 July 1997). As in 1996, more support was vocalized in support of direct talks between Baku and Yerevan and possibly between Baku and Stepanakert in order to expedite a solution (see “RFE/RL Newsline,” 4 April 1997).

On 19 September 1997, the co-chairmen during their second visit to the region presented a new proposal to end the conflict. The second peace proposal, called the “step-by-step” or “phased” proposal outlined the solution of the Karabakh conflict in several stages. In the first stage, Armenia’s military forces would withdraw to the 1988 border of Nagorno-Karabakh. Secondly and simultaneously, refugees and displaced persons would return to their places of residence and transportation routes would open from Azerbaijan to Armenia. Finally with the help of the Minsk Group, the parties of the conflict would carry on a dialogue intended to find a comprehensive solution to the conflict involving the final status of the NKR and the Lachin corridor. This peace proposal left the NKR within Azerbaijan but with extensive autonomy (OSCE Sixth Meeting of the Ministerial Council,
The president of Armenia and Azerbaijan declared in Strasbourg on 10 October, 1997 that the proposal showed potential for resuming negotiations within the Minsk Group. This was the first time that the proposals by the co-chairmen of the Minsk Group had been supported by both Armenian President Ter-Petrossian and Azerbaijan President Heidar Aliev (OSCE Sixth Meeting of the Ministerial Council, 1997; see “RFE/RL Newsline,” 3 June 1997). However, this proposal was opposed by the NKR leadership and Robert Kocharian, the Armenian Prime Minister and former NKR President. They insisted on a "package" solution that would resolve all contentious issues within one framework document (see “RFE/RL Newsline,” 8 October 1997).

During this time NKR President, Arkadii Ghukasyan, said that differences between Armenia and the NKR on how to resolve the conflict are hampering the peace process (see “RFE/RL Newsline,” 23 October 1997) and claimed that the OSCE’s plan is unacceptable because there is no real plan for it’s implementation and it fails to take into consideration Karabakh’s security concerns (see “RFE/RL Newsline,” 8 and 13 October, 4 and 29 December 1997). In response the Armenian President claimed that both sides must make "mutual concessions" and explained that the "phased" and "package" options for resolving the conflict "may easily be combined." He further called for the resumption of negotiations with Azerbaijan (see “RFE/RL Newsline,” 3 November 1997).

Later the Minsk Group held negotiations in Strasbourg in October, in Stepanakert in November, and in Stepanakert and Baku in December (see “RFE/RL Newsline,” 24 October, 10 November, 5 and 8 December 1997). These negotiations concentrated on changing the position of the NKR.

IV. 1998-1999

For most of 1998 the peace process effectively came to a halt. In January, Armenian opposition to the “phased” approach and solidarity with Nagorno-Karabakh became so manifest that President Ter-Petrossian was forced to resign from office (see “RFE/RL Newsline,” 4 February, 14, 19 and 29 January 1998). The Prime Minister Robert Kocharian, the Defense Minister, and others in the government supported the leadership of
the NKR which opposed the “phased approach” (see “RFE/RL Newsline,” 8 October 1997, 12, 14, 20 January, 4 February 1998). Robert Kocharian won the March presidential election, which was said to have widespread violations by OSCE and international observers (see “RFE/RL Newsline,” 14 April 1998). As explained, Robert Kocharian was the former president of Nagorno-Karabakh who in March 1997 been appointed prime minister by Ter-Petrossian in an attempt to strengthen his presidency (see “RFE/RL Newsline,” 1 April 1998).

The new government supported direct talks and “horizontal relations” between Stepanakert and Baku and insisted on security guarantees for the Karabakh population (see “RFE/RL Newsline,” 9 February, 8 April and 17 September 1998). Armenia (during the Ter-Petrossian administration) stressed that only the OSCE could resolve the Karabakh conflict (see “RFE/RL Newsline,” 19 January 1998), but under the Kocharian administration the Minsk Group co-chairmen were absolved of all responsibility for the failure to resolve the conflict (see “RFE/RL Newsline,” 8 April 1998). In light of Ter-Petrossian’s resignation, Russia claimed that the U.S. put too much pressure on the Armenian side into accepting a compromise solution (see “RFE/RL Newsline,” 12 and 26 January, 24 August 1998).

The OSCE Minsk Group mediation efforts resumed with visits to Armenia and Stepanakert in May while the EU and the U.S met separately with the Armenian President in Yerevan in June to discuss the OSCE Minsk Group’s mediation attempt (see “RFE/RL Newsline,” 14 and 15 May, 4 June 1998). The Minsk Group visited Baku and Yerevan in September and Stepanakert and Baku in November. During the November meeting they reportedly proposed a plan based on the concept of a “common-state” although it was not disclosed to the general public (see “RFE/RL Newsline,” 17 September, 10 and 12 November 1998). This plan supposedly provided for the creation of a so-called “common state” between Azerbaijan and Nagorno-Karabakh and the establishment of horizontal relations between Baku and Stepanakert. Armenian and the NKR leadership accepted this plan as a basis for negotiations, but Azerbaijan rejected the plan stating that it will not retreat from the Lisbon-principles, which uphold its territorial integrity (see “RFE/RL Newsline,” 4 August, 10, 23, and 30 November 1998).
In 1999 the Kosovo crisis, Armenia’s parliamentary elections, Azerbaijan’s President Heidar Aliyev’s failing health, Baku’s rejection of the “common-state” peace plan, and the Armenian parliamentary shootings all greatly slowed the mediation process (see “RFE/RL Newsline,” 26 April, 6 May, 1 and 18 June, 29 September, 29 October, 17 November 1999). The Kosovo crisis diverted international attention away from the conflict; Armenia’s parliamentary shootings caused instability to erupt in Armenia, thus preoccupying the Armenian population; the Minsk Group was not able to move pass Baku’s rejection the “common-state” peace plan; and, as a result of failing health, Heidar Aliyev was unable to attend several meetings on the conflict.

For the first half of the year the Minsk Group negotiations focused mainly on the “common-state” peace plan (see “RFE/RL Newsline,” 7 July 1999). At the initiative of the U.S. government, the presidents of Armenia and Azerbaijan started direct talks. In optimism, the Azerbaijan President said that such direct contacts were essential to find a solution to the conflict “without the participation of a third person,” in probable reference to Russia (see “RFE/RL Newsline,” 16 and 22 July 1999).

The Azerbaijani and Armenian presidents met several times this year privately and in international settings. Such meetings were held in Geneva, on the sidelines of the Baltic-Black Sea summit in Yalta in September and in Nakhichevan in October (see “RFE/RL Newsline,” 24 May, 20 and 23 August, 13 and 15 September, 12 October 1999). The OSCE Chairman-in-Office visited Yerevan in mid September (see “RFE/RL Newsline,” 17 September 1999). Kocharian and Aliyev met during the Istanbul Summit in November with the OSCE Minsk Group and in a private meeting with the U.S. in November (see “RFE/RL Newsline,” 22 November 1999). The OSCE Minsk Group chairmen visited Armenia, Stepanakert, and Baku in December (see “RFE/RL Newsline,” 13 December 1999; Annual Report on OSCE Activities, 1999).

In a statement at the end of the year, the co-chairs of the Minsk Group explained that the Presidents of both countries were unwilling to go beyond that which their constituents are willing to concede in terms of a Karabakh peace deal and said that “there are limits to what we can do” without a firm commitment from the countries involved (see “RFE/RL Newsline,” 26 and 29 April 1999).
Chapter Three


I. 2000

Mediation efforts during the first quarter of the year were slow due to the 1999 parliamentary assassinations and the rising domestic tensions in Armenia (see “RFE/RL Newsline,” 9, 10, and 30 March, 13 April 2000). This year the presidents of Armenia and Azerbaijan continued their meetings in the search for a common approach to a resolution of the conflict privately and on the sidelines of the international summits. The Minsk Group gave the warring parties a “carte blanche” to seek an agreement themselves. The Minsk Group said that once an agreement was reached, they would help to implement that settlement (see “RFE/RL Newsline,” 3 July 2000). The presidents met in Moscow on the sidelines of the CIS summit in January and June and World Economic Forum in January (see “RFE/RL Newsline,” 24 and 25, 27 and 31 January, 1 and 7 February, 21 and 28 June 2000).

In July, the presidents of Armenia and Azerbaijan met in Paris and the Minsk Group co-chairmen later met in Baku and Stepanakert (“RFE/RL Newsline,” 3 and 7 July 2000). Armenian and Azerbaijani Foreign Ministers meet in Vienna in November and the Minsk Group traveled to Armenia, Azerbaijan, and the NKR in December (see “RFE/RL Newsline,” 29 November, 12 December 2000). Allegedly, this year the OSCE Minsk Group proposed another plan that called for an exchange of territory between Armenia and Azerbaijan (see “RFE/RL Newsline,” 14 February, 16 June, 19 and 20 October 2000). Although the details of this proposal have not been disclosed to the public, it was reported that the plan would give Armenia Nagorno-Karabakh in exchange for giving up its south-eastern district of Meghri, which borders Iran. Armenia and the NKR both opposed this plan (see “RFE/RL Newsline,” 16 June, 19 October 2000).

II. 2001

From 1999 to 2001, the Armenian and Azerbaijani presidents met 15 times to discuss the Karabakh conflict (see “RFE/RL Newsline,” 10 April 2001). Azerbaijan’s president met with the French president in January while the Armenian president met with
him in February to discuss the conflict (see “RFE/RL Newsline,” 25 January, 13 February 2001). The Russian Security Council Secretary Sergei Ivanov reportedly made a new proposal on resolving the Karabakh conflict during his visit to Yerevan and Baku although details were not disclosed (see “RFE/RL Newsline,” 26 January 2001). The Armenian and Azerbaijani presidents discussed the Karabakh conflict in Paris in January and later with the Minsk Group (see “RFE/RL Newsline,” 29 January 2001). The OSCE Chairman-In-Office met the Karabakh president in February to discuss Karabakh security and later visited Azerbaijan (see “RFE/RL Newsline,” 1 and 2 March 2001).

The Minsk Group hosted high-level negotiations in Paris in March and Key West in April. According to the Azerbaijani president, the negotiations held in Florida were the first time that the three co-chairman were present with the Armenian and Azerbaijani presidents (see “RFE/RL Newsline,” 5 and 19 March 2001). It was reported that the Armenian and Azerbaijani presidents reached an agreement during talks in Paris on unspecified principles for resolving the conflict and elaborated on those principles in Florida (see “RFE/RL Newsline,” 6 June 2001). The Armenian president Robert Kocharian said that principles were agreed on during the talks did not entail vertical relations between Baku and Stepanakert (see “RFE/RL Newsline,” 9 and 14 May, 14 June 2001). However, the Azerbaijani side claimed that the “Paris principles” for resolving the Karabakh conflict are “a myth.” The Minsk Group co-chairs and Armenia affirmed that during the meeting there was such an agreement (see “RFE/RL Newsline,” 20 July, 6 August 2001). The Armenian Foreign Minister said that the U.S., French, and Russian co-chairs of the OSCE Minsk Group showed “unprecedented cooperation” during the Key West talks (see “RFE/RL Newsline,” 17 April 2001).

After the Key West talks the bilateral format of the negotiations changed because the presidents of Armenia and Azerbaijan refused to have direct contact with each other. Instead, the co-chairman talked to each president separately to mediate between them (see “RFE/RL Newsline,” 11 December 2001). The U.S. co-chairmen, Carey Cavanaugh contributed the failure of those talks to the unwillingness of the Armenian and Azeri presidents to convince public opinion of the need for a settlement based on compromise (see “RFE/RL Newsline,” 21 and 22 May 2001).
In November the Minsk Group submitted an amended peace plan to the parties that was described as similar to the proposal submitted in Paris and Florida. Azerbaijan later rejected the amended peace plan (see “RFE/RL Newsline,” 13 November 2001). Russian president Vladimir Putin met with Armenian and Azerbaijani presidents in May and November to discuss the Karabakh peace process (see “RFE/RL Newsline,” 1 June, 3 December 2001). The Minsk Group visited Yerevan, Baku, and Stepanakert during the first half of July (see “RFE/RL Newsline,” 26 June, 11, 12, 13 July 2001). The two presidents met on the sidelines of the CIS summit in August (see “RFE/RL Newsline,” 2 August 2001). The new U.S. chairman of the OSCE Minsk Group visited Armenia in late October while the Minsk Group co-chairs held talks in Stepanakert, Baku, and Yerevan in early November (see “RFE/RL Newsline,” 25 October, 5, 7, 8 and 13 November 2001).

III. 2002

This year Russia accelerated its diplomatic activity in its capacity as a co-chair as did the Minsk group in general (see “RFE/RL Newsline,” 5 February 2002). Azerbaijan still denied this year that an agreement was reached during talks in March and April 2001 (see “RFE/RL Newsline,” 15 March, 17 June 2002) while Armenia still called for the application of the so-called “package approach” to the mediation effort (see “RFE/RL Newsline,” 11 April, 1 October 2002). This disagreement between the two sides on the outcome of the Paris meeting and Azerbaijan president Heidar Aliev’s failing health significantly delayed the Minsk Group mediation efforts (see “RFE/RL Newsline,” 25 February, 6 March, 25 November 2002).

Armenia and Azerbaijan held low-key talks at the deputy minister level with the co-chairs of the Minsk Group in mid May and late July. Armenian officials met the new French co-chairman and with the Minsk Group in late June (see “RFE/RL Newsline,” 16 May, 14 June, 1, 15 and 31 July 2002). President Aliev met with the Minsk Group co-chairs in early February while the Minsk Group visited Azerbaijan twice in early March (see “RFE/RL Newsline,” 4 February, 11 March 2002). The Minsk Group co-chairs met with the NKR president in mid March (see “RFE/RL Newsline,” 12 March 2002). It was reported that the two presidents agreed to a proposal by the Minsk Group co-chairs to name personal representatives who will meet on a regular basis to discuss ways to end the
Karabakh conflict (see “RFE/RL Newsline,” 18 March, 11 April 2002). This was reportedly proposed by the Russian Deputy Foreign Minister (see “RFE/RL Newsline,” 11 March 2002). Finally, it was reported that the Minsk Group submitted a peace proposal to the Armenian and Azerbaijani leadership in February, which Azerbaijan later rejected in March. Details on the proposal were not made available to the public. However, it supposedly involved a territorial exchange between Armenia and Azerbaijan (see “RFE/RL Newsline,” 22 February, 4, 12 and 26 March 2002).

The Armenian and Azerbaijani presidents met with the U.S. ambassador to Azerbaijan in early April and held talks in Sadarak in early August to discuss the Karabakh conflict (see “RFE/RL Newsline,” 11 and 18 April, 7 and 15 August 2002). The Minsk Group co-chairmen held talks with Armenian leaders in Yerevan and Stepanakert in late September (27 September, 30 September 2002). A Senior French Diplomat visited Armenia and Azerbaijan to discuss the Karabakh conflict (see “RFE/RL Newsline,” 3 and 7 October 2002). French Minsk Group co-chairmen met with Azerbaijani officials in Baku in early November and the Armenian and Azerbaijani presidents met in the sidelines of the NATO summit in Prague in late November to discuss the conflict (see “RFE/RL Newsline,” 6 November, 22 November 2002).

With the failure of the negotiations in Paris and Key West, the population and politicians in both Azerbaijan and Armenia have become more critical of the activity of the Minsk Group. This year opposition group from both the Armenian and the Azerbaijani sides were particularly vocal against their respective governments making any concessions in the Karabakh negotiations. Thousands of opposition demonstrators denounced the Azerbaijani leadership for their failure to liberate the territories currently under Armenian control. Similarly, the Karabakh Liberation Organization advocated a new war to restore Azerbaijan’s control over Karabakh (see “RFE/RL Newsline,” 20 May, 27 September, 1 October, 14 November 2002). The Armenian Pan-National Movement harshly criticized the Karabakh policy under Kocharian and said that a peace proposal based on territorial exchange is “high treason” (see “RFE/RL Newsline,” 27 June 2002).
IV. 2003

The presidential elections in Armenia in February and Azerbaijan in October slowed down the process of settling the conflict. The OSCE Minsk Group suspended its mediation activity beginning early this year until after the Armenian and Azerbaijani presidential elections (see “RFE/RL Newsline,” 16 April 2003). This year the U.S. said that it would double its efforts to help resolve the Karabakh conflict and this is the first year the Azerbaijani leadership hinted that it would agree to discuss a settlement of the conflict with the NKR leadership (see “RFE/RL Newsline,” 14 March, 25 September 2003). However, the Azerbaijani Defense Minister said that as long as Armenia “refuses to liberate the Azerbaijani territories it has occupied,” the threat of a new war over the NKR would increase (see “RFE/RL Newsline,” 24 November 2003).

The OSCE Minsk group met in Paris in early May to discuss the Karabakh conflict. Neither Armenian nor Azerbaijani leaders were present at the meeting (see “RFE/RL Newsline,” 9 May 2003). Armenian Foreign Minister met in early June with the co-chairman of the Minsk Group to discuss the Karabakh negotiation process (see “RFE/RL Newsline,” 5 June 2003). Armenian and Azerbaijani Defense Ministers met in early July to discuss how to prevent any recurrence of the cease-fire violations along the Line of Contact separating the two countries (see “RFE/RL Newsline,” 9 July 2003). Heidar Aliev met in Washington on 24 February with Rudolf Perina the U.S. co-chairman of the Minsk Group to discuss the prospects for resolving the Karabakh conflict as his son, Ilham Aliev met with the French president (see “RFE/RL Newsline,” 25 February, 12 March 2003). The Minsk Group visited Baku, Stepanakert, and Yerevan in early December (see “RFE/RL Newsline,” 8 December 2003).

V. 2004

This year direct talks continued between the between the presidents of Armenia and Azerbaijan. The OSCE Chairman-in-Office visited Armenia in mid March while a U.S. official and diplomat, Richard Armitage and the new U.S. co-chair, Steven Mann, visited Armenia and Azerbaijan in March and late April to discuss the conflict. U.S. diplomat, Steven Mann, visited Baku in March and late April to discuss the Karabakh conflict (see “RFE/RL Newsline,” 10, 18 and 29 March, 23 and 26 April 2004). Armenian and
Azerbaijan Foreign Ministers held talks in mid April and in May (see “RFE/RL Newsline,” 20 and 29 April, 13 and 17 May 2004). The U.S. co-chairman met in Yerevan in early June with the Armenian leadership to discuss the Karabakh conflict while the Armenian Foreign Minister held talks in the U.S. with Secretary of State Colin Powell (see “RFE/RL Newsline,” 4 and 16 June 2004).

The Armenian and Azerbaijani Foreign Ministers met with the Minsk Group co-chairs in late June, late August, mid September, late November, and twice in December while the Armenian Foreign Minister discussed Karabakh conflict with Turkish and Azerbaijani leaders again late that month (see “RFE/RL Newsline,” 22 and 29 June, 31 August, 3 and 16 September, 22 November, 7 and 10 December 2004). Azerbaijan’s president met in late June during the Istanbul NATO summit with the U.S. president and later with a U.S. Senate delegation in August to discuss the Karabakh conflict (see “RFE/RL Newsline,” 30 June, 10 August 2004). A EU envoy visited Armenia and the NKR to discuss the Karabakh conflict during which the NKR President, Ghukasian, said that the Karabakh authorities have repeatedly proposed confidence-building measures to Baku, without receiving a response (see “RFE/RL Newsline,” 2 July 2004). The OSCE Minsk Group co-chairs visited Armenia, the NKR, and Azerbaijan in July (see “RFE/RL Newsline,” 13, 14 and 19 July 2004). Azerbaijani and Russian Foreign Ministers met in Moscow in mid August while Azerbaijan’s president discussed the conflict with French officials in September (see “RFE/RL Newsline,” 19 August, 9 September 2004). A new OSCE Karabakh envoy visited Azerbaijan, Armenia, and the NKR in September (see “RFE/RL Newsline,” 22 and 24 September 2004).

The year ended in a positive note from the Armenian Foreign Minister, Vartan Oskanian. He said that as a result of his recent meetings in Sofia and Brussels with the Azerbaijani Foreign Minister, unidentified “obstacles” to proceeding to the “second stage” of their ongoing series of talks on approaches to resolving the Karabakh conflict have been removed (see “RFE/RL Newsline,” 15 December 2004).
Chapter Four

The Positions of the Involved Parties

To some extent, the OSCE Minsk Group’s peace plans failed to achieve a settlement because there was a basic lack of communication between the warring parties and among the Minsk Group co-chairs. Perhaps if the involved parties’ positions were made clear on the conflict and concerns about the negotiation process, further progress could be made towards a settlement. Most important are the positions of the states immediately involved in the conflict: Azerbaijan, Armenia, and the NKR. Second are Minsk Group co-chairmen states: Russia, the United States, and France (EU). The third, although an unrecognized participant but involved party to the conflict is Turkey. And fourth are the international organizations that have frequently commented on and indirectly became involved in the conflict: the Council of Europe and the North Atlantic Treaty Organization (NATO).

I. Azerbaijan

Determined to uphold its territorial integrity, Azerbaijan refuses to recognize the Nagorno-Karabakh Republic or regard it as an equal party to the conflict. Instead, Azerbaijan has demanded to negotiate only with Armenia (see “RFE/RL Newsline,” 12 March 1997, 9 February 1998, 3 October 2000, 18 October 2001, 2 July 2003, 19 July 2004; Malysheva, 2001: 259). Azerbaijan’s President Heidar Aliev said that if Armenia wants Azerbaijan to negotiate with the NKR then it should first “withdraw its troops from occupied territory” and then stop subsidizing the republic from the Armenian state budget (see “RFE/RL Newsline,” 23 November 2004). Azerbaijan has consistently said that Karabakh Armenians should be allowed to participate in negotiations only if representatives of the former Azerbaijani minority do so as well (see “RFE/RL Newsline,” 25 October 2001). Azerbaijan firmly supports the Lisbon principles and is trying to convince the international community that the Karabakh conflict is not about self-determination for the Karabakh Armenians, but a case of Armenian aggression (see “RFE/RL Newsline,” 4 August, 10, 23, and 30 November 1998, 19 February 2003). It
accuses the NKR leadership of separatism and Armenia of responsibility (see “RFE/RL Newsline,” 2 July 2003; Malysheva, 2001: 259).

Azerbaijan set many conditions before any serious discussion of the status of Nagorno-Karabakh can begin. First and foremost, the NKR Army must stop the occupation of the seven districts adjacent to Nagorno-Karabakh, allowing for the return of displaced persons and refugees (see “RFE/RL Newsline”, 5 September 1995, 10 November and 11 December 2004). Second, the NKR Army must be disarmed and disbanded. Third, the NKR must be subject to the jurisdiction and legislation of Azerbaijan. And finally, any agreement on the Karabakh conflict must uphold Azerbaijan’s territorial integrity (Malysheva, 2001: 260).

The former Azerbaijani President and his son and successor had to be particularly careful in trying to find a solution because the domestic political opposition has frequently used the conflict to gain political power (see “RFE/RL Newsline,” 30 April 2003). The opposition has claimed that the President was giving into ‘outside’ pressure during the Minsk Group negotiations and was betraying national interests. For example, even though the U.S. believed that a peace agreement could be made during the Istanbul summit, Azerbaijan said that no formal peace agreement will be signed after many Azerbaijani groups issued statements warning against the settlement plan (see “RFE/RL Newsline,” 12 November 1999). The domestic opposition has been especially vocal (in both Azerbaijan and Armenia) after a new peace plan was submitted to the leadership of the respective countries by the Minsk Group (see “RFE/RL Newsline,” 28 January, 8 and 21 February 2000, 27 February 2004).

At first, Azerbaijan placed great hopes on Turkey and the West (specifically the U.S) for economic assistance and political backing in the Karabakh conflict. However, the expected Turkish and Western economic aid did not materialize, forcing Azerbaijan to cooperate with Russia (see “RFE/RL Newsline,” 4 September 1997; Malysheva, 2001: 260). Therefore beginning in 2000, the Azerbaijani leadership changed its tone towards Russia and instead claimed that Russia could and should play a more decisive role in promoting a solution to the conflict (see “RFE/RL Newsline,” 15 June 2000).

Azerbaijan’s President Heidar Aliev while acknowledging that Azeri-Russian relations remained cool in the previous decade (mainly because Azerbaijan steadfastly
refused to allow Russia to operate any military bases on its territory) explained that “we
would like to establish cooperation with Russia in all spheres, including security” and that
Azerbaijan is ready to cooperate with Russia in resolving conflicts in the Caucasus (see
Russia, in turn, after President Vladimir Putin’s visit to Baku in January 2001, also tried to
improve relations with Azerbaijan. In fact, Putin’s visit to Baku resulted in the
proclamation of a strategic partnership in Baku’s Declaration of the principles of security
and cooperation in the Caucasus (see “RFE/RL Newsline,” 28 November 2000;
Malysheva, 2001: 260-262). After that meeting Aliev was quoted as saying that “Russia
has definitely begun paying more attention to the Caucasus and is trying to be as objective
and correct as possible” (see “RFE/RL Newsline,” 23 January 2001). The following year
he noted that since Putin’s advent to power Russia has modified its earlier bias toward
Armenia (see “RFE/RL Newsline,” 24 September 2002). Even with warmer Azerbaijani-
Russian relation, the Azerbaijani leadership and opposition has remained openly critical of
Russia’s intentions in the Caucasus and its mediation abilities in the OSCE Minsk Group.

Despite the fact that Azerbaijan has repeatedly stated that the OSCE Minsk Group
should mediate the Karabakh conflict (see “RFE/RL Newsline,” 19 April 1998, 18
November 2003, 27 February 2004), Azerbaijan has repeatedly criticized the Minsk Group
for its passivity, for failure to achieve a settlement, and for casting doubts on its
commitments to the principles of territorial integrity (see “RFE/RL Newsline,” 16 July
leadership has also criticized the U.S. for its role in the Minsk Group, regardless of their
warm relations. Moreover, Azerbaijan has repeatedly called on other organizations and
countries to get involved in the conflict. Azerbaijan has called on NATO and the CIS to
mediate a settlement for the Karabakh conflict (see “RFE/RL Newsline,” 4 October 1995,
6 May 1997, 18 June 1999), has called on the EU and the UN to take greater action in the
conflict (see “RFE/RL Newsline,” 19 May 2004, 14 December 2004), and has said the
Karabakh conflict cannot be resolved without Turkish participation (see “RFE/RL

The Azerbaijani Foreign Minister Vilayet Guliev claimed the OSCE Minsk Group
has proven ineffective and biased towards Armenia (by insisting that Azerbaijan should
compromise) and that the President and public in Azerbaijan are waiting for results from the Minsk Group (see “RFE/RL Newsline,” 21 June 2001, 8 March 2002). The Azerbaijani opposition accused the Minsk Group co-chairs of systematically ignoring the most important aspect of the conflict, namely liberating the Azerbaijani territory and also repeatedly claimed that the composition of the Minsk Group should be altered to exclude any states with political interests in the South Caucasus (see “RFE/RL Newsline,” 12 March 2002). And finally, the Azerbaijani leadership frequently accuses the Minsk Group co-chairs of pressuring it to recognize the NKR as an independent state (see “RFE/RL Newsline,” 8 January 2004).

Azerbaijan is using its oil wealth and resources as its main lever to pressure Armenia. In fact, Dina Malysheva explains that the longer a settlement to the conflict is not found and Azerbaijan’s Caspian wealth grows, Azerbaijan has become less flexible in making a compromise solution (Malysheva, 2001: 259). Azerbaijan imposed a blockade of transport communication links with Russia running across Azerbaijani territory and, together with Turkey, imposed an economic blockade and created hurdles for Armenia’s participation in the EU’s TRACECA (Transport Corridor Europe Caucasus Asia) project. However, some TRACECA programs are being implemented in Armenian (Malysheva, 2001: 259). To appease Turkey, Azerbaijan is quick to denounce any country that acknowledges the 1915 killing of Armenians as genocide by the Ottoman Empire, especially the Minsk Group co-chair countries. Azerbaijan accused France and the U.S. of a pro-Armenian bias by recognizing the killings of Armenians in 1915 as genocide and said that their recognition may adversely affect the search for a solution to the conflict (see “RFE/RL Newsline,” 1 and 4 June 1998, 9 November 2000, 19 January, 5 and 15 February 2001). However, as a result of Turkey’s protests, the U.S. later shelved the genocide resolution (see “RFE/RL Newsline,” 27 September, 5, 18, and 20 October 2000).

While the Azerbaijani leadership claims to support a peaceful settlement of the conflict, a vast majority of the opposition and public believe that the only way Azerbaijan can restore control over the NKR is by military force (see “RFE/RL Newsline,” 13 May 2001, 8 January 2004). President Heidar Aliev said that Baku remains committed to a peaceful solution of the conflict over Karabakh but that the country’s military must be ready to restore the country’s territorial integrity “at any cost” (see “RFE/RL Newsline,”
In fact, the liberation of occupied territory was identified as a top “priority” for Azerbaijan in 2004 (see “RFE/RL Newsline,” 10 March 2004). Furthermore, in light of the speed of Azerbaijan’s military build-up (making up approximately 13 percent of all budget expenditures) and the fact that the return of the lost territories would improve the image of the ruling elite, a military option for Azerbaijan on resolving the Karabakh conflict cannot be ruled out (see “RFE/RL Newsline,” 24 March 2000). Armenia and the NKR are both aware of this and have in response built-up of their defense potentials (Malysheva, 261; see “RFE/RL Newsline,” 9 March 2001).

II. The Republic of Armenia

Armenia has insisted it had nothing to do with the NKR’s struggle for independence and that the NKR should have a place on the negotiation table (see “RFE/RL Newsline,” 9 and 24 February, 1 and 2 March 1999). In response to Azerbaijan’s claim that Armenia should withdraw its troops from occupied territory, Armenia claims it does not have any forces on Azerbaijani land as the occupying forces are from the NKR (see “RFE/RL Newsline,” 3, 4, 23 November 2004). Armenia supports the position of the NKR and said that it will never sign a Karabakh peace agreement unless the NKR is not vertically subordinated to Azerbaijan, that it has a guaranteed overland connection with Armenia, and that the population of the NKR has permanent security guarantees against future Azerbaijani aggression (see “RFE/RL Newsline,” 3 December 1996, 8 April, 2 July, 17 September 1998, 10 December 2004). Armenia has not officially recognized the NKR, although it said that it will once another state has done so (see “RFE/RL Newsline,” 25 March 2002).

Armenia has not ruled out the possibility of the NKR becoming an administrative unit of the Republic of Armenia, if the Karabakh Armenians address such a request. However, it understands that supporting an independent Karabakh or its integration into Armenia, international sanctions would certainly follow (Malysheva, 2001: 262). Armenia supports the efforts of the OSCE Minsk Group and considers it the most appropriate format for finding a resolution to the conflict. In comparison to Azerbaijan, criticism of the Minsk Group is less frequent and only after a peace plan has been proposed (see “RFE/RL
Newsline,” 19 April 1998, 26 January 2001). In fact, it was only after the Lisbon Summit that Armenia started to question whether the Minsk Group was a neutral mediator.

In the early 1990s Armenia used the occupied territories in Azerbaijan to its advantage in the peace settlement process by declaring that it will not discuss the issue of troop withdrawals from the occupied Azeri provinces until the NKR’s status is determined (Mammdov, 2004: 14). The Armenian leadership recently explained that they are prepared to continue negotiations as long as the “Paris principles” remain intact. They believe they have made significant concessions by agreeing to the ‘common-state’ plan, which gives the NKR less than complete independence (see “RFE/RL Newsline,” 26 January, 13 November 2001). In return, Armenia believes that Azerbaijan should reciprocate the favor by abandoning its insistence on the Lisbon principles, which honor Azerbaijan’s territorial integrity and grant Karabakh only an autonomous status within Azerbaijan (see “RFE/RL Newsline,” 18 June 1998). The Armenian leadership blames the deadlocked negotiations on Azerbaijan’s refusal to acknowledge the NKR as a full-fledged party to the conflict and Azerbaijan’s reluctance to embark on regional cooperation (see “RFE/RL Newsline,” 16 November 2004).

Like Azerbaijan’s position beginning in 2000, Robert Kocharian claims that the greater Moscow’s input to trying to resolve the Karabakh conflict, the greater the chances of success in doing so (see “RFE/RL Newsline,” 23 October 2001) Armenians have consistently been less vocal in their criticism of the Minsk group and have always positively assessed Russia’s role in this organization (see “RFE/RL Newsline,” 7 May 1998). In reference to the warming of Russian-Azerbaijani relations, the Armenian Defense Minister, Sargsian argued that the “normalization” of relations between Moscow and Baku will contribute to a peaceful settlement of the Karabakh conflict as “the Azeris could gain a certain confidence in the Russians” (see “RFE/RL Newsline,” 11 January 2001).

In reference to Turkey, the Armenians do not want Turkish participation in the Karabakh mediation efforts, but have expressed the desire to establish diplomatic and economic relations with that country (see “RFE/RL Newsline,” 20 February 2001). However, the rather powerful opposition group in Armenia, the Armenia Revolutionary Federation-Dashnaksutium (HHD) has repeatedly warned the Armenian leadership against
abandoning Armenia’s campaign for genocide recognition saying that the Turkish recognition of the genocide must be a precondition for an official dialogue with Turkey (see “RFE/RL Newsline,” 1 July 2003).

By and large Armenia seems to want peace with Azerbaijan, but a shift in Armenia’s current position on the conflict is unlikely in the near future. Finding a solution to the conflict would help it normalize relations with its neighbors, participate in the economic projects linked to the export of Caspian oil and further integrate itself into Europe. However, over the years Armenia has increased its defense spending and combat readiness exercises are becoming more frequent (see “RFE/RL Newsline,” 4 November 2002, 24 March 2004).

III. The Nagorno-Karabakh Republic

The Nagorno-Karabakh Republic continues to insist that it is an independent state since it declared its independence from Azerbaijan in September 1991 in accordance with the existing Soviet legislation (see “RFE/RL Newsline,” 20 July 2001). However, it has not been recognized as such by any other state. In the early 1990s the resolution of the Karabakh conflict was linked to the withdrawal of the NKR Army from Azerbaijani territory in return for independent status for the NKR (Human Rights Watch, 1994: 110-112). Today, status is still a priority, but the safety of the NKR Armenian population is becoming the foremost concern (Malysheva, 2001: 262).

The present Foreign Minister of the NKR, Naira Melkumian believes that the enclave can only be secure if it is able to keep a geographical link with the outside world (the Lachine corridor) and a ‘security belt’ around the capital (the seven occupied districts) in case Azerbaijan decides to launch a new war (Malysheva, 2001: 262). Although, the NKR President, Arkadii Ghukasian, said that formal recognition of the NKR’s de facto independent status is the sole guarantee of peace and stability (see “RFE/RL Newsline,” 7 March 2002; Malysheva, 2001: 263). As a result, the NKR has made it clear that it will not agree to any peace settlement that entails an exchange of territory between Armenia and Azerbaijan or vertical relations between Baku and Stepanakert (see “RFE/RL Newsline,” 16 June 2000).
The President of the NKR frequently explains that Karabakh does not want another war with Azerbaijan, but feels obliged to maintain a high degree of defense readiness (see “RFE/RL Newsline,” 25 February 2002). However, the NKR President said that once a peace deal is signed, his republic would be ready to forge “serious economic and political links” with Azerbaijan and that we “are ready to negotiate with Azerbaijan any issue, starting with the status of refugees and the territories” (see “RFE/RL Newsline,” 7 March 2002, 13 and 25 February, 14 July, 10 November, 6 December 2004).

Like Armenia, the NKR seems to support the efforts of the OSCE Minsk Group, even though it severely criticized the Minsk Group’s ‘phased’ settlement plan. Instead, the NKR insists on a ‘package’ settlement plan (see “RFE/RL Newsline,” 3 July 1998). The NKR is also enthusiastic to persuade the world that it is involved in a national liberation struggle and should therefore be recognized as one of the conflicting parties, with direct participation in the OSCE Minsk Group negotiations. The Karabakh Armenians insist that their fate should not be decided without their participation. The NKR leadership believes that since Baku has consistently rejected the possibility of direct talks, it shows that Baku is unwilling to consider any compromise solution (see “RFE/RL Newsline,” 25 February 2002).

III. The Russian Federation

Officially, Russia is prepared to accept any solution of the Karabakh problem that is acceptable to both Armenia and Azerbaijan (see “RFE/RL Newsline,” 26 and 27 September 2000). This seems to be truer now under Vladimir Putin than in the Yeltsin era when Russia openly supplied Armenia with a significant amount of weapons in violation of the CFT Treaty. With the Putin administration, the Russians have accelerated their diplomatic activity regarding the Karabakh conflict and affirmed that Russia is ready to promote further dialogue between the two sides both in its capacity as a co-chairman of the OSCE Minsk Group and acting independently (see “RFE/RL Newsline”, 11 January 2001). Even the U.S. co-chairman of the Minsk Group in 2001 praised Russia’s role within the Minsk Group, saying that Moscow no longer seeks to profit from continued instability in the South Caucasus (see “RFE/RL Newsline,” 7 May 2001). Furthermore, the Russian Defense Minister Sergei Ivanov added that Russia will not supply either Azerbaijan or
Armenia with weaponry that would destabilize the military balance in the South Caucasus (see “RFE/RL Newsline,” 28 February 2003).

Russia has supported direct talks between the leaders of both Armenia and Azerbaijan, arguing that the warring parties should continue the “realistic and sensible” dialogue (see “RFE/RL Newsline,” 10 January 2001, 5 February 2002). The Deputy Head of the Russian presidential administration said that no solution to the Karabakh conflict should be imposed “from outside”, and that it is up to the parties of the conflict to work out a compromise peace agreement that would be acceptable to public opinion in both Armenia and Azerbaijan (see “RFE/RL Newsline,” 1 June 2001).

Russia, undoubtedly Armenia’s strategic partner, nevertheless firmly supports the territorial integrity of Azerbaijan (see “RFE/RL Newsline,” 2 August, 22 July 1999). This position will undoubtedly remain unchanged as Russia has to contend with territorial claims in Chechnya (see “RFE/RL Newsline,” 10 December 1996, 26 January 1998, 28 May 2002, 21 February 2003, and 19 August 2004). Although, earlier in the 1990s, Yevgenii Primakov stated that a compromise solution should recognize the NKR’s “right to self-determination and self-government while preserving Azerbaijan’s territorial integrity.” What exactly this means is still debatable (see “RFE/RL Newsline,” 10 December 1996). Russia promotes direct talks between Baku and Stepanakert, the ongoing dialogue between Kocharian and Aliev, but also argued that the potential of the CIS in efforts to resolve conflicts on the territories of its member states is not being fully utilized (see “RFE/RL Newsline,” 21 February, 30 October 2002).

IV. The United States

Initially, Washington did not assert its influence in the region, acknowledging it as Russia’s sphere of influence. Instead, the U.S. limited its policy to supporting Turkey’s quest for influence there as well as the independence of the newly formed states. Thus, like the EU, it is a relatively new actor in the region. Before 1994, many argued that the U.S. Congress had a definite pro-Armenian bias since it denied Azerbaijan economic aid. This is ironic in light of Armenia’s pro-Russian slant, its good-neighborly relations with Iran, and its continued tension in relations with Turkey. However, by 1995 it began to treat the two parties to the conflict in a more equal way, much like the U.S. State Department
After 1996 and the war in Chechnya, the U.S. policy in the region became increasingly assertive, arguably in response to Russia’s embarrassing performance during the war. By 1997 the U.S. had announced that it considers the Caucasus a region of ‘vital U.S. interests’ (Cornell, 1999: 10). This position is supported by the fact that U.S. aid levels to Armenia and Georgia have been among the highest per capita in the world (Yalowitz, 2004: 113).

The U.S. is involved in several different areas in this region. First, the U.S. is very active in this region’s energy sector through oil extraction and transportation projects. The most famous oil transportation project is the Baku-Ceyhan pipeline. Second, the U.S. has been active in strengthening the independence and viability of the new states as market democracies. Third, the U.S. mitigates regional conflicts and is active in the OSCE security complex (Begoyan, 2004: 144). And fourth, the U.S. since 9/11 has entered into security cooperation programs with the Caucasus states with a focus on antiterrorism and border protection (Begoyan, 2004: 152). These programs supplement the U.S.’s encouragement of greater participation in NATO’s Partnership for Peace activities. It is not yet known what long-term military presence the U.S. may have in the region.

Like Russia, the U.S. firmly supports the territorial integrity of Azerbaijan and is prepared to accept any solution of the Karabakh conflict that is acceptable to the involved parties (see “RFE/RL Newsline,” 28 May 2002). Unlike the Council of Europe, the European Union, Azerbaijan, and Turkey, the U.S. supports the democratization process in the NKR claiming that its elections will not have an impact on the ongoing search for a solution to the conflict (many view the elections as a violation of Azerbaijan’s territorial integrity) (see “RFE/RL Newsline,” 28 August and 6 September 2001, 12 and 16 August 2002). As a result of the U.S. support for the NKR democratization process, many concerns have been raised from the Azeris side. David Babaian explains that this is no surprise since the U.S. tends to prioritize strategic interests, such as democratization, over economic interests. He later explains that the U.S prioritizes the democratic over economic interests because a superficially democratic state cannot be a predictable or reliable partner (Babaian, 2004: 20-22).

However, in light of Azerbaijan’s military assistance in the American led Iraqi war, the U.S. draft budget for 2004 called for $8 million in military aid to Azerbaijan compared
with $2 million for Armenia (see “RFE/RL Newsline,” 9 February 2004). This was for obvious reasons protested on the Armenian side. It is still unknown what exactly this may mean for the Karabakh conflict and whether there might be a future change in the U.S.’s balanced position. Regardless, with the U.S.’s international responsibilities, especially in Iraq, hopefully it will not divert too much attention away from this region.

V. Turkey

Turkey formally declared its neutrality in the conflict, but actually sided with Azerbaijan and in the early 1990s closed its borders with Armenia. Turkey supports the territorial integrity of Azerbaijan and refuses to recognize the NKR or regard it as a ‘full’ party to the conflict (Coppieters, 1996: 181-186). Turkey claims that it will open its borders and reestablish trade with Armenia once it stops the occupation of Azerbaijan and the conflict is solved (see “RFE/RL Newsline,” 2 and 9 May 2002). Like the Russian-Armenian military relationship, although to a lesser degree, Turkey and Azerbaijan have signed many military agreements and Turkey has supplied Azerbaijan with military aid (see “RFE/RL Newsline,” 16 May 2002).

Turkey still does not have diplomatic relations with Armenia. However beginning in 2000, it has taken a softer stance towards its traditional enemy. The Armenian Foreign Minister said that Turkey now appears ready to pursue a “more balanced policy” toward Armenia and Azerbaijan (see “RFE/RL Newsline,” 26 June, 20 December 2002). In 2001, the Turkish Foreign Minister Ismail Cem proposed that Ankara chair a meeting of Armenian and Azerbaijani officials to discuss how to reach a solution to the Karabakh conflict (see “RFE/RL Newsline,” 19 and 20 February 2001). That same year, Turkey relaxed its visa requirements for Armenian citizens visiting Turkey (see “RFE/RL Newsline,” 17 January 2002). In 2003 and 2004, Turkish leaders suggested tripartite talks on the Karabakh conflict involving Turkey, Armenia, and Azerbaijan (see “RFE/RL Newsline,” 9 January, 1 July 2003, and 12 January 2004). In 2003-2004, Armenia participated in two such meetings on the sidelines of NATO and Black Sea Summits (see “RFE/RL Newsline,” 15 January 2004).
VI. The European Union (EU)

The European position on the Karabakh conflict is very similar to that of the U.S. Like the U.S, the Europeans are trying to remain neutral while balancing both their strategic and economic interests in the region. Arguably, Azerbaijan may be much more important to Europe than Armenia and the NKR due to its Caspian oil reserves. Yet Europe is not taking sides when it comes to the Karabakh settlement. Documents of the OSCE summits support this position. The final documents of the 1994 Budapest Summit do not refer the territorial integrity of Azerbaijan. Instead, the main section of the summit declaration is about the Nagorno-Karabakh conflict and is discussed under the heading “Intensification of CSCE Action in Relation to the Nagorno-Karabakh Conflict.” The Abkhazian, South Ossetian and Trans-Dniester conflicts on the other hand are discussed under headings entitled “Georgia” and “Moldova.” It is clear that by discussing the Abkhazian conflict under the section entitled “Georgia,” the OSCE is prioritizing Georgia’s territorial integrity (Babaian, 2004: 22). This is obviously not the case for Azerbaijan (Budapest Summit Declaration, 1994). The declarations of the Lisbon (December 1996) and Istanbul (November 1999) were also worded similarly even though the Lisbon summit declaration was the first OSCE document to refer to Azerbaijan’s territorial integrity as a precondition for the conflict’s resolution (OSCE Lisbon Summit Declaration, 1996; Istanbul Summit Declarations, 1999; Babaian, 2004: 22). However, the EU has issued statements condemning elections in the NKR as a violation of Azerbaijan’s territorial integrity (see “RFE/RL Newsline,” 5 August 2002).

The EU supports the efforts of the OSCE Minsk Group and a settlement of the Karabakh conflict based on the “Paris Principles” (see “RFE/RL Newsline,” 26 November 2001, 22 January 2002). The EU High Representative for Foreign and Security Policy Javier Solana advocated regional cooperation between the South Caucasus states as an effective means of confidence building (see “RFE/RL Newsline,” 27 November 2001). Specifically, the EU supports Azerbaijan’s proposal that Armenian forces should withdraw from the occupied territories adjacent to the NKR in return for the resumption of rail traffic between Armenia and Azerbaijan (see “RFE/RL Newsline,” 16 July 2002, 3 February and 30 January 2004). European Commission President Romano Prodi in 2001 said that he thinks the process of normalizing relations should begin with economic cooperation and
that “it was always a European-style habit to use economic cooperation as the first stage of more intensive political cooperation” (see “RFE/RL Newsline,” 7 June 2001).

Overall, the EU wants a settlement to be reached before more EU integration can take place in the South Caucasus. The EU chair and Swedish Foreign Minister, Anna Lindh, said that a peaceful and long-lasting solution to that conflict would facilitate closer EU cooperation in that region (see “RFE/RL Newsline,” 21 and 22 February 2001). Either way, there is no unanimous opinion in Europe on the Karabakh conflict.

VII. The Council of Europe & the North Atlantic Treaty Organization (NATO)

The Council of Europe has openly criticized the elections in the NKR claiming that they are illegitimate and will undermine the peace process (see “RFE/RL Newsline,” 28 August 2001). This is surprisingly ironic since the Council of Europe’s principle objective is to support democratization. Equally remarkable, the Parliamentary Assembly of the Council of Europe (PACE) adopted a resolution on the Nagorno-Karabakh conflict that reaffirms both the principles of the territorial integrity of member states, and also the principle of the right to self determination, thus ranking the two principles as of equal importance in international law (see “RFE/RL Newsline,” 26 September 2001). It comes as no surprise that both the Armenians and the Azerbaijanis interpreted the resolution as supporting their cause and now believe that there is legal basis for their actions (see “RFE/RL Newsline,” 2 October 2001).

The Council of Europe, as vocalized by Lord Russell-Johnson chairman of the Parliamentary Assembly of the Council of Europe, supports the efforts of the OSCE Minsk Group to broker a settlement. However, it also advocates a role for the Council of Europe in the mediation process, given that both Armenia and Azerbaijan are members of the organization (see “RFE/RL Newsline,” 12 September 2001). The Council of Europe views the main obstacle to achieving a settlement as the public in both Armenia and Azerbaijan’s unwillingness to compromise (see “RFE/RL Newsline,” 17 September 2001). And finally, the Council of Europe supports regional economic cooperation as a way to achieve a solution (see “RFE/RL Newsline,” 30 January 2003).
On the other hand, the North Atlantic Treaty Organization has been less critical of the warring parties and more active in promoting a settlement. NATO’s position is very similar to that of the European Union in that it supports the efforts of the OSCE Minsk Group and firmly places the responsibility of a peace settlement squarely in the hands of the warring parties (see “RFE/RL Newsline,” 16 and 17 January 2001). NATO has been a positive force in promoting a dialogue between the warring sides during NATO related meetings and military exercises. Even though Armenia has not participated in any NATO seminars/war games in neighboring Turkey or in some instances, Azerbaijan, NATO has somewhat actively participated in the mediation efforts (see “RFE/RL Newsline,” 29 November 2004).

For instance, NATO cancelled planned war games in Azerbaijan because of its refusal to issue visas to the Armenian military officers invited to participate in the exercises (see “RFE/RL Newsline,” 12, 14, and 15 January, 27 April, 14 September 2004) and NATO proposed a peace plan that would give Armenia temporary control of Karabakh in exchange for the withdrawal of Armenian forces from Azeris territory with “the final status of Karabakh to be decided by its inhabitants in a referendum in five or 10 years time.” This plan also called on the Europeans, Americans, and Russians to jointly defend a compromise settlement (see “RFE/RL Newsline,” 30 December 2004). Even though NATO has canceled some planned military exercises and meetings, Azerbaijan has been able to block Armenian personnel from participating in several NATO meetings and military exercises (see “RFE/RL Newsline,” 12, 14, and 15 January 2004).

Chapter Five

Obstacles to Finding a Solution to the Conflict

There are six main obstacles to reaching a settlement in the Nagorno-Karabakh conflict. The extent of mutual distrust between Azeris and Armenians, political instability and the unwillingness to prepare public opinion for a compromised peace settlement, the need to repatriate refugees, the issue of timing, the contradictory principles in international law, and the image of an ‘outside agitator.’
I. Mutual Distrust and Misunderstanding

The first obstacle to finding a settlement of the Nagorno-Karabakh conflict is the degree of mutual distrust, miscommunication, and perceived ‘otherness’ between the Azeris and Armenians. Edward Walker of Stanford University and the Hoover Institution explains that it is imperative not to reduce the Karabakh conflict to expressions of ancient hatreds, but it would also be inaccurate to suggest that historical origins of hatred are unrelated. Walker explains that the extent of historical distrust between the Armenians and the Azeris is profound dating back to the end of the eighteenth century and climaxed with the 1915 Armenian genocide. He argues that this distrust has continued to persist within Armenia as a result of the Turkish government’s refusal to recognize the genocide. Although this historical source of mistrust is aimed at Turkey, Walker explains that Armenians tend to view all Turkic-speaking Muslims as a single group, grouping Turks and Azeris together (Carley, 1999: 8; Chorbajian, 2001: 210-214).

This distrust affects the conflict today because the majority of Armenians believe that the Azeri government will not uphold a peace agreement much less to fairly govern the Karabakh Armenians. This is especially true since many Armenians believe that Azerbaijan will use their oil and gas profits towards financing a new and larger war against them (see “RFE/RL Newsline,” 20 July 1999, 26 February 2001). The Armenians have also accused Azerbaijan of violating the Conventional Armed Forces in Europe (CFE) Treaty in order to prepare for a "forceful solution" to the conflict and greatly overestimate the degree of Turkey’s economic and military support to Azerbaijan (see “RFE/RL Newsline,” 4 March 1997, 6 August, 29 September 1998).

Likewise, any trust the Azeris held for Armenia was severely tarnished after it was revealed in 1997 that the Russian Defense Ministry transferred approximately $2 billion dollars in military hardware to Armenia, apparently in violation of the CFE Treaty. For the Azeris, this not only tarnished Russia’s role as a mediator in the conflict, but cast doubt on Armenia’s claim to want a peaceful solution to the conflict (see “RFE/RL Newsline,” 14 March, 3 April, 15 May, and 24 October 1997). The Azeris also rightfully overestimate the degree of Russian military aid to Armenia. Thus, what appears to Armenians and Azeris to be active support from their respective ‘protectors’, was in many cases, inadequate and indifferent support.
According to Edward Walker, the Armenians “find it difficult to trust a government in Baku that they perceive as authoritarian, corrupt, and intolerant of minorities; Azeris, for their part, cannot bring themselves to trust a government of a [‘aggressor’] state they believe is constructed on a purely ethnic basis, a state that acts as if it believes that Armenia is for ethnic Armenians alone” (Carley, 1999: 9). Both groups question the others’ intentions and willingness to compromise. Likewise, both groups blame the other for breaching the 1994 ceasefire, both accuse the other of having prisoners of war, and both charge the other of harboring terrorists (see “RFE/RL Newsline,” 21 April and 14 May 1997, 15, 16, 23, and 25 June 1999, 7 August 2000, 25 June 2001). Each side remains convinced that the source of the conflict is the intransigence and ill-will of the people on the other side. This created ‘otherness’ severely hinders the public’s willingness to compromise on a peace settlement (Grigorian, 2002: 1-3).

And finally, both the Azeris and the Armenians seem to undervalue the significance of the conflict for each group. The Armenians seem to think that there is not as much at stake for Azeris in the conflict than the Azeris really believe to be the case. In turn, the Azeris fear for their state’s very existence which is possibly not entirely understood by the Armenians. At the same time, Azeris seem to regard Armenians merely as aggressors, without being able to understand that Armenians also fervently believe that their own survival is on the line in this conflict (Chorbaijan, 2001; Carley, 1999: 8). Again, how this relates to the memory of the Armenian genocide in 1915 can’t be understated. Ironically, both the Armenians and the Azeris view each other as a formidable threat, capable of launching another military strike. However, the reality is that neither is as economically or as politically strong as the other believes.

II. Political Instability

The consequence of political instability (more so in Armenia and the NKR) and the unwillingness of the leadership in both countries to prepare public opinion for a compromised settlement on the ability to reach a solution to the conflict are profound. Political instability in Armenia before and after Ter-Petrossian’s resignation in 1998 and the 1999 parliamentary shootings significantly stalled the mediation process (see “RFE/RL Newsline,” 6 March 1998, 29 October 1999). As discussed, Ter-Petrossian’s acceptance of
the Minsk Group’s ‘step-by-step’ or ‘phased’ settlement plan resulted in the widespread domestic pressure on him to resign while the parliamentary shootings delayed mediation efforts for nearly a year (see “RFE/RL Newsline,” 13 April 2000). The implication of Ter-Petrossian’s resignation is that a settlement was never reached. This was the only time a solution to the conflict was close at hand.

The failure of Ter-Petrossian to gain a clear majority in the September 1996 presidential election weakened his government and called into question his legitimacy, ultimately ending in his resignation. Like the 1996 presidential elections, Robert Kocharian also failed to gain a majority in the February 2003 election. In both elections there were serious concerns about the validity of the results (Krylov, 2004: 145-147). While he has fared better than his predecessor, he still does not have the necessary legitimacy to agree to a compromised settlement plan. The political consequence of this is that a profound demoralization has set in among the Armenian population as many are suspicious of the election outcomes (Martirosyan, 2003: 1-4). At the same time, the domestic political opposition has tried to manipulate this growing discontent to their advantage.

The Armenian Revolutionary Federation-Dashnaktsutuiun (HHD) has been the most vocal against any compromised peace plan. The HHD has repeatedly issued statements warning president Kocharian (and before him, Ter-Petrossian) against making any concessions to Azerbaijan during the different Karabakh talks (see “RFE/RL Newsline,” 11 December 1997, 8 and 21 February 2000, 21 and 23 March 2001). This was especially true during the Key West talks in March and in the following months (see “RFE/RL Newsline,” 21 March, 11 June 2001). In Azerbaijan president Heidar Aliev and his son Ilham have maintained firm enough control over the government reins before and after each Minsk Group peace plan proposal. However, they still remain cautious as their opposition has frequently used the Karabakh conflict to boost their political power (see “RFE/RL Newsline,” 30 April 2003). With the mounting internal tensions and lack of legitimacy in each country, preserving the current status-quo seems to be the policy of the current administrations.

Political instability in Armenia is a major obstacle to achieving a peace settlement, but the unwillingness of the leadership in both countries to prepare public opinion for a settlement may be the greater challenge to finding peace. In a recent Armenian poll...
found that only one percent of respondents would agree to a settlement of the conflict that would restore Azerbaijani control over NKR and one third of Armenians opposed the return to Azerbaijani control of the seven districts currently occupied by Armenian forces (see “RFE/RL Newsline,” 28 June 2004). Preparing public opinion for a settlement will be a difficult task since any settlement that would return the occupied districts over to Azerbaijani control would put the Armenian president at odds with a large segment of the population. As such, the current Armenian government is very unlikely to agree to any settlement plan that returns the occupied territories back to Azeri control until they have gathered the necessary legitimacy to make such a controversial decision.

The difficult task of preparing public opinion for a settlement is acknowledged within the Minsk Group, even if its urgency has not yet resonated in Armenia and Azerbaijan. The former U.S. Minsk Group co-chairman, Carey Cavanaugh, said that while the Armenian and Azerbaijani presidents “appear determined” to reach a settlement of the conflict, the populations of both countries continue to oppose the concessions that are needed in order to do so and that neither has made a concerted effort to convince public opinion of the need for a settlement based on compromise (see “RFE/RL Newsline,” 21 and 22 May 2001). Similarly, the current U.S. chairman, Rudolf Perina, said that the Minsk Group must focus particular attention on the presidents’ efforts to prepare opinion in their respective countries for compromise (see “RFE/RL Newsline,” 25 October 2001).

III. Refugees

The third obstacle to a peace settlement is the problem of refugees. In Azerbaijan there are approximately 750,000 refugees from the Karabakh region and another 350,000 in Armenia and Karabakh (Human Rights Watch, 58-59). The large number of refugees in Azerbaijan has made it difficult for Heidar Aliev and his son Ilham to be patient about reaching a settlement. In fact, the first condition the Azerbaijani leadership has set before a settlement can be achieved is that the NKR Army must stop the occupation of the seven districts adjacent to Nagorno-Karabakh, allowing for the return of displaced persons and refugees (see “RFE/RL Newsline”, 5 September 1995, 10 November and 11 December 2004). The need to repatriate at least some of these refugees complicates the ability to reach a settlement.
However, some analysts, like Edward Walker view the problem of refugees as a strong incentive to finding a settlement. He believes that since the Karabakh Armenians occupy a significant amount of Azeris territory, Baku has a substantial incentive to agree to a first-stage settlement to solve its dire refugee problem (Carley, 1999: 9). However, the Azerbaijani Foreign Minister explains that the public would be unlikely to accept any formal Karabakh peace agreement before the displaced persons forced to flee their homes during the hostilities have been enabled to return (see “RFE/RL Newsline”, 22 July 2004). As previously explained, this will not happen in the near future because the Armenians insist that all issues should be settled in one comprehensive plan. This in turn ties into the problem of ‘timing’ which is another obstacle hindering the settlement of the Karabakh conflict.

IV. Timing: Package vs. Phased

Another key obstacle in the search for a solution to the Karabakh conflict is the issue of timing or sequencing. Both sides have demanded that the other fulfill its principal requirement before the discussion of any other issues can begin. Azerbaijan demands the withdrawal of Armenian troops from occupied Azeri lands before the discussion of the NKR’s status, while Armenia and the NKR called for a resolution on the region’s status before any consideration of troop withdrawal (Carley, 1999: 3).

In trying to move past the deadlock, the Minsk Group proposed in 1997 a “phased” approach to a solution that entailed the Armenian withdrawal from occupied districts followed by a decision on the final status of Nagorno-Karabakh (OSCE Sixth Meeting of the Ministerial Council, 1997; see “RFE/RL Newsline,” 23 September, 24 September 1997). This proposal was accepted by Azerbaijan and Armenia as a starting point for further talks. The NKR, however, out right rejected the plan. Instead, the Karabakh Armenians demanded that all issues be solved simultaneously. They insisted on their ‘de facto’ independence and explained that the citizens of Karabakh must have security guarantees before there could be any discussion of troop withdrawal from Azerbaijan (see “RFE/RL Newsline,” 26 and 28 August 1997).

Any peace settlement should be signed and applied simultaneously and in a package deal with all political, military and legal issues in one framework. This seems to
be the only practical and realistic solution. The Minsk Group now recognizes that a settlement plan must be in a package framework, but it has not sufficiently confronted Azerbaijan’s insistence on a phased solution to the conflict.

V. International Law

Another tension within the Karabakh conflict is over the two conflicting principles in international law: territorial integrity versus the right of self-determination. Azerbaijani insist on the inviolability of their borders, while Armenians insist on their right to self-determination. Both sides point to firm legal grounds to support their cause (see “RFE/RL Newsline,” 19 November 2001). Within the context of the OSCE, Azerbaijan points to Principle IV enshrined in the Helsinki Final Act that guarantees each member’s territorial integrity, while the Armenians point to Principle VIII in the Helsinki Final Act which proclaims the right to self-determination, although it is not specifically defined (Helsinki Final Act, 1975). Furthermore, when the Parliamentary Assembly of the Council of Europe (PACE) adopted a resolution on the Nagorno-Karabakh conflict that reaffirmed both the principles of the territorial integrity of member states and also the principle of the right to self determination, both sides interpreted this resolution as supporting their cause (see “RFE/RL Newsline,” 26 September 2001). This inconsistency in international law undoubtedly complicates the settlement process.

VI. “Outside agitators”

Most Azeris and Armenians believe that the Karabakh conflict is between their two peoples, but ‘outside agitators’ are seen as aggravating tensions (Carley, 1999: 9). First of all, Turkey is viewed by Armenians as aggravating tensions between themselves and Azerbaijan by imposing the economic blockade and creating hurdles for Armenia’s participation in the EU’s TRACECA (Transport Corridor Europe Caucasus Asia) project (see TRACECA). Furthermore, Turkey is seen as rallying support for Azerbaijan, in a way that bolsters the latter’s position at the Karabakh negotiations (Malysheva, 259). As discussed, Turkey has repeatedly said that before improved relations can begin between itself and Armenia, Armenian forces must withdraw from the occupied territory and create
a land corridor that links Azerbaijan with its enclave in Nakhichevan (see “RFE/RL

For the Azeris, Russia is viewed as an ‘outside agitator,’ aggravating tensions
between themselves and Armenia. According to the Azeri leadership, the only reason the
Armenians were able to capture twenty percent of Azeris territory is because of Russia’s
military support. Essentially, the Azeris believe that Russia’s support for Armenia
strengthens Armenia’s position at the Karabakh negotiations. As stated by Azerbaijan’s
presidential advisor, Vafa Guluzade, the Armenian-Azerbaijan conflict is “the long-drawn-
out Russian-Turkish conflict, in which Armenia implements its master’s will” and that the
“Armenian-Azerbaijan conflict” was a proxy struggle between Russian and Turkey (see

Even with the recent Russian-Azerbaijani rapprochement, the image of the ‘outside
agitator’ is every much still in the mindset of the Azeris public and leadership. Neither the
Armenians nor the Azeris believe they caused the war and its aftermath. Instead, each side
remains convinced that ‘outside agitators’ fueled the war and aggravated tensions. This is
just another major obstacle to finding a settlement in Nagorno-Karabakh.

**Chapter Six**

Shortcomings of the OSCE Minsk Group

The Minsk Group co-chairs place the responsibility for the failure of the
negotiations on the conflicting parties. However, there are numerous features of their
activity and structure that slow down peace process. If corrected, these features may
accelerate the mediation process and contribute to a peaceful settlement.

I. Different Mindsets, same Negotiating Table

The Minsk Group has three co-chairmen, and these co-chairmen represent three
major geopolitical players in the region: the U.S., the EU (France), and Russia. Arguably,
each co-chair keeps in mind the interests of their respective countries and approaches the
conflict with a different understanding of the international environment. At the level of
international relations theory, the primary divide is between those of realist and idealist
persuasions (Buzan & Little, 2000). In regards to the Minsk Group, Russia is obviously in the realist category and the EU in the idealist category, with the U.S. somewhere in between depending on the administration in office (Emerson, 2001: 1-5). This distinction is important because it shows the huge differences in ways of thinking between the Minsk Group co-chairs and their respective countries, which drive real political strategies.

Working within a realist framework, Russia has approached the conflict through military and security relationships. Russia has been more concerned about gaining a place at the negotiating table and establishing its claim to being a regional power (Lynch, 2001). When the U.S. was trying to secure the co-chairmanship of the Minsk Group, Moscow explained that it was opposed to the U.S. efforts claiming that there is a “wide-ranging Western campaign to challenge Russian interests in the region” (see “RFE/RL Newsline,” 3 February 1997). Russia, especially during the Yeltsin era, tried to pressure the warring parties into a peace settlement, bypass the OSCE mediation efforts and instead mediate on its own accord (see “RFE/RL Newsline,” 9 May 1996, 8 June 2001). On the other hand, the European Union, and to some extent the U.S. while working within an idealist framework have tried to influence the conflict through a variety of economic, cultural, security and political relationships. The EU and U.S. have not challenged the sovereignty of any of the warring parties and been more inclined to encourage dialogue and propagate shared norms and values (Emerson, 2001: 11).

Although the two broad approaches to the conflict are not necessarily incompatible, they certainly do not speed up the negotiation process. This being said, each co-chair has from time to time had a very different outlook on how to resolve the conflict and by which means. In the past their opposing interests in the region put them in an intensive ongoing tug-of-war. Any resolution of the conflict will require concomitant regional cooperation among the Minsk Group co-chairs and other regional powers. As will be explained in the next chapter, this possibility is becoming more and more a reality.

II. The Credibility of the Minsk Group Co-Chairs

The credibility of the Minsk Group co-chairs has been a target of criticism from the very beginning. Even with warmer Azerbaijani- Russian relation, the Azerbaijani leadership and opposition have remained openly critical of Russia’s intentions in the
Caucasus and its mediation abilities in the OSCE Minsk Group (see “RFE/RL Newsl ine,” 19 November, 3 December 2003). In view of Russia’s explicit military support to Armenia, the Azeris claim that Russia cannot truly be seen as a disinterested observer to the conflict. Instead, they seem to believe that it is more the case that Russia would spoil any solution that did not preserve its level of control of and influence in the region.

The Azerbaijani leadership has been especially concerned about the Russian-Armenian military relationship, particularly, the Russian-Armenian Treaty on Friendship and Strategic Partnership and Russia’s military base in Armenia (see RFE/RL Newsline,” 25 April, 3 May, 20 and 26 September 1996). In fact, that relationship proved something of an embarrassment to the two countries when in 1997 it was revealed that the Russian Defense Ministry has supplied a considerable amount of military hardware to Armenia between 1994 and 1996 (see RFE/RL Newsline,” 14 March, 3 April, 15 May, 24 October 1997, 26 January 1998). Basically, the Azeris believe that if they try to take back the occupied territories, they will be drawn into a war with Russia (see “RFE/RL Newsl ine,” 2 and 4 September, 29 October, 1 April 1997).

Azerbaijan has also criticized Russia’s open support for the NKR. When top Russian political figures participated in the 10th anniversary celebration of the NKR’s appeal to the Soviet leadership to transfer the oblast to Armenian jurisdiction, the Azerbaijani leadership accused Russia of “double standards” (see “RFE/RL Newsline,” 19 and 23 February 1998). Furthermore, Azerbaijan criticized Russia’s support for direct negotiations between Baku and Stepanakert before other co-chairs also supported this negotiation format (see “RFE/RL Newsl ine,” 13 July 1998).

Even with Russia’s obvious bias as a Minsk Group co-chair, in many instances Russia has had a positive influence on the Karabakh mediation efforts. First of all, in 1994 Russia in cooperation with the Minsk Group was finally able to get the warring parties to sign a cease-fire agreement. In 1995 the Russian co-chair was able to convince Armenia to participate in OSCE mediated talks in Helsinki (see “RFE/RL Newsl ine,” 10 August 1995). In 1996, Russia conceded to Azerbaijan’s wish by replacing Vladimir Kazimirov with a new Russian Karabakh mediator (see “RFE/RL Newsl ine,” 30 July 1996). It was reported that the Russian Minsk Group co-chair, Igor Ivanov, advocated the direct talks between the Armenian and Azerbaijani presidents. This has been the main negotiation
format since 2000 (see “RFE/RL Newsline,” 29 December 1998). And finally, the two presidents agreed to a proposal by the Minsk Group co-chairs (supposedly the Russian co-chair) to name personal representatives who will meet on a regular basis to discuss ways of ending the Karabakh conflict (see “RFE/RL Newsline,” 11 and 18 March, 11 April 2002).

The value of the U.S. as one of the co-chairs has also been questioned from the Azeris side, although to a lesser extent. Azerbaijan claimed the U.S. has “double standards” in treating Azerbaijan and Armenia. This was particularly true when the U.S. imposed Section 907 of the Freedom Support Act until January 2002, which restricted U.S. aid to Azerbaijan (see “RFE/RL Newsline,” 26 July, 11 August 1999, 11 October 2001, 14 and 29 January 2002). In addition, Azerbaijan questioned the U.S.’s ability to act as an impartial mediator when the U.S. Congress passed a resolution that described the death of 1.5 million Armenians in Ottoman Turkey in 1915 as genocide. Later the U.S. shelved the genocide resolution as a result of Azerbaijani and Turkish protests (see “RFE/RL Newsline,” 27 September, 5, 18, and 20 October 2000). But at the same time, Azerbaijani perceives U.S. involvement in the conflict to its advantage. In fact, the Azerbaijani leadership believes that meetings hosted by the U.S. and peace plans proposed by the U.S will be more useful and have an effective outcome (see “RFE/RL Newsline,” 16 April 1999).

Likewise, Azerbaijan has also questioned the integrity of France as a Minsk Group co-chairman. It has accused France of a pro-Armenian bias in the Minsk Group saying that by recognizing the killings of Armenians in 1915 as genocide may adversely affect the search for a solution to the Karabakh conflict (see “RFE/RL Newsline,” 1 and 4 June 1998, 19 January, 5 and 15 February 2001).

Armenia has been less vocal in its criticism of the Minsk Group co-chairs for understandable reasons. Armenia is Russia’s strategic partner and at this time Armenia controls twenty percent of Azeris land. For the time being Armenia has no real reason to overly criticize the Minsk Group as it has the advantage in the conflict’s settlement. Instead, Armenia has merely called for more international involvement in the conflict.

Whatever the U.S., the EU, and Russia’s overall aim in the Caucasus, they have clearly shown that they are determined to remain involved in the mediation efforts. While the Armenians and Azeris remain somewhat indifferent to the role of the U.S. and the EU
in the Minsk Group, this is not the case with Russia. The Azerbaijani side claims that Russia complicates the settlement of the Karabakh conflict while the Armenian side believes that Russia’s involvement in the settlement is crucial (see “RFE/RL Newsline,” 20 December 2004). Reconciling the opposing views of Russia as a Minsk Group co-chair is needed to move forward in the settlement process.

III. Inconsistency of OSCE Principles

The Minsk Group has failed to be consistent on its own principles since its formation in 1992. According to Fariz Ismailzade, “by not following its own legal framework [the principle of territorial integrity], the OSCE’s Minsk Group has lost its trustworthiness in the eyes of the Azerbaijan Republic” (Ismailzade, 2002: 5). In 1996 at the OSCE’s Lisbon summit, the Chairman-in-Office made an announcement that called for the solution to the conflict that upholds the principle of territorial integrity (Ismailzade, 2002: 5). Furthermore, the document clearly states that a resolution of the conflict should be based on “the territorial integrity of the Republic of Armenia and the Azerbaijan Republic must be preserved” and “the legal status of Nagorno-Karabakh would be defined in an agreement based on self-determination which confers on Nagorno-Karabakh the highest degree of self-rule within Azerbaijan” (Lisbon Summit Declaration, 1996).

The OSCE Lisbon document clearly states that a solution to the conflict should uphold the territorial integrity of the warring parties and is required before a political settlement can be negotiated. However, the Minsk Group’s 1998 ‘Common-State’ proposal violates the territorial integrity of Azerbaijan (see “RFE/RL Newsline,” 21 February 2001; Mammdov, 2004: 15; Ismailzade, 2002: 5). Consequently, this inconsistency has provoked the former Azerbaijani resident Heidar Aliev to state that Azerbaijan will resort to military means to restore its control over the NKR if the OSCE Minsk Group fails to take “a principled position” and coerce Armenia to abandon what he characterized, its insistence on either annexing the unrecognized enclave or securing its independence (see “RFE/RL Newsline,” 13 July, 9 and 10 August, 25 October, 5 November 2001). The OSCE Minsk Group’s tendency to be inconsistent with its own principles erodes its consistency and credibility in the eyes of the Azeris leadership and populace. Undoubtedly, this willingness to violate its own principles further slows down the peace process.
IV. Unbalanced nature of the negotiating process

The fourth shortcoming of the Minsk Group is the unbalanced nature of the negotiating process. The Azerbaijani government has been unwilling to enter into direct negotiations with the leadership of the NKR even though they have repeatedly insisted on participating. Evidently, Azerbaijan decided to approach the conflict as an interstate one, in which Azerbaijan was the victim of a war and subsequent occupation by a foreign power. Azerbaijan insists that by negotiating directly with the NKR it would imply recognition of the enclave’s independence. Ironically, Azerbaijan’s refusal to negotiate directly with the NKR legitimised Armenia’s claim that it had an interest in the conflict (Carley, 1999: 10). This was formally decided at the 1992 Helsinki Council meeting which decided that the NKR was not an equal party to the conflict (First Additional Meeting of the CSCE Council, 1992: 14-15).

According to Jayhun Molla-zade of the US-Azerbaijan Council, “Azerbaijan considers that it made a great concession simply by allowing Karabakh representatives to be present at the Minsk talks. Baku would not object to sitting down to direct negotiations with Stepanakert; the issue is negotiations about what – the status of Nagorno-Karabakh? Security? Measures of autonomy? Anything but the matter of independence for Karabakh could be negotiated directly […] and if Karabakh accepts Azerbaijan’s territorial integrity, Baku will sit down with them and negotiate” (Carley, 1999: 11). The Azerbaijani leadership believes that since the Armenians occupy their land, they should make the first compromise (see “RFE/RL Newsline,” 23 May 2001).

As a result, the three main parties have been willing to accept a settlement arrangement negotiated by Armenia and Azerbaijan, but not the NKR. This was the main reason why the ‘phased’ peace plan proposed by the Minsk Group in 1997 failed and led to the downfall of the Armenian President Ter-Petrossian; the leadership in Armenia was willing to agree to a peace plan that the NKR leadership was not. The NKR leadership still insists on participating in the peace talks and claims that Armenia is not authorized to try to resolve the conflict single-handedly (see “RFE/RL Newsline,” 7 September 1999). Although the Minsk Group now recognizes that a peace plan must have the approval of the
NKR leadership, it has not sufficiently confronted Azerbaijan’s refusal to conduct direct talks with the NKR (see “RFE/RL Newsline,” 6 March, 25 October 2001).

V. Secrecy of the Peace Plans and Negotiation Process

The secrecy of the peace plans and negotiation process also complicates the ability to reach a peaceful settlement to the conflict. The OSCE Minsk Group peace plans are not made public, but limited to the Minsk Group co-chairs and an elite few in the Azeri and Armenian government. This elite, rather than uphold the confidentiality of the peace talks, has disclosed details about the peace plans in a way that inflates their gains and the other side’s losses. This happened in 2002 when Azerbaijan’s former president Heidar Aliev claimed that the peace plan proposed in Paris favored Azerbaijan. This turned out not to be true, but an attempt to rally popular support (see “RFE/RL Newsline,” 16 June, 1 August 1997, 20 June 2002). As a result of Aliev’s exaggeration, unrest ensued in Armenia as the domestic opposition insisted that the Karabakh draft agreement in Paris and Florida of 2001 be made public (see “RFE/RL Newsline,” 21 June 2002). At the same time, this also caused the Azerbaijani opposition to also demand transparent negotiations (see “RFE/RL Newsline,” 12 April, 6 November 2001). If the negotiations and proposed peace plans were made available to the public and opposition, instances like the one described above could have been avoided.

On the flip side of the coin, the secrecy of the peace plans and negotiations has caused the opposition in both countries to issue warnings against their government on making concessions. Without information, the domestic opposition in both countries approach the peace plans with the worst in mind. For instance, the Armenian Revolutionary Federation-Dashnaksutuiun (HHD) issued a statement warning President Kocharian against making any concessions to Azerbaijan during the Key West talks and in the months after Key West claimed that the Azerbaijan leadership has approved a draft Karabakh peace agreement that entails “humiliating concessions” to Armenia (see “RFE/RL Newsline,” 21 March, 11 and 26 June 2001). Most recently, the Armenian Foreign Minister denied opposition claims that during the visit to the U.S. in 2004 that the U.S. co-chairman of the Minsk Group presented a new interim peace plan for Karabakh
that would entail the withdrawal of Armenian forces from three occupied Azerbaijani districts (see “RFE/RL Newsline,” 21 June 2004).

As a result of the secrecy of the peace plans and negotiations, leaders in Armenia and Azerbaijan have used this lack of information to their own personal advantage. On the other hand, the opposition in both countries usually assumes the worst about a new peace plan causing the political situation in the countries to quickly deteriorate. Unfortunately, a vicious cycle ensues where the opposition accuses the government of selling out while the public is reminded of the other side's atrocities whether real or alleged. This in turn does not produce a situation conducive to achieving a compromised settlement.

The OSCE Minsk Group should disclose the content of the proposed peace plans and negotiations. This would greatly improve its image in the eyes of the opposition and the public in both countries, which is especially needed in Azerbaijan. This in turn would increase the possibility of the public’s acceptance of a future peace plan and stop the leaders and opposition from using this secrecy to boost their own political personas.

VI. Structure of the Minsk Group

And finally, the frequent change of the leadership and format of the negotiations wastes valuable time and further complicates the peace process. The changing format of the negotiations, from those conducted by “representatives of the presidents” to “by co-chairs” and finally, “by direct dialogue of the Presidents” complicates the negotiation process (Ismailzade, 2002: 7). Likewise, when the OSCE Minsk Group changed from a conference format to a tri-party co-chairmanship in 1997, the negotiations were significantly delayed due to the nomination of France and the U.S. as a co-chair. Armenia welcomed the nomination while Azerbaijan opposed stating that it preferred the United States as the new co-chair (see “RFE/RL Newsline,” 16 January 1997). Russia in turn opposed the U.S. efforts to secure the co-chairmanship (see “RFE/RL Newsline,” 3 February 1997). Furthermore, the constant rotation of the Minsk Group co-chairs and the annual rotation of the OSCE Chairman-in-Office significantly stall the negotiation process (OSCE Chairman-in-Office Background). A permanent format of the negotiations is needed to improve the activity of the Minsk Group.
VII. Lack of Security Guarantees

The lack of security guarantees for the warring parties also complicates the ability to agree on a settlement plan. Azerbaijan simply cannot feel secure while Armenians occupy twenty percent of its land and conducts close range military exercises with Russia (see “RFE/RL Newsline,” 25 and 28 September, 29 October 1998, 29 March, 3 and 12 April 2000). The Russian-Armenian military partnership has constantly been a source of concern on the Azerbaijani side. In particular, the Russian-Armenian Treaty on Friendship and Strategic Partnership (which is basically a military alliance), the Russian military base and border agreement (which give Russia the right to maintain a military base in Armenia for a 25 year period and guard Armenia’s borders), and the CIS air defense system and joint rapid-deployment force has been identified as a direct threat to Azerbaijan’s national security (see “RFE/RL Newsline,” 24 January, 2 and 4 September, 29 October, 1 and 30 April, 19 August 1997, 15 October, 6 November, 17 and 22 December 1998, 28 February and 2 March, 12 October 2000).

The Azerbaijani leadership has repeatedly claimed that participation in European security structures and cooperation with NATO is crucial to its national security. Essentially, Azerbaijan believes that cooperation with NATO is the only defense it has against Russia and that it “cannot exist if it does not enter some security system or other” (see “RFE/RL Newsline,” 2 March 1999, 18 January 2001). In fact, the Azerbaijani leadership has said that they will be “compelled” to take unspecified “adequate measures to ensure the security of the country and the defense of its independence” if Russia continues its policy of military cooperation with Armenia (see “RFE/RL Newsline,” 27 January, 1 February, 3 September 1999). Furthermore, Azerbaijan has tried to obtain military cooperation with Turkey comparable to that listed in the Russian-Armenia military cooperation Treaty of 1997 (see “RFE/RL Newsline,” 12 February 1999). Russia in turn has consistently claimed that the Russian-Armenian military cooperation is “not a threat” to Azerbaijan saying that both the UN and the OSCE statues recognize the right of any member state to choose how to ensure its security (see “RFE/RL Newsline,” 28 September, 29 October 1998, 4 February, 1 and 25 March 1999).

On the other hand, Armenia is concerned about its long border with Turkey, the degree of Turkish aid to Azerbaijan, and the possibility of a Turkish base on Azerbaijani
soil (see “RFE/RL Newsline,” 23 March 1999, 6 April 2000). This issue is of particular concern for the Armenians when taking into consideration the Armenian genocide and since Turkey has repeatedly conducted military exercises along its border with Armenia. In a statement made by the Armenian Deputy Foreign Minister he said that Turkey’s formal recognition of the 1915 Armenian genocide would provide Armenia a significant “guarantee of security” (see “RFE/RL Newsline,” 17 September 2004). Armenia believes that Russia is the chief guarantor of its national security. Armenia especially values the joint Russian-Armenian partnership and in the Russian military bases on its soil (see “RFE/RL Newsline,” 31 May 2000, 17 and 26 April 2001). Armenian Foreign Ministry spokeswomen said that the Russian military base in Armenia “creates a balance which ensures a fragile but stable peace” in the South Caucasus and that Azerbaijan’s eagerness to violate that balance by hosting a NATO military base could pose a threat to regional stability. In response, the Azerbaijani Defense Minister said that it is the Russian military base in Armenia which threatens stability and that a NATO presence in the region is needed to counter that threat (see “RFE/RL Newsline,” 28 March 2001). In contrast, the Karabakh Armenians claim that they will feel insecure without the occupied regions. As explained, the occupied regions act as a security buffer zone in case of an Azeris attack.

All parties acknowledge that the lack of security guarantees and the absence of an all-encompassing regional organization for the Caucasus contribute to a destabilized region and hinder a settlement of the conflict. Even though both Armenia and Azerbaijan are involved in NATO’s Partnership for Peace Program, they still are divided according to their traditional allies (see NATO PfP). To a certain degree there is still uncertainty in regards to the regional power’s intentions and plans for the region. Furthermore, without a regional security system, there is really no way to implement a settlement plan if reached unless one of the regional powers offers to monitor the settlements implementation. This is one of the main reasons why the NKR has been so reluctant to accept the Minsk Group’s peace proposals.
Chapter Seven

Opportunities for a Solution

Regardless of the substantial obstacles presented above, there are aspects in the Karabakh conflict that provide the warring parties some opportunity to find a settlement. These factors include the economic incentives, renewed international commitment, Turkey’s warmer stance towards Armenia, the recognition that security guarantees are crucial, and flexibility in the common-state peace plan.

I. Economic Incentives

In Armenia there is a very strong economic incentive to find a solution to the conflict. The Armenian Premier has claimed that Armenia is incapable of developing economically until a final settlement of the Karabakh conflict is reached while the Armenian President argued that establishing economic cooperation would facilitate a political settlement of the conflict (see “RFE/RL Newsl ine,” 31 August 1998, 21 August, 11 September 2000, 5 June 2001). In fact, a poll showed that 72 percent of Armenians believe that Armenia should “freeze” the conflict over Karabakh and focus on developing its national economy while another poll showed that the majority of Armenians favor the opening of the Turkish border (see “RFE/RL Newsline,” 15 March 2001, 8 October 2004).

In Azerbaijan there is not as strong economic incentive to find a solution to the conflict. Azerbaijan has a large share of Caspian oil, is involved in the oil’s transport, and acquires most of the regional foreign investment. Azerbaijan, in comparison to Georgia and Armenia is economically secure (Blank, 1995: 629-633). However, although Azerbaijan has the economic advantage, this strength is also a weakness. Armenians understand that another war will interfere with Azerbaijan’s petroleum transport, undermine its regional investment, and compromise its economic momentum. Therefore, while the economic incentive is not as great in Azerbaijan to find a solution, not finding a solution still poses as a threat to Azerbaijan’s already achieved economic growth.

Even with the recognition of the harmful economic consequences of prolonging the conflict, the Armenian and Azerbaijani public and leadership have resisted economic incentives thus far. Armenian leaders were willing to endure an oil, gas, and transport
blockage by Azerbaijan for years rather than stop supporting Karabakh. The current Armenian President Robert Kocharian has refused to liberate even a portion of the occupied territories in exchange of full resumption of economic cooperation with Azerbaijan and Turkey and a share in the Caspian oil wealth. Gerard Libaridian, a senior advisor during the Ter-Petrossian administration explains that the interests involved in gaining statehood can submerge socio-economic interests and that for Armenians, no price seemed too high for the national cause (Libaridian, 1999: 64-68). Likewise, the Azeri President reoriented his country towards Turkey, risking the loss of the Russian market and has resisted finding a solution even when faced with limitations on U.S. economic assistance (see “RFE/RL Newsline,” 15 February 2002).

The European Commission, the UN, the OSCE, and the Council of Europe have all urged the Caucasus states to embark on economic cooperation at one point or another during the Karabakh mediation efforts as a way to normalize relations between the two countries (see “RFE/RL Newsline,” 7 June 2001, 15 February 2002). However, the economic benefits of settling the conflict, although recognized, has not yet outweighed the benefits of maintaining the status quo (Mooradian & Druckman, 1999: 726). In particular, Azerbaijan believes that the longer the conflict continues, the more Armenia’s resources will drain, thus giving them an advantage on the battlefield. The one economic incentive that may give Azerbaijan and Armenia the necessary push to make serious compromises is that of EU full or virtual membership. Both are viable possibilities.

Armenia and Azerbaijan have openly stated that EU membership is a long term goal and both are actively involved in various EU programs including the TACIS Program (1991), Food Security Program, ECHO, TRACECA, OSCE, the Minsk Group, INOGATE (2000), the Council of Europe (2001), the Armenian-EU Commission for Interparliamentary Cooperation (2002), GRECO (2004), and most recently the EU’s ‘New Neighborhood Initiative’ (2004) (Komissina, 2001; 93-100; Zurbashvili, 2004: 142-143; Aliiev, 2004: 161-163; see www.europa.com). The EU’s role in this region seems to increase day by day, however, it is still very much undecided in Brussels how the EU should approach this region and whether the Caucasian states may become future EU members (Lobjakas, 2004: 1-3). Furthermore, settlement of the Karabakh conflict is just one of the prerequisites for the Caucasus countries to further integrate into European
structures (Guseinova, 2004: 42-43). When discussing the EU’s new Neighborhood Program, one EU official told RFE/RL that although the EU wants to help both countries, "we cannot do much with two armies facing each other" (see “RFE/RL Newsline,” 15 June 2004). Brussels is open to the possibility of further Caucasus-EU integration, it how much and when which is unclear. According the EU, the Karabakh conflict is the main obstacle to further integration. Perhaps the promise of further integration or membership into this prestigious and profitable organization may just be the key to settling the conflict.

II. Renewed Commitment to Resolve the Conflict

A greater level of activity and an unprecedented level of coordination among the Minsk Group co-chairs have raised hopes that the long-running dispute will be resolved. As of 2002, Russia has accelerated its diplomatic activity regarding Nagorno-Karabakh in its capacity as co-chair as did the Minsk group in general (see “RFE/RL Newsline,” 5 February 2002). In 2003, the U.S. Ambassador to Azerbaijan, Ross Wilson announced that Washington will redouble its efforts to help resolve the Karabakh conflict and more actively engage itself in the mediation effort (see “RFE/RL Newsline,” 14 March 2003). Furthermore, several EU envoys (see “RFE/RL Newsline,” 24, 22 & 17 March, 2, 8 & 9 July, 21 September, & 1 November 2004) and U.S. envoys visited the region in 2004 (see “RFE/RL Newsline,” 4 June, 23 April, & 10 March 2004). The renewed commitment from Russia and the EU is probably at its greatest now than at any other point in time.

Also in 2004, the Azeris President Ilham Aliyev met with the French President Jacques Chirac to discuss the conflict in Paris (see “RFE/RL Newsline,” 26 January 2004) and Azerbaijan and Russia signed a “Moscow Declaration.” This Declaration among other things reaffirmed the two sides shared commitment to participate in regular meetings of the Caucasus Four Group of states to discuss regional problems and to refrain from any military, economic, or financial measures directed against the other (see “RFE/RL Newsline,” 9 February 2004). This is just another example of the positive direction Russian-Azeris relations has taken in recent years.

The renewed commitment to resolve the conflict and the increasingly flexible and balanced Russian position towards Azerbaijan shows real promise for settlement, or for the very least, serious negotiations. The current geopolitical situation is opportune since most
countries of the region want to work on the U.S. side. This is especially true for Russia as it is prepared to cooperate with the U.S. in its struggle against terrorism (Rutland, 2004: 27-50). Cooperation, particularly between Russia and Western governments, may provide a new basis for encouraging cooperation within the South Caucasus region. At the same time, the U.S. with the war in Iraq has to devote much of its attention to the Middle East. Whether the struggle against terrorism will bring the Caucasus states and regional players together or divert more attention away from this region is still unclear.

In addition, there has also been a warming of Turkish-Armenian relations since 2000 as explained in chapter four, section six. An easing of the blockade, if only just by Turkey, would help to break the deadlock and lessen the feelings of insecurity on both sides (Carley, 1999). This would ideally be the next step in the warming of Armenian-Turkish relations. All together, the warming of relations between Turkey and Armenia, Russia and Azerbaijan, and the renewed commitment from Russia and the EU may ease tensions between the warring parties and contribute to a peace settlement.

III. Regional Security System

All parties acknowledge that the lack of security guarantees and the absence of an all-encompassing regional organization for the Caucasus contribute to a destabilized region and hinder a settlement of the conflict. The Armenian Foreign Minister when recognizing this point explained that a regional security organization is needed to bring together Russia, Iran, Turkey, the South Caucasus and the Central Asian states, which would serve as a forum for the discussion of problems and consensus-building (see “RFE/RL Newsline,” 17 March 1999). The Armenian President Robert Kocharian later elaborated on this regional security system explaining that it should not only address security issues and conflict resolution, but provide a basis for economic cooperation and democratic reform. This security system (which was supported by Azerbaijan) involves a 3+3+2 formula involving Armenia, Azerbaijan, and Georgia, with Russia, Iran, and Turkey as guarantors and the U.S. and the EU as sponsors (see “RFE/RL Newsline,” 30 March, 15 May 2000). During the Istanbul summit both Robert Kocharian and Heidar Aliev advocated the creation of a South Caucasus security system that would compliment the existing European system (see “RFE/RL Newsline,” 22 November 1999) while the Turkey and the U.S. have
also frequently called for a Caucasus stability pact (see “RFE/RL Newsline,” 17 January, 22 March 2000).

Although the creation of a regional security system is a remote possibility, it would greatly affect the Minsk Group’s ability to reach a settlement. Armenia and Azerbaijan are involved in NATO’s Partnership for Peace Program, but evidently, this has not given the parties the necessary security guarantees. Therefore, this security system could either be on the sideline of NATO, or more practically something wholly separate as there are still some voices in Russia against further NATO influence in this region (see “RFE/RL Newsline,” 17 May 2000). The CIS is not a very practical option, as its international credibility and ability to get things done is questionable. Either way it should be an arrangement in which the Caucasus states would participate in some confidence-building measures and cooperate militarily for the purposes of their own security. It would probably require a sponsor, perhaps but not limited to the U.S. or the EU. Most importantly, the Russian military bases must be incorporated into this system, as it is a crucial guarantee of security for the Armenians (see “RFE/RL Newsline,” 31 May 2000, 12 March 2001).

IV. Common-State Peace Plan?

The “common-state” peace plan proposed by the Minsk Group in 1998 provided for the creation of a common state between Azerbaijan and the NKR and the establishment of horizontal relations between Baku and Stepanakert. With some reservations about a broader formulation of the notion of sovereignty for the NKR, Armenia has welcomed the proposal. Azerbaijan, however, rejected the proposal claiming that it violated its territorial integrity (Martirosyan, 2003: 1-2). This rejection was not based on the concept of a common-state, but the idea of horizontal relations between Baku and Stepanakert. Even with Azerbaijan’s initial rejection, with some changes, this plan would be an optimal choice towards peace.

This solution would entail a power sharing agreement and vertical relations between Baku and Stepanakert. Azerbaijan’s territorial integrity will be respected in that the NKR would formally remain part of Azerbaijan and represent the NKR in international organizations. However, there would be actual self-government for the Karabakh inhabitants in matters of education, culture, investment, and infrastructure. For the most
part, the Karabakh Armenians would be able continue their de facto government. To appease the enclave’s security concerns, the NKR army must make the transition to a local police unit and long-term international peace keepers must remain on the ground. Furthermore, this solution should come in a package format to further satisfy the Armenians security concerns. However, gaining preliminary consent by all sides on every issue will be difficult.

In addition, the concept of a ‘common-state’ should be clarified. In the discussion of this peace plan following its proposal by the Minsk Group, it was also called a “single,” “union”, and “joint” state peace plan. It seems that the concept of a common-state was never fully defined as each term implies a different form of state configuration. This should be revisited by the Minsk Group. Furthermore, if the common-state peace plan will work, there must be the realization that the Karabakh conflict need not have a zero-sum outcome in which a gain for one side is perceived as a loss by the other. At the moment there is little indication of this realization with either republic, but there is room for change with the proper media campaign. The common-state peace plan could perhaps be the beginning of an understanding of new forms of state sovereignty and self-rule, forms that are more appropriate in a post-nation-state era.

**Conclusion**

In summing up the discussion above, the pieces fall into place clearly. The web of relations that has emerged in the Caucasus is not a new set of alignments, but one rooted in history. Far from helping to end the Karabakh conflict, this set of alignments has instead enhanced the trend towards regional polarization, with Armenia, Iran and Russia facing Azerbaijan and Turkey. Only the geographically distanced actors, the EU and the U.S., have refrained from openly supporting either side. Attempts to reach a settlement are further complicated by the great divergence in the interests of the regional countries and principal actors. At this point in time Armenia and Azerbaijan are unable to agree on any issue, from whether the timing of the settlement should be “packaged” or “phased” to the final status of the NKR. Other obstacles to reaching a settlement include the lack of mutual mistrust, unwillingness to compromise, the problem of refugees, the conflicting principles in international law, and the image of the outside agitator.
At the leadership level there is some will to end the conflict, just not the necessary legitimacy to reach a settlement. In Armenia, Ter-Petrossian’s resignation in 1998 and the 1999 parliamentary shootings are perfect examples. Both instances of political instability delayed the mediation process for about one year. In contrast, the former president Heidar Aliev of Azerbaijan was able to keep firm enough control over the government reins. However, his son and current president Ilham does not have as much power and under him political instability is more likely. It may be that only after the next presidential elections in the two countries will the necessary government legitimacy be in place to achieve a settlement.

The Minsk Group squarely places the blame on the warring parties, but as explained, many aspects of the Minsk Group’s structure and activity impeded the peace process. Shortcomings of the Minsk Group include their low levels of credibility, different mindsets, unbalanced negotiation process, secrecy of the peace process, and the continuous rotation of mediators. For Azerbaijan, Russia is the least credible co-chair, followed by the EU, then the US. For Armenia, all the Minsk Group co-chairmen have high credibility. Overall, Armenia has been less vocal in its criticism of the Minsk Group for understandable reasons as its Russia’s ‘strategic partner’ and occupies a huge section of Azerbaijan. Almost every credible peace plan or positive change in the settlement process began only when the conflicting sides responded to the influence of a single mediator from the Minsk Group. The main problem with the Minsk Group peace process is that it evolved into more of a bureaucratic exercise than a vehicle for conducting peace negotiations. However, there is no viable alternative to the OSCE Minsk Group, only ways to improve its future activity.

In reference to the factors that explain international mediation outcomes, overwhelming attention is placed on the nature of the dispute and the involved parties and their interrelationships. Less attention is placed on the mediator and the international context of the conflict. This deserves more attention as the mediator in this conflict, the Minsk Group, has negatively affected the conflict in Nagorno-Karabakh. Issues of impartiality, credibility, leverage, and the strategies the mediators all had an effect on whether the warring parties were willing to compromise and work together. This ultimately
affects whether or not a settlement is achieved. In the future the OSCE should take these issues into consideration before engaging in such a conflict.

It is also important to emphasize that an imposed solution from the Minsk Group or by any of its mediators will not resolve the conflict. The Minsk Group mediators can and have employed a broad range of policy tools from providing a negotiating forum, suggesting formulas for power-sharing, offering economic packages and observers to help maintain the cease-fire, and other carrots and sticks to provide incentives for peace. This is commendable; however, what the Minsk Group and the political leadership in both countries should take great care to do is prepare public opinion and paint the ‘other’ in a positive light because collective memories of violence will not be reversed easily. Altering what feeds the conflict: the prejudices, the flag-waving extremist leaders, violent propaganda, and so on, will be the real task.

By focusing my research on the day-to-day news from this region I have learned that the leaders who take steps toward compromise are charged by opponents with selling out, while the public is reminded of the other side's atrocities whether real or alleged. The media from this region resonates with emotional charge. The fate of Armenia's president Ter-Petrossian, who was ousted when he tried to pursue a compromise peace in the Karabakh conflict, provides an object lesson for would-be peacemakers who get too far ahead of public opinion. Because of this constraint, perhaps a negotiated settlement should not be Minsk Group’s aim or the aim of this thesis. In the end, for a lasting settlement to be reached, reconciliation between two peoples should be the aim, the changing of attitudes, and reminding both sides that they did peacefully exist, side-by-side for thousands of years.

Unfortunately, it seems that the Armenians and Azeris are currently not prepared to meet this task. As such, a settlement for the Nagorno-Karabakh conflict is unlikely in the near future. It is clear that the most plausible and realistic solution to the dispute is found in the common-state peace plan offered by the OSCE’s Minsk Group, but again, reconciliation should be the primary goal. As long as the current governments and negative attitudes towards the other remain, it is unlikely to see the warring parties make meaningful compromises and the dispute between these two people not burden future generations.
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