

POST-SOVIET POLITICS



# **NEGOTIATING ARMENIAN-AZERBAIJANI PEACE**

**Opportunities, Obstacles, Prospects**

**OHANNES GEUKJIAN**

NEGOTIATING  
ARMENIAN-AZERBAIJANI PEACE

# Post-Soviet Politics

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# Negotiating Armenian-Azerbaijani Peace

Opportunities, Obstacles, Prospects

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*American University of Beirut, Lebanon*

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Published by  
Ashgate Publishing Limited  
Wey Court East  
Union Road  
Farnham  
Surrey, GU9 7PT  
England

Ashgate Publishing Company  
110 Cherry Street  
Suite 3-1  
Burlington, VT 05401-3818  
USA

[www.ashgate.com](http://www.ashgate.com)

### **British Library Cataloguing in Publication Data**

A catalogue record for this book is available from the British Library

### **The Library of Congress has cataloged the printed edition as follows:**

Geukjian, Ohannes.

Negotiating Armenian-Azerbaijani peace : opportunities, obstacles, prospects / by Ohannes Geukjian.

pages cm.—(Post-Soviet politics)

Includes bibliographical references and index.

ISBN 978-1-4724-3514-9 (hardback)—ISBN 978-1-4724-3515-6 (ebook)—ISBN 978-1-4724-3516-3 (epub) 1. Nagorno-Karabakh Conflict, 1988–1994—Peace.  
2. Azerbaijan—Foreign relations—Armenia (Republic) 3. Armenia (Republic)—Foreign relations—Azerbaijan. I. Title.

DK699.N34G42874 2014

947.54086—dc23

2014015812

ISBN: 9781472435149 (hbk)

ISBN: 9781472435156 (ebk – PDF)

ISBN: 9781472435163 (ebk – ePUB)

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*To my family*



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# List of Abbreviations

APF	Azerbaijani Popular Front
ARF	Armenian Revolutionary Federation
BTC	Baku-Tbilisi-Ceyhan
CBMs	Confidence Building Measures
CIO	Chairman-in-Office
CIS	Commonwealth of Independent States
CSCE	Conference for Security and Cooperation in Europe
CSTO	Collective Security Treaty Organization
EU	European Union
FM	Foreign Minister
FSU	Former Soviet Union
HLPG	High-Level Planning Group
NATO	North Atlantic Treaty Organization
NGOs	Non-Governmental Organizations
N-K	Nagorno-Karabakh
OSCE	Organization for Security and Cooperation in Europe
RNK	Republic of Nagorno-Karabakh
UN	United Nations

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# Chapter 1

## Introduction, Approaches, Methodology and Structure

### Introduction

This book seeks to provide a balanced and comprehensive analysis of the unfinished business of the Armenian-Azerbaijani negotiations over Nagorno-Karabakh (N-K). The cause of the conflict is ethno-territorial. We also categorise the conflict as identity/secession-based because it involves the relative status of Karabakh Armenians in relation to Azerbaijan. Thus, a solution must be found through a formula that meets both the Armenian demand for self-determination and Azerbaijan's demand for territorial integrity. The most striking characteristic of the N-K internal conflict is its asymmetry. Negotiations under conditions of asymmetry have been very difficult because they are perceived by the conflict parties as zero-sum. This research applies Edward Azar's and John Burton's human needs theory to explain and analyse the protracted and intractable nature of the N-K conflict and to emphasise that deprivation of human needs such as security needs, identity needs and political access needs are the underlying sources of the conflict. Hatreds between the Armenians and Azerbaijanis who claimed the same land, which escalated to reciprocal atrocities, cannot be understood or managed by simply dealing with tangible issues. Equally important, without addressing these ontological needs it is very unlikely the conflict will be resolved. The peace process that started in 1992 reflects and demonstrates decades of unsuccessful Armenian-Azerbaijani negotiating habits because the negotiators have been primarily motivated by promoting and protecting their national interests. Traditional diplomacy has been used to achieve a diplomatic solution within a framework of compromise on these interests. For Azerbaijan the bottom line has been to protect the territorial integrity of the state by preventing the separatists (Karabakh Armenians) to gain international recognition. For Armenia the bottom line has been to prevent the restoration of Azerbaijani sovereignty over N-K and if possible gain *de jure* independence. Thus, solutions must be found through a formula that meets both the secessionist's demands for self-determination and Azerbaijan's demands for territorial integrity.

The struggle continues and negotiation suffers because the negotiators have failed to address the psychological elements of the conflict, such as the long-standing animosities rooted in a perceived threat to identity and survival. It is important to acknowledge that the contested issues of the conflict, such as territory, security and identity, are intimately rooted in the psychological and



cultural elements sustaining the conflict. This book aims to highlight that there exists a historical pattern for failed Armenian-Azerbaijani negotiations which the mediators must break if they are genuinely to achieve progress.

*Negotiating Armenian-Azerbaijani Peace* presents an uninterrupted examination of the Armenian-Azerbaijani peace process since 1992. We take into account the parameters of the historical times in which the negotiations took place and the conflicting and divergent interests of the internal and external actors in the conflict. In addition to the three internal actors (Armenia, Azerbaijan and the Karabakh Leadership), the motives, views and interests of the external actors (Russia, Turkey, Iran and the US) are fully examined. The divergent viewpoints of Armenia and Azerbaijan are essential components of each party's position of the conflict and explain how each party can perceive itself the victim and the other the aggressor. Where important we have striven to include throughout the book the rival and contrasting interpretations of these actors, thereby allowing the reader to explore alternative perspectives.

This book also examines and analyses the mediation of the Organization for Security and Cooperation in Europe (OSCE) in the N-K conflict and the peace process associated with it from 1992 to the present. Certainly, Russia, Turkey and Iran have expressed readiness to mediate the conflict in order to promote their interests in the South Caucasus region but the OSCE has been the primary forum for mediation, led by a subset of OSCE members called Minsk Group (MG), Co-Chaired by the US, France and Russia. The OSCE is another external actor in the conflict and has an interest in its outcome. The entry of the OSCE as a third party in the conflict has changed the conflict structure and has allowed a different pattern of communications enabling the MG to reflect back the messages, attitudes and behaviour of the disputants. Certainly the MG has facilitated negotiations between the conflict parties but we acknowledge that our take on the Karabakh peace process is significantly less optimistic. We do believe that Armenian-Azerbaijani peace is possible, but the two decades of negotiations have taught us to be ever more aware of the historical depth of the conflict, the immensity of the challenge facing the internal parties and the MG who would resolve it and the unpredictable actions of the spoilers whose interests are threatened whenever a negotiated agreement has come into sight.

The approaches of conflict resolution, conflict management and conflict transformation are major themes in this book. The first aim of the book is to explain that the most striking characteristic of the N-K conflict is its asymmetry. We argue that negotiations under conditions of asymmetry become very difficult, if not impossible, because the most propitious conditions for resolving conflict are difficult to obtain. As William Zartman notes, 'a mutually hurting stalemate defines the moment as ripe for resolution'.<sup>1</sup> However, a mutually hurting stalemate

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1 William I. Zartman, 'Dynamics and Constraints in Negotiations in Internal Conflicts', in William I. Zartman (ed.), *Elusive Peace, Negotiating an end to Civil Wars* (Washington, DC: The Brookings Institution, 1995), p. 8.

is yet to be perceived by the conflict parties. The asymmetry found in the Karabakh conflict and the negotiations is that the position of the Karabakh Leadership is totally fixed on the conflict, which involves its existence, whereas Azerbaijan, in addition to its commitment to the territorial integrity of the state, has many interests too. This situation has created the zero-sum conflict.

The second aim of this book is to explain that without meeting basic human needs, like identity, recognition, security and participation, resolving the protracted social conflict (PSC) of N-K is difficult because these human needs are ontological and biological drives for survival.<sup>2</sup> In other words, these needs are not negotiable. Our analysis focuses on the identity group (that is, Karabakh Armenians), emphasising that it is the relationship between the identity group and the state (Azerbaijan) which is at the core of the conflict. This research promotes the idea that the Karabakh conflict cannot be resolved without redressing identity, security and recognition needs. As John Paul Lederach notes, 'Peacebuilding must be rooted in and responsive to the experiential and subjective realities shaping people's perspectives and needs'.<sup>3</sup>

The third aim of this book is to demonstrate that official or track one diplomacy may not solve protracted internal conflict, because without addressing the real causes of the conflict and the problematic relationship between the Armenians and Azerbaijanis, attempts at peacemaking will often be sporadic and the space of mutual understanding and compromise shrink. It is worth noting that the diplomatic approach to conflict resolution has been ill suited to address the nature of the Karabakh conflict because the conflict is characterised by deep-rooted and long-standing animosities that are reinforced by high levels of violence and experiences of atrocities. This requires the adoption of an approach that goes beyond statist diplomacy and a framework that addresses and engages the relational aspects of the peacebuilding process. We refer to many frustrated attempts to negotiate an end to the Karabakh conflict and attribute the reason to the top-level approach that has been adopted by the mediators. The negotiators have been locked into positions taken with regard the perspectives and issues in the conflict and they refused to render concessions because retreating from the publically stated goals is seen as weakness or loss of face. We write with sobering certainty that both sides will experience more frustrating attempts to end the conflict if they do not adopt an approach that concentrates on the identity groups in the conflict and acknowledge the power and potential of middle-range leaders who, if integrated properly, may provide the key to creating an infrastructure for achieving peace.

The fourth aim of this book is to highlight and explain that conflict transformation has a particular salience in asymmetric conflicts in that the goal is to transform unjust relationships and high degree of polarisation between the

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2 See, Edward Azar, *The Management of Protracted Social Conflict, Theory and Practice* (England and Brookfield: Dartmouth Publishing Company, 1990).

3 John Paul Lederach, *Building Peace, Sustainable Reconciliation in Divided Societies* (Washington DC: USIP Press, 1997), p. 24.

disputants where stereotyping and demonisation have taken root. We use conflict transformation to understand the peace process, where transformation denotes a number of necessary transitional steps like actor transformation and issue transformation. This approach implies a deep transformation in the conflict parties and their relationships and in the situation that created the conflict. So far the parties have been unable to establish a breakthrough and resolve the incompatible issues of territorial integrity and self-determination. Thus, resolving the conflict must involve a set of dynamic changes that include a de-escalation of conflict behaviour, a change in attitudes and transforming the relationships or the divergent interests that are at the core of the conflict structure. Conflict transformation also requires real changes in the disputants' interests, goals and self-definitions. We strongly believe that a multitrack approach is necessary to resolve the conflict, relying on interventions by different actors at different levels.

Within this context, this book also examines the anatomy and causes of deadlock in the Karabakh negotiations and advances three causal hypotheses that explain the occurrence of deadlock in the negotiations and, hence, the difficulty of a compromise solution to settle the conflict. The book also offers three solution sets that will be addressed in the conclusion. We define deadlock in the Karabakh negotiations as a protracted situation of no agreement, where the Armenian and Azerbaijani sides are unable to move forward whatever they do. Obviously, both sides have inflexible positions and lack of commitment or desire to resolve the conflict. The deadlock may trigger escalation, as sporadically has been happening on the line of contact that separates the warring sides, and create a feeling that a compromise is no longer attainable. In order to better understand deadlock in the negotiations the three hypotheses are tested in the subsequent chapters of this book. The first hypothesis is Best Alternative to a Negotiated Agreement (BATNA) related, the second hypothesis is uncertainty related and the third hypothesis is ideas related. We formulate the three hypotheses as follows:

Hypothesis 1 (H1): Deadlock occurs because of superior BATNA or occurs whenever and as long as the disputants believe their alternative to compromise agreement is superior to the peace plan on offer.

Hypothesis 2 (H2): Deadlock occurs because the negotiating disputants bluff and lie.

Hypothesis 3 (H3): Deadlock occurs because fairness and justice matter.

Consequently, we describe and analyse throughout the chapters of this book the obstacles (as the title indicates) that prevented a mutually acceptable settlement of the conflict and provide evidence to explain why deadlock occurred during the different stages of the negotiations since 1992. Additionally, we also explain the role of the OSCE MG, as the main third-party mediator, and the other regional actors of Russia, Turkey and Iran in the creation and resolution of deadlock.

The South Caucasus region that comprises the states of Armenia, Azerbaijan and Georgia (see Map 1) is also highlighted in this research because it occupies a key strategic location, squeezed between the Black and Caspian Seas, Iran, Russia and Turkey. The region constitutes an important land bridge between Asia and Europe, physically linking the Caspian Sea region and Central Asia with the Black Sea and Western Europe. It is an important transport and communications corridor, particularly as a transit route for oil from the Caspian Sea to international markets. The stability of the South Caucasus is threatened by its geopolitical and geostrategic significance, as well as security challenges, including the unresolved conflicts of the breakaway regions of N-K (in Azerbaijan), South Ossetia and Abkhazia (in Georgia).<sup>4</sup> This book explores and examines the relations between the major external actors of Russia, Turkey and Iran with the internal actors of Armenia and Azerbaijan as well as the policy of the US with regard Russia and the region as a whole. This book examines the impact of the Armenian-Russian and Azerbaijani-Turkish alliances on the Karabakh conflict and its further polarisation. Russia's dominant role in the region is particularly emphasised to demonstrate its desire to play a leading role in resolving the conflicts and preventing US and Western penetration in the region. Russia desires to play the role of arbiter and peacekeeper in the region. Russia tends also to reduce the influence of Turkey and Iran in the region rather than encourage genuine understanding in the benefit of increased cooperation. The South Caucasus has been within Russia's zone of geostrategic and security interests. Being a regional hegemon, Moscow tends to dominate and undermine potential regional cooperation between the three South Caucasus States which certainly weakened the chances of conflict resolution. It is unwise to ignore the regional dimension of the Karabakh conflict. Thus, this book explains that regional security arrangements, economic development and regional integration can contribute to conflict settlement and peace.

This book strongly argues that asymmetric conflicts cannot be resolved without satisfying human needs. Hence, we use the need theory because it better explains the causes of PSCs. Conceptualising conflict in general terms of needs is important, for it points to the basic dimension of grievances, and hence solutions. Among the obstacles that have prevented a negotiated agreement between the disputants has been the failure to provide satisfaction to the needs of identity, security, recognition and political access.

In order to achieve its aims this research also explains that inter-communal conflicts are characterised by processes that include heightened ethno-centrism, a decline in moderation, psychological distancing and a sharpening of territorial boundaries. The result is polarised communities where ethnic hatreds, fear and distrust are rife. In societies marked with fragmentation and miscommunication, diplomatic approaches to conflict resolution rarely yield lasting results and apparently must be supplemented by other approaches. Within this context, it is

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4 See, Edmund Herzig, *The New Caucasus, Armenia, Azerbaijan and Georgia* (London: The Royal Institute of International Affairs, 2000).

crucial to look at internal conflicts with political and multidimensional framework that take into account social, economic and historical factors. It is also crucial to acknowledge that in ethnic conflict situations a multilevel approach must be pursued to involve many actors and institutions in the transformation process, and that each phase in the conflict may necessitate a different type of intervention by different actors or combination of actors. Thus, conflict transformation as an approach becomes necessary to achieve some currency and facilitate conflict settlement or resolution.

Further, we argue that government-centred official negotiations did not significantly temper the great skepticism and cynicism among both disputants and that changing the regional context, building coalitions in favour of conflict resolution and setting a multiple track of dialogue will be crucial to approach the peace process. This book is based on third-party conflict resolution intervention but it also suggests an interactive mode of problem-solving to reach positive-sum solutions over joint problems and enhance mutual safety. Additionally, this book suggests a reflexive and integrative frame so as to articulate human concerns for dignity, justice, safety and identity to enable the disputants achieve a mutually acceptable solution.

We believe that *Negotiating Armenian Azerbaijani Peace* will bring a contribution to the broad group of writings that belongs to negotiation analysis. As alluded to above, this research will test three hypotheses on deadlock in negotiations. Most major works in negotiation analysis, for example William Zartman's work, examine the broader question of how to reach agreement. While those works are still valuable, their insights for understanding deadlock are indirect. Deadlocks deserve much more study than they have so far received and political analysis is crucial here to offer a better understanding. By using the N-K case, this book focuses on the anatomy and causes of deadlock and the difficulty in achieving a breakthrough.

This book also analyses the dynamics of the peace process and assesses the weaknesses and prospects of successful mediation. The reader may not find our analyses exhaustive, but we believe that the uninterrupted examination of two decades of mediation by the OSCE MG in the Karabakh conflict adequately integrates many findings that have a bearing on conflict resolution and provides answers to the key question of mediation research, namely how one should mediate and when.

## **Background**

The territorial dispute began when the Soviet-era borders of Armenia and Azerbaijan were being drawn. On 5 July 1921 the *Kavburo* (Caucasian Bureau of the Communist Party) decided to keep the mountainous part of N-K within the boundaries of Azerbaijan while declaring it an autonomous region. On 7 July 1923 the Central Executive Committee of Soviet Azerbaijan published the decree

on the formation of the Nagorno-Karabakh Autonomous Oblast (NKAO) or N-K Autonomous Region (NKAR) with Khankendi (Armenian Stepanakert) its capital. It was officially confirmed as a constituent part of Soviet Azerbaijan.<sup>5</sup> Karabakh Armenians were granted autonomy in order to nurture their national identity. The acceptance of Armenian as an official language in N-K could be considered a major step towards the realisation of cultural and linguistic freedoms of Karabakh Armenians. The autonomous region was divided into five administrative areas: Martakert, Martuni, Shushi, Hadrut and Askeran (see Map 3). The NKAR was physically separated from Soviet Armenia by a strip of Azerbaijani land, known as the Lachin corridor. The Armenians were bitterly disappointed because the frontier on the west excluded the Lachin corridor, Kelbajar and Getabek. There were also territorial cut-offs on the north. In 1936, the Soviet constitution reaffirmed that the Lachin and Kelbajar districts as part of Azerbaijan.<sup>6</sup> The controversy surrounding this move continues to this day and constitutes one of the hottest arguments in the Armenian-Azerbaijani negotiations on the status of N-K.

Karabakh Armenians considered that the creation of the NKAR denied them access to participation, the minimum of which was the absence of consultation of the population on Karabakh affairs. Further, the cultural, economic and political rights of the ethnic Armenian majority of the region were neglected even though they represented 94.4 per cent of the population.<sup>7</sup> Karabakh Armenians held the Azerbaijani authorities responsible for practicing ethnic, cultural and political discrimination against them. The promised autonomy was highly restricted and the Azerbaijanis were favoured in the fields of social, cultural and economic life.<sup>8</sup> N-K's autonomy was only nominally taken into consideration, although it was mentioned in Azerbaijan's constitution in many ways. On the other hand, the Azerbaijanis indicated that in 1923 the NKAR possessed all the fundamental attributes of self-government and by virtue of that it had developed socially, culturally and economically.

Despite the fact that Soviet control temporarily limited ethnic tensions in N-K, Armenians constantly attempted to reverse the situation because they considered the 1923 decision iniquitous. On the other hand, the Azerbaijanis viewed the same decision as a victory because it confirmed their historical claim to the region.<sup>9</sup> Armenian complaints were squashed during Stalin's rule (1924–53), but the aim

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5 Ohannes Geukjian, *Ethnicity, Nationalism and Conflict in the South Caucasus, Nagorno-Karabakh and the Legacy of Soviet Nationalities Policy* (London: Ashgate, 2012), pp. 70–74.

6 Daniel Muller, 'The Kurds of Soviet Azerbaijan, 1920–91', *Central Asian Survey*, Vol. 19, No. 1 (2000), pp. 41–77.

7 Christopher J. Walker, *Armenia and Karabagh, the Struggle for Unity* (London: Minority Rights Publications, 1991), p. 116.

8 Vicken Cheterian, *War and Peace in the Caucasus: Russia's Troubled Frontier* (London: Hurst, 2008).

9 Walker, *Armenia and Karabagh*, p. 109.

of unification with the homeland, Armenia, remained. The ethnic Armenians of N-K pursued this aim whenever a thaw in Soviet nationalities policy permitted them to do so.

The controversy between both nations over the status of N-K continued after 1923. The Armenians saw that Azerbaijan gained territorially by allocating the territory of N-K within its borders and by creating the Nakhichevan Autonomous Republic and subordinating it to Soviet Azerbaijan. On the contrary, the Azerbaijanis remained resentful of the partitioning of Karabakh by granting its mountainous part autonomy and of the fact that although Nakhichevan became subordinate to Azerbaijan, it was isolated from its mainland by the Armenian territory of Zangezur, which was allocated to Armenia.

In the 1960s political changes, social processes and intellectual developments led to a volatile situation in the Soviet Union. Above all, the more open articulation of national pride, glorification of the past and patriotic sentiments led to an unprecedented phenomenon in the Soviet Union: dissident nationalism. Thus, within 'the limits of permissible expressions', thousands of Karabakh Armenians wrote a number of petitions to the Soviet authorities in Moscow asking them to find a solution to the N-K problem.<sup>10</sup> The second wave of petitions occurred in the 1970s, when the Soviet Union was preparing to endorse the 1977 federal constitution. A petition signed by 100,000 Armenians asked Leonid Brezhnev to exploit the right opportunity to alter the 1923 decision and attach N-K to Armenia. However, the Soviet leadership was determined to keep the status quo in the name of socialism, indivisibility and respect for the 'rights' of the autonomous region.<sup>11</sup> The Azerbaijanis rejected the Armenian demands because they based their argument on living traditions. Moreover, the demands for the unification of N-K with Armenia was not seen justifiable because, according to Article 78 of the 1977 Soviet constitution, a Union republic's borders could not be altered without its consent.<sup>12</sup>

In 1985–86 Mikhail Gorbachev initiated the policies of *perestroika* (economic restructuring) and *glasnost* (openness), thereby preparing space for long-latent cultural, territorial and even secessionist demands. In the Transcaucasus and elsewhere, Gorbachev's reformist policies were transformed into the ethnic politics of 'national self-determination and democratisation'.<sup>13</sup> These policies provided

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10 Ronald G. Suny, 'Nationalism and Democracy in Gorbachev's Soviet Union: The Case of Karabakh', in Rachel Denber (ed.), *The Soviet Nationality Reader: The Disintegration in Context* (Boulder: Westview Press, 1992), p. 488.

11 Claire Mouradian, 'The Mountainous Karabakh Question: Inter-Ethnic Conflict or Decolonization Crisis?' *Armenian Review*, Vol. 43, No. 2/3 (Summer/Autumn 1990), p. 12.

12 Haig E. Asenbauer, *On the Right of Self-Determination of the Armenian People of Nagorno-Karabakh* (New York: The Armenian Prelacy, 1996), pp. 118–19.

13 Ronald G. Suny, 'State, Civil Society and Ethnic Cultural Consolidation in the USSR: Roots of the National Question', in Alexander Dallin and Gail Lapidus (eds), *The Soviet System: From Crisis to Collapse* (Boulder: Westview Press, 1991), p. 358.

opportunities for the mobilisation of nationalism amongst the already antagonistic Armenian and Azerbaijani communities. Such mobilisation was easy because the necessary preconditions of cultural identity and incentives for joint action were strong. Throughout 1987, agitation for the reconsideration of the N-K question continued in Armenia and N-K. In January 1988, the pace of agitation quickened when 40 deputies of the N-K's Regional Soviet (regional legislature) added their signatures to a petition that had already been signed by 80,000 Armenians, among them 31,000 from N-K. The deputies backed efforts to urge that the Regional Soviet convene for a special session on the N-K question.<sup>14</sup>

The turning point in the dynamics of the Armenian-Azerbaijani conflict occurred on 20 February 1988, when in a special session the Regional Soviet of the NKAR adopted by a vote of 110 out of a total of 140 deputies a resolution demanding 'the transfer of the NKAR from the Azerbaijani Soviet Socialist Republic (SSR) to the Armenian Soviet Socialist Republic (SSR)'.<sup>15</sup> The unprecedented action by a Regional Soviet contradicted the official Communist Party policy, which prevented border changes. The decision was followed by massive demonstrations in Yerevan, which, according to some estimates, brought together up to one million people which were mobilised to support the unification campaign.<sup>16</sup> On 21 February Azerbaijan refused the resolution of the N-K Regional Soviet and ruled out any territorial changes. On the same day the Azerbaijanis of N-K attacked their Armenian neighbours. They also organised demonstrations to express rejection of any future alteration of the status of the NKAR.<sup>17</sup> Ayaz Mütalibov, the deputy chairperson of Azerbaijan's Council of Ministers, refuted Armenian allegations that held the Azerbaijani authorities responsible for N-K's economic underdevelopment and negligence.<sup>18</sup> On 23 March 1988 the Presidium of the Supreme Soviet of the Soviet Union took up the matter of N-K. After deliberation, the Presidium rejected unification of N-K with Armenia but acknowledged that several economic and cultural reforms had to be introduced to improve the conditions of Karabakh Armenians.<sup>19</sup> The decision of the Presidium

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14 Archie Brown, *The Gorbachev Factor* (Oxford: Oxford University Press, 1996), p. 262.

15 Joseph R. Masih and Robert O. Krikorian (eds), *Armenia at the Crossroads* (Amsterdam: Harwood Academic Publishers, 1999), p. 5.

16 Uwe Halbach, 'Anatomy of an Escalation: The Nationality Question', in Federal Institute for Soviet and International Studies (eds), *The Soviet Union (1987-1989): Perestroika in Crisis* (Boulder: Westview Press, 1990), pp. 77-8.

17 Suny, 'Nationalism and Democracy', p. 491.

18 Audrey L. Altstadt, 'O Patria Mia: National Conflict in Mountainous Karabakh', in W. Raymond Duncan and G. Paul Holman Jr (eds), *Ethnic Nationalism and Regional Conflict: The Former Soviet Union and Yugoslavia* (Boulder: Westview Press, 1994), p. 116.

19 Claude Mutafian, 'Karabagh in the Twentieth Century', in Levon Chorbajian, Patrick Donabedian and Claude Mutafian (eds), *The Caucasian Knot, The History and Geopolitics of Nagorno-Karabagh* (London and New Jersey: Zed Books, 1994), p. 151.



did not leave much room for optimism and apparently reflected Moscow's hesitant will, antagonising both communities. The dilemma that Gorbachev's leadership was facing was the problem of reconciling the demands of keeping a strong Centre with those of a democratisation policy and group rights. The Presidium could have addressed the problem much more creatively, so that mutually acceptable solutions could have been sought.

On 15 June 1988 the Armenian Supreme Soviet succumbed to the pressure of 700,000 people gathering in Opera Square and endorsed the decision of the N-K Regional Soviet of 20 February 1988, which had requested the transfer of the autonomous region to the jurisdiction of Armenia. The Armenian Supreme Soviet based its decision on Article 70 of the Soviet 1977 constitution, which guaranteed the right of Soviet peoples to self-determination.<sup>20</sup> On 17 June the Azerbaijani Supreme Soviet rejected in turn the decision of the Armenian Supreme Soviet and labelled it 'undesirable'.<sup>21</sup>

In an attempt to control the situation and maintain order, Moscow on 12 January 1989 placed N-K under its direct rule. Arkady Volsky, a member of the Central Committee of the Communist Party of the Soviet Union, who headed a nine-member Special Administration Commission, was to administer N-K with extraordinary powers and address the demands of both nations. This arrangement to introduce more autonomy to the region bypassed the Azerbaijani officials who lost their power in N-K. A gradual separation of the region from Azerbaijani control was implemented, although N-K remained *de facto* under Azerbaijani sovereignty.<sup>22</sup> After the March 1989 semi-free elections in the Soviet Union and after the collapse of the Communist regimes in Eastern Europe, Moscow decided to alter its policy in N-K. On 28 November 1989, after having been unable to restore order and find a mutually acceptable political solution, Moscow abolished the Volsky Commission and returned N-K to direct Azerbaijani sovereignty, probably because it did not want to impose a resolution from the Centre.<sup>23</sup> Further, Gorbachev emphasised that the Azerbaijani government should implement the necessary measures to grant the region real autonomous status.<sup>24</sup> Moscow's decision could be considered a capitulation to the Azerbaijani Popular Front's (APF) political demands. Meanwhile 'an Azerbaijani voluntary militia' was created to counterbalance the Armenian National Movement's (ANM) self-defense units and 'skirmishes started between protagonists from both sides'.<sup>25</sup> The political

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20 Herzig, *The New Caucasus*, p. 13.

21 V. Harutiunyan, *Sebitiya V Nagornom Karabakhe [Events in the Nagorno-Karabakh]* (Yerevan: Armenian Academy of Sciences, 1990), p. 105.

22 Stephen White, *After Gorbachev* (Cambridge: Cambridge University Press, 1993), p. 164.

23 Martin McCauley, *Gorbachev* (London: Longman, 1998), pp. 158–9.

24 Vladimir Krikorian, *Armenia 1988–1989* (Yerevan: Armad, 1999), pp. 321–2.

25 Tamara Dragadze, 'Azerbaijan and Azerbaijanis', in Graham Smith (ed.), *The Nationalities Question in the Post-Soviet States* (New York: Longman, 1990), p. 285.

event that triggered the escalation of the conflict occurred on 1 December 1989 when, in a joint session, the Armenian Supreme Soviet, together with the hastily formed Armenian National Council (ANC) of N-K, annexed N-K into Armenia and extended citizenship rights to the region's population.<sup>26</sup>

The 1 December 1989 resolution, which could be considered an act of defiance directed at the authority of Moscow and Baku, was perceived by the Azerbaijani authorities as a violation of Azerbaijan's territorial integrity and an official claim to its territory. As such, the Azerbaijani Supreme Soviet decreed that Armenia's resolution was an 'impermissible interference in the sovereign Azerbaijani SSR's affairs'.<sup>27</sup> Both decrees made the Armenian-Azerbaijani political struggle to control N-K conspicuous. The Armenian Supreme Soviet committed a further provocative act when on 9 January 1990 it discussed the preparation of a budget for N-K. As a response, a crowd comprising the radical wing of the APF demonstrated and committed anti-Armenian violence in Baku, which led to Soviet military intervention to stop the pogroms.<sup>28</sup> By the spring of 1990, the peaceful constitutional movement by the N-K activists for the realisation of Armenian rights in the region had degenerated into violence and guerilla war between the two nations.

The ANC which was in control of N-K called for a referendum on N-K's independence in order to decide its future status. This was in line with the general political situation in the Soviet Union and the declarations of independence in the republics, and the 'only democratic solution they could envisage'.<sup>29</sup> Apparently, the Karabakh Armenians wanted to secede from Azerbaijan and establish a separate state. Indeed, on 2 September 1991 the population of N-K (180,000, the majority of whom was Armenian) voted overwhelmingly for independence. The Azerbaijani population, which comprised 25 per cent of the total in N-K, boycotted the referendum.<sup>30</sup> After the 20 August 1992 declaration of independence, in November 1991 the Azerbaijani parliament voted to terminate the autonomous status of N-K.<sup>31</sup> The vote indicated the Azerbaijani desire to exercise full sovereignty over N-K. Yet, the ANC of Karabakh organised general elections for a parliament which would include seats for the Azerbaijanis too on the basis of proportional representation. Although boycotted by the Azerbaijanis of N-K, the parliament

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26 Mark Malkasian, *Gha-ra-bagh: The Emergence of the National Democratic Movement in Armenia* (Detroit: Wayne State University Press, 1996), pp. 195–6.

27 Michael Croissant, *The Armenia-Azerbaijan Conflict: Causes and Implications* (London: Praeger, 1998), Appendix C.

28 Elizabeth Fuller, 'Democratization Threatened by Inter-Ethnic Violence', *Report on the USSR*, Vol. 3, No. 1 (4 January 1991), p. 42.

29 Caroline Cox and John Eibner (eds), *Ethnic Cleansing in Progress: War in Nagorno-Karabakh* (London: Institute for Religious Minorities in the Islamic World, 1993), p. 51.

30 Cox and Eibner, *Ethnic Cleansing*, p. 51.

31 Human Rights Watch/Helsinki, *Azerbaijan, Seven Years of Conflict in Nagorno-Karabakh* (New York: Human Rights Watch, 1994), p. 2.

was elected on 6 January 1992 and declared independence from Azerbaijan based on the referendum.<sup>32</sup> The self declared N-K republic was not granted international recognition, even by Armenia, which tried to avoid international criticism for supporting war in N-K. With the disintegration of the Soviet Union into separate independent states and the withdrawal of the Soviet forces from N-K in December 1991, military operations escalated in the region, making the armed conflict more lethal. The Azerbaijani forces occupied the vacated positions of the Soviet military, took control of Soviet rocket launchers, tanks and ammunition and started their attack to besiege Stepanakert.<sup>33</sup> N-K became an open battlefield, with many atrocities being committed on both sides and hundreds of thousands of refugees seeking passage out of the region.<sup>34</sup>

In early 1992 the war in N-K had already been transformed from an internal matter of the former Soviet Union to a full-scale war between two independent states, Armenia and Azerbaijan. Therefore, the military operations inside and outside the borders of N-K became wrapped up with regional and geopolitical dynamics and interests, and old rivalries between Russia, Turkey and Iran. Nevertheless, these regional powers were careful not to get directly involved in the conflict. With political instability in Baku and the power struggle over the post of the Azerbaijani presidency, the Armenian forces broke through the town of Lachin to Armenia, the narrow strip of land roughly 10 kilometres in length that separated N-K from Armenia. The so-called Lachin corridor was created and N-K was linked by land to Armenia. By the end of May 1992 almost all of N-K was under Armenian control.<sup>35</sup>

Throughout 1992, military instruments proved stronger than diplomatic efforts. The N-K Armenians and Azerbaijanis refused to adhere to Iranian and Turkish calls to stop fighting. A key development in the mediatory efforts to resolve the N-K conflict was the United Nations (UN) agreement in late 1992 to make the Conference for Security and Cooperation in Europe (CSCE) the leading international body to resolve the conflict.<sup>36</sup> It proved difficult for the CSCE and Russia to negotiate a lasting ceasefire because the warring parties were not amenable to negotiations as long as they had not reached a mutually hurting stalemate. Further, both parties believed strongly in the justice of their cause that was independence for Karabakh Armenians and restoring sovereignty over Karabakh for the Azerbaijanis. It should be stressed that the elements of compromise were characteristically missing in the asymmetric conflict of Karabakh.

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32 Cox and Eibner, *Ethnic Cleansing*, p. 51.

33 Human Rights Watch/Helsinki, *Azerbaijan*, p. 4.

34 Altstadt, 'O Patria Mia', p. 117.

35 Suzanne Goldenberg, *Pride of Small Nations: The Caucasus and Post-Soviet Disorder* (London: Zed Books, 1994), p. 168.

36 Neil S. Macfarlane, 'Keeping Peace or Preserving Conflict?' *War Report*, No. 52 (June–July 1997), p. 34.

Some Azerbaijani territorial gains on the battlefield were lost in 1993 when the Armenians recaptured many villages in the Martakert region of N-K and seized strategic territories beyond the borders of N-K as far as Kelbajar in the west and Fizuli in the south-east.<sup>37</sup> On 30 April 1993, the UN Security Council passed Resolution 822, which called for an immediate ceasefire and the 'withdrawal of all occupying forces from the Kelbajar district and other recently occupied areas of Azerbaijan'.<sup>38</sup> This resolution concerning the Armenian-Azerbaijani conflict apparently protected the principle of the inviolability of international borders and confirmed the primary role of the CSCE in the resolution of the conflict. In late July, with the fall of Agdam, the Karabakh Armenian forces seized additional Azerbaijani territory. These territorial gains renewed international criticisms against Armenia. A new Turkish diplomatic initiative at the UN resulted in Resolution 853, which condemned the Armenian seizure of new territories and reminded the parties of the requirements of the withdrawal of 'occupying forces' from Azerbaijan.<sup>39</sup>

Continuing in their defiant position of non-compliance with the UN Resolutions, the Karabakh Armenian forces launched an attack in the south-west of Azerbaijan. From August to October 1993, facing a retreating and demoralised Azerbaijani army, the attackers seized the Azerbaijani districts of Kubatli, Jebrail, Fizuli and Zangelan and occupied large swathes of territory between the southern border of N-K and the Azerbaijani-Iranian frontier (see Map 2).<sup>40</sup> From an Azerbaijani perspective, during their attacks, the Karabakh Armenian forces devastated Azerbaijani villages and properties, forcibly evicted the civilian population, took hostages, violated the 'rules of war' and committed acts of violence in Azerbaijani villages.<sup>41</sup> The massive Armenian assault against Azerbaijani towns and villages turned an estimated one million Azerbaijanis into refugees in their own country, including the internally displaced persons of N-K, and created a humanitarian problem which was beyond the capabilities of Azerbaijan to cope with.<sup>42</sup> In 1993 Turkey closed the Alican border crossing with Armenia in a show of solidarity with Azerbaijan over Armenia's backing of ethnic Karabakh Armenian separatists.

To curtail the possible dangers of escalated warfare, the UN Security Council adopted Resolution 874, which was very similar to the previous two Resolutions, which affirmed the inviolability of international borders, condemned the fighting

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37 Human Rights Watch/Helsinki, *Azerbaijan*, pp. 5–6.

38 United Nations Security Council, S/RES/822, 30 April 1993, p. 2.

39 United Nations Security Council, S/RES/853, 29 July 1993.

40 Human Rights Watch/Helsinki, *Azerbaijan*, pp. 29–30.

41 Human Rights Watch/Helsinki, *Azerbaijan*, pp. 8–16.

42 Anna Matveeva, 'Nagorno-Karabakh: A Straightforward Territorial Conflict', in Paul van Tongeren, Hans Van de Veen and Juliette Verhoeven (eds), *Searching for Peace in Europe and Eurasia, An Overview of Conflict Prevention and Peacebuilding Activities* (Boulder and London: Lynne Rienner Publishers, 2002), p. 447.

and expressed serious concern at the human suffering.<sup>43</sup> This time the defiance of UN Resolutions came from the Azerbaijani side, as they launched an unexpected counter-offensive in October 1993. Supported by Afghan mercenaries, the Azerbaijanis were unable to reverse the military status quo on the battlefield.<sup>44</sup> The Karabakh Armenian forces repulsed the assault and launched a counter-offensive occupying a 40-kilometre area on the north bank of the Arax River along the Azerbaijani-Iranian frontier.<sup>45</sup> With the fall of Zangelan, all of south-west Azerbaijan came under the control of the Karabakh Armenian forces. An estimated 60,000 Azerbaijanis were displaced and were forced to flee into Iran. Faced with the escalation of hostilities and an augmented humanitarian crisis, the CSCE called for 'urgent measures' to end the N-K conflict.<sup>46</sup>

Alarmed with the growing tension on the Iranian border, on 12 November 1993 the Security Council adopted Resolution 884, which reiterated its previous calls and demanded that the parties 'continue to seek a negotiated settlement of the conflict within the context of the CSCE process'.<sup>47</sup> Among the numerous international mediatory attempts only a few had been successful in imposing short-lived ceasefires. Neither the UN nor the CSCE had a standby peacekeeping force ready to be deployed and both lacked the necessary funds to undertake the type of N-K mission they might have wished to. Russian policy to sideline the CSCE and prevent it from negotiating a settlement certainly harmed peacemaking attempts. All peace initiatives by the regional powers and the CSCE failed because the Karabakh Leadership insisted on N-K's separation and independence from Azerbaijan, while Baku remained firm on refusing to negotiate on issues relating to its sovereignty and territorial integrity. It was only on 12 May 1994 that the warring parties agreed to sign the Russian-brokered Bishkek ceasefire protocol, which continues to hold at the time of writing (see Appendix A).<sup>48</sup> It is very likely that Russia used coercive diplomacy as a stick and as a demonstration of power to enforce the ceasefire in the strategically important region of the South Caucasus. It also seemed that the conflict parties realised that the cost of continuing fighting would far outweigh any potential benefits, although the Karabakh Armenian forces had emerged victorious and the Azerbaijanis managed only to hold the railhead at Horadiz. The parliamentary representatives of Armenia, Azerbaijan and the self-proclaimed N-K republic, who signed the protocol under the aegis of the Commonwealth of Independent States' Inter-Parliamentary Assembly,

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43 United Nations Security Council, S/RES/874, 14 October 1993.

44 Daniel Schneider, 'Afghan Fighters Join Azeri-Armenian War', *Christian Science Monitor*, 16 November 1993, p. 7.

45 Richard Giragossian, 'Paper on the Organization for Security and Cooperation in Europe and the Nagorno-Karabakh Conflict: A Compilation of Analysis', July 2000, p. 14.

46 Human Rights Watch/Helsinki, *Azerbaijan*, pp. 39–44.

47 United Nations Security Council, S/RES/884, 12 November 1993, p. 2.

48 Gayane Novikova, 'Armenia and the Middle East', *Middle East Review of International Affairs*, Vol. 4, No. 4 (December 2000).

also pledged to accept peacekeeping troops to monitor the ceasefire.<sup>49</sup> The peace process that started in 1992 and the various opportunities to make peace and the obstacles that hindered a negotiated settlement between the conflict parties are fully discussed and analysed throughout the chapters of this book.

## Methodology

To start with, this research is based on actual description and empirical examination of the CSCE (OSCE after 1994) mediation in the N-K conflict. Our aim is to show that the type of third-party intervention should match the characteristics of the conflict so that mediation becomes effective and successful. We assume that the phenomenological side of the conflict must be considered as it is expressed in the perceptions, attributions, motivations, emotions and interactions of the conflict parties. These assumptions provide the rationale for a contingency approach to conflict resolution, in which third-party interventions are coordinated and sequenced to deal effectively with the complicated interplay of objective and subjective factors. The contingency model has an appealing logic for addressing intergroup conflict that has escalated to violence and intractability.

Thus, we use the contingency approach to conflict resolution because it provides a framework that facilitates a systematic analysis of the underlying structures that shaped the conflict, and complex relationships of the conflict management process. This approach enables us to break the conflict into stages and examine carefully the variation in communication, perception, trust, issues and conflict management techniques between these stages. At each stage a lead intervention is specified to de-escalate the conflict. Different interventions would be more effective at different levels of escalation. Congruent with the different stages, factors such as misperception and miscommunication became more salient as the conflict developed. The contingency approach makes it clear that the CSCE mediation has been affected by the characteristics of the conflict, the nature of the social environment and the identity of the mediator. The contingency model is useful in identifying why some interventions have been unsuccessful, and what alternatives and combinations might have proven more effective. It also provides a better understanding of the opportunities for peace and the obstacles that prevented a mutually acceptable settlement.

The adversarial approach is also utilised because it explains the failure to resolve the conflict. We focus on how the conflict parties framed the conflict in terms of how they defined it and analysed its causes. Such frames were used by both sides in order to regularly blame the other side for aggressive disposition and show they were responsible for the collapse of the talks. This commonly led

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49 Elizabeth Fuller, 'Russia, Turkey, Iran, and the Karabakh Mediation Process', *Radio Free Europe/Radio Liberty* (thereafter RFE/RL) *Research Report*, Vol. 3, No. 8 (25 February 1994), p. 15.

to distributive or zero-sum approaches to settle the dispute. Having framed the conflict in an adversarial way both parties viewed the other's intransigence as the main obstacle to a just and lasting solution.

To break the vicious cycle of decades of fruitless negotiations we stress the importance of a reflexive approach. The engagement of the conflict parties in exploratory dialogue would enable them to realise that the adversarial frame has yielded to so little progress toward a lasting solution. Hence, the parties are encouraged to articulate their motivations, fears and needs in the conflict and that they should be addressed in any sustainable peace. The reflexive approach provides a vehicle for conflict resolution. The parties should articulate their underlying human concerns for justice, security, identity and political participation that are at stake in the conflict. By doing so they could perhaps reach a mutually acceptable solution.

We also stress the importance of the integrative approach in conflict resolution. The serious obstacles to successful negotiation in the N-K case have been that compromise appears unacceptable to the conflict parties. Compromise on who should control the territory of Karabakh appears highly threatening because the conflict is about deep existential human concerns. Instead of blaming each other for their mutually exclusive positions both sides would articulate common hopes and fears for security, identity and recognition. Thus, integrative and positive-sum solutions over joint problems that can build confidence and enhance security are very likely to be necessary preconditions for successful negotiation. Hence, by using the adversarial, reflexive and integrative approaches to conflict analysis, our aim is to provide new foundations for resolving the N-K conflict.

This research used a qualitative methodology because it aimed to examine the peacemaking efforts based on experience of negotiating together, the variety of purposes and motives for entering into negotiation, the timing that affected decisions and their implementation, commitment of the parties to the peace process, the effect of third-party intervention, the proposed terms of a framework agreement and the psychological factors affecting both the negotiators and their constituencies. One of the purposes of this methodology is to facilitate a meaningful comparison between the various peace plans offered to the parties and assessment of the negotiations in political and regional context. We conducted unstructured interviews with key military and government officials in N-K to reveal the real motives and obstacles that hindered peacemaking. It was crucial for this research to discover that many rounds of talks failed to break the deadlock because a mutually satisfying peace was rarely the purpose of the negotiators in the first place. We are aware of the difficulties in trying to compare and reveal the realities of two decades of fruitless negotiation against events which are still unfolding with no archival documentation in our hands. The Karabakh authorities refused to supply the author with necessary documents pertaining to the peace plans under the pretext of secrecy of the talks. We acknowledge that lack of documents placed partial limitations on our investigation efforts. However, one way to tackle assessments of the peace process and the peacemaking efforts was to situate them

within the extended political continuum of Armenian-Azerbaijani diplomacy. In so doing we can determine the patterns of failed diplomatic encounters.

The qualitative methodology also enables us to recognise and analyse the incompatible goals of the conflict parties and why there had been so many negotiation attempts. The answer requires of how the Armenian and Azerbaijani sides interpreted negotiation to suit their purposes. Negotiation is a process by which the conflict parties engage in a process of making concessions to each other in order to reach a mutually satisfactory solution. But in the Armenian-Azerbaijani case the object of the negotiations has not been to reach a peace agreement to end the conflict. We believe that the readers can bring their own instincts and experiences to their reading and be able to draw their own conclusions accordingly.

We strongly believe that this book contributes to a better understanding of the N-K peace process, the lost opportunities of peacemaking, the obstacles that hindered a resolution and the prospects for peace. It provides an in-depth and objective analysis of the various peace plans and the position of the conflict parties with regard the resolution of the conflict. We sought impartiality so that the produced work would bring a significant scholarly contribution to the flourishing field of conflict resolution.

## **Structure of the Book**

This book is organised into eight chapters. Chapter 1, 'Introduction, Approaches, Methodology and Structure', introduces the main aims and themes of the book, mainly conflict resolution, conflict management and conflict transformation and provides background information on the escalation of violence and war in N-K. It also summarises the no war no peace situation in N-K. This chapter also defines the adversarial, reflexive and integrative approaches to conflict and conflict resolution to explain how the disputants frame the conflict the way they should articulate solutions in terms that would further their needs for identity, security, recognition and political participation. Further, the contingency approach is explained because it provides a framework that permits a systematic analysis of the underlying structures that shaped conflict and the complex relationship of the conflict management process. All the approaches are adoptable as an instrument for conflict research. This research uses a qualitative methodology. Additionally, this chapter summarises the structure of the book and its contribution to negotiation analysis and conflict resolution.

Chapter 2, which acts as a 'Conceptual Framework', provides the reader with a general understanding of how asymmetric conflicts are analysed and what are their possible solutions. It also provides background information on characteristics of internal conflict, mediation, negotiation and how mediation as an approach of conflict resolution is related to negotiation. The theories explained in this chapter are based on and related to the aims and concepts developed in the introduction. The aim is also to understand the contexts in which deadlock can arise.



Chapter 3, 'Peacemaking or Managing Ethnic Conflict? (1991–93)', focuses on peacemaking attempts of the regional actors of Russia, Iran and Turkey and the CSCE MG. This chapter examines the lost opportunities (as the subtitle indicates) to make peace, mainly by the CSCE. At this stage of the conflict all the actors tried to stop the war between the Armenians and Azerbaijanis in N-K and reach a compromise solution. However, this was not an easy task particularly for Russia, Iran and Turkey who tried to use their leverage with respect to both disputants to pursue their geopolitical interests in the South Caucasus region. Chapter 3 also addresses the motives, roles, interests and strategies of the regional actors who tried to mediate the conflict. The contingency model of intervention will be utilised to permit a systematic analysis of the conflict management process.

Chapter 4, 'Renewed Dynamics of International Efforts to Make Peace (1994–97)' examines the rivalry between Russia and the OSCE after the May 1994 ceasefire agreement and introduces the different peace plans to resolve the conflict. This chapter also examines the Budapest and Lisbon summits. We explain that a compromise agreement based on mutual concessions was very unlikely because the BATNA of both parties were superior to the offers and because public opinion in general and the ethno-nationalists in particular were unready for accepting peace. Thus, H1 is tested here. It was crucially important to address the core issues of the conflict to build the peace rather than ignoring them. H3 is also tested here to analyse why the parties rejected the various peace plans.

Chapter 5, 'Potential Options for Peace (1998–2000)', explores and assesses three potentially workable options for peace in N-K. These potential peace plans are the OSCE Common State that was formulated and presented to the conflict parties in 1998, the Paul Goble plan that was revealed to the parties in 1999 and a Stability Pact for the South Caucasus (SPSC) that was proposed by the Brussels based Center for European Policy Studies (CEPS) as a consultative document in 2000. In this chapter we also test the three hypotheses related to BATNA, uncertainty and ideas and analyse the position of the disputants that sustained the deadlock.

Chapter 6, 'Bilateral Negotiations Between Armenia and Azerbaijan (2001–06)', examines and analyses the Paris summit, the Key West summit and the Rambouillet and Bucharest summits that tried to bridge the previously formulated peace plans in 1997 and achieve a settlement with the key issue of the status of N-K to be decided by a referendum. The Prague process that commenced in the summer of 2004 and continued in 2005 between the Armenian and Azerbaijani Foreign Ministers (FMs) is also examined in this chapter. The negotiations did not progress because there was no agreement on the issues of withdrawal, referendum and security that was a basic human need. In Chapter 6 we also test hypotheses 1 and 2 because uncertainty discouraged the parties to render the necessary concessions and utilise the window of opportunity for reaching an agreement.

Chapter 7, 'Trying to get a Breakthrough (2007–12)', examines and analyses the basic principles (known as the Madrid Principles since 2007) as the OSCE MG sought a consensus text to end the conflict. However, both the Armenian

and Azerbaijani Presidents appeared unyielding and military rhetoric dominated. Even Russian direct involvement did little to spur the talks. Again the issues of security, status, withdrawal and the return of refugees to their homes became major obstacles to peace mainly because of uncertainty and lack of trust. In this chapter we also test the three hypotheses that are related to BATNA, uncertainty and fairness to explain the deadlock in the negotiations. Further, Chapter 7 examines and explores the impact of the Georgian-Russian war in 2008 and the Armenian-Turkish rapprochement on the Karabakh conflict.

Chapter 8, 'Obstacles to Peace and Prospects for Conflict Resolution', addresses the obstacles that hindered a mutually negotiated solution to the Karabakh conflict and explores the prospects for resolving it. An agreement was not reached because the contested issues of substance, such as territory, security and recognition, were intimately rooted in the cultural and psychological elements sustaining the conflict. Two decades of statist diplomacy was inadequate to respond to the nature of the conflict. Thus, this chapter addresses the limitations of the top-down approach to peace. This chapter stresses the need for necessary transformations to address the deep-seated skepticism in both the Armenian and Azerbaijani societies and provide the opportunity for viable peace in N-K. Another approach that concentrates on the identity groups in the conflict and pinpoints the necessity of middle-range leaders among people to build the peace should be adopted. In short, Chapter 8 stresses the need of a multitrack approach including track two diplomacy that can lead to conflict resolution.

The conclusion summarises the major themes and arguments of this book and stresses that state-centred or government-centred approaches to conflict resolution would yield limited or no positive outcome because the choices of conflict management modes and the chances of successful mediation are affected by the importance each disputant attaches to the issues in the dispute. Sovereignty and security are the most prevalent issues in contention in interstate and intrastate conflicts. Hence, it is vital to identify a broader approach and strategy for addressing such issues and reach peaceful settlement. The conclusion will also address the three solution sets that are related to the three hypotheses.

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## Chapter 2

# Conceptual Framework

### Introduction

This theoretical chapter provides the reader with a general understanding of how asymmetric internal conflicts are analysed and what are their possible resolutions. It also provides background information on characteristics of internal conflict, mediation and negotiation and how mediation as an approach of conflict resolution is related to negotiation. The theories and approaches explained in this chapter are based on political concepts such as identity, recognition, political access, legitimacy, power, interest, consensus, compromise and conflict. These concepts need to be fully integrated into negotiation analysis, in order to better understand the contexts in which deadlock can arise. Deadlock would be very likely if one or all of the participants in multilateral negotiations are to view the negotiations as primarily zero-sum. Basic human needs of identity, recognition and security are often the least negotiable, so if a protracted social conflict (PSC), such as the Nagorno-Karabakh (N-K) conflict, is defined in terms of identity/secession, then finding a common solution can prove very difficult.

### The Characteristics of Internal Armed Conflict

Internal conflict can be defined as conflict that occurs primarily within the borders of a given state. Internal conflict often takes place between the state and an ethnic minority group different from that of the dominant group. The potent effect of group separation and polarisation is significant in the case of ethnic conflicts. Johan Galtung suggests that conflict can be viewed as a triangle, with contradiction (C), attitude (A) and behaviour (B) at its vertices.<sup>1</sup> Galtung's model encompasses both symmetric and asymmetric conflicts. Here, the contradiction refers to the underlying conflict situation which includes the actual or perceived incompatibility of goals between the disputants. In an asymmetric conflict, as the case of N-K, the contradiction is framed by the Armenians and Azerbaijanis, their interests and the clash of those interests between them. The clashing interests are at the core of the conflict structure. Similarly, in an asymmetric conflict, the contradiction is framed by both of the disputants, their relationship and the conflict of interest inherent in that relationship. Attitudes include the disputants' perceptions and misperceptions

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1 Johan Galtung, *Peace by Peaceful Means: Peace and Conflict, Development and Civilization* (London and New Delhi: SAGE Publications, 1996), p. 72.

of each other and of themselves. Attitude formation is undoubtedly the most important factor in conflict. These perceptions can be negative or positive, but in violent conflicts as Hugh Miall, Oliver Ramsbotham and Tom Woodhouse explain, disputants 'tend to develop demeaning stereotypes of each other, and attitudes are often influenced by emotions such as fear, anger, bitterness and hatred'.<sup>2</sup> Jacob Bercovitch, Victor Kremenyuk and William Zartman explain that attitudes are enduring dispositions, having three important dimensions: the cognitive, the affective and the behavioural.<sup>3</sup> Behaviour that is the third component can include cooperation and coercion and relations indicating conciliation and hostility. Violent conflict behaviour is characterised by threats, coercion and destruction. This type of behaviour purports to influence the adversary to change, modify or abandon a goal. According to Galtung the three components should be present together in a full conflict. Still, he sees conflict as a dynamic process in which structure, attitudes and behaviour are constantly changing and influencing one another. Resolving a conflict apparently involves a set of dynamic changes that include a de-escalation of conflict behaviour, a change in attitudes and transforming the relationships of clashing interests that compose the conflict structure.

William Zartman argues that the most striking characteristic of internal conflicts is its asymmetry that is inherent in situations of unbalanced power between one party (government) which is strong and the other (separatists) which is weak. Zartman also argues that 'perceived collective need that is denied is the basic condition for conflict'.<sup>4</sup> Denied needs can include a range of grievances from relief from political repression to redress for security and economic deprivation. Additionally, Zartman notes that need satisfaction 'is a function of expectations, which are themselves manipulable'. However, he reiterates that 'conceptualising conflict in general terms of needs is useful, for it points to the basic dimension of grievances, and hence of solutions'.<sup>5</sup> This book uses the need theory to explain that negotiation deadlock occurs when either one or both of the disputants find that their basic needs of identity, security and recognition are not met. This has been the major difficulty associated with negotiating Armenian-Azerbaijani peace since 1992. Negotiation as conflict resolution strategy must aim to reach an agreement that satisfies the needs of both parties.

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2 Hugh Miall, Oliver Ramsbotham and Tom Woodhouse, *Contemporary Conflict Resolution: The Prevention, Management and Transformation of Deadly Conflicts* (Cambridge and Oxford: Polity Press, 2003), p. 14.

3 Jacob Bercovitch, Victor Kremenyuk and William I. Zartman, 'Introduction: The Nature of Conflict and Conflict Resolution', in Jacob Bercovitch, Victor Kremenyuk and William I. Zartman (eds) *The SAGE Handbook of Conflict Resolution* (London and New Delhi: SAGE, 2009), p. 8.

4 William I. Zartman, 'Sources and Settlements of Ethnic Conflicts', in Andreas Wimmer, Richard J. Goldstone, Donald L. Horowitz, Ulrike Joras and Conrad Schetter (eds), *Facing Conflicts, Toward a New Realism* (Boulder and New York: Rowman and Littlefield Publishers, 2004), p. 141.

5 Zartman, 'Sources and Settlements', p. 142.

According to Edward Azar, internal conflicts often involve a notion of identity, a concept of security and a feeling of well-being. Azar, in his theory of PSC, emphasises that PSCs are not merely interest-based but also involve many social, political and economic dimensions. He suggests that 'the most useful unit of analysis in PSC situations is the identity group – racial, religious, ethnic, cultural and others'.<sup>6</sup> The relationship between identity groups and the state is at the core of the problem, what Azar calls the 'disarticulation between state and society as a whole'.<sup>7</sup> Grievances or incompatible goals resulting from need deprivation are usually expressed collectively. Unlike interests, needs are ontological and non-negotiable, so that, if conflict unfolds, it is likely to be intense, vicious and irrational, which was the case in the N-K conflict. Azar also identifies deprivation of human needs as the underlying sources of PSC and that failure to redress these grievances by the government 'cultivates a niche of PSC'. In particular, Azar cites security needs, development needs, political access needs and identity needs (cultural and religious expression).<sup>8</sup> Consistent with Azar's theory, John Burton's approach also focuses on the meeting of basic human needs like identity and security or ontological and biological drives for survival.<sup>9</sup> As alluded to above, these needs are non-negotiable and cannot be compromised. Frustration and suppression of basic needs is considered as a primary source of conflict. Therefore, in third-party conflict resolution based on human needs theory, usually applied in a problem-solving workshop setting, an analytical approach is used to determine the overall nature of the conflict and to identify the actors, and then to facilitate movement of the disputants beyond stated positions or interests to the common ground of basic human needs. This type of approach apparently encompasses attitudes, interpersonal relationships and economic, political and social structures. Certainly, the aim of the process is to 'rationally transform conflictual attitudes and situations'.<sup>10</sup> Although the idea of basic needs and the problem-solving workshop approach have been crucial conceptual contributions to conflict resolution theory and practice, they may have some limitations. According to Kumar Rupesinghe these limitations include 'distortions caused by faulty communications, coping with the asymmetrical power balance in some conflicts and a lack of common cultural ground between actors in others'.<sup>11</sup> More importantly, problem-solving workshops usually are not conducted with the active parties to a conflict, but rather with

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6 Azar, *The Management*, p. 7.

7 Azar, *The Management*, p. 7.

8 Azar, *The Management*, p. 9.

9 John Burton, *International Conflict Resolution, Theory and Practice* (Boulder and Sussex: Wheatsheaf Books and Lynne Rienner Publications, 1986).

10 J.B. Hill, 'An Analysis of Conflict Resolution Techniques: from Problem Solving to Theory', *Journal of Conflict Resolution*, Vol. 26, No. 1: 1982, pp. 109–38.

11 Kumar Rupesinghe, 'Mediation in Internal Conflicts: Lessons from Sri Lanka', in Jacob Bercovitch (ed.), *Resolving International Conflicts, Theory and Practice of Mediation* (Boulder and London: Lynne Rienner Publishers, 1996), p. 155.

those who may be unable to exert strong influence on political and socio-economic processes. Hence, successes achieved at the workshop level may be difficult to transfer in meaningful ways to a political negotiation process.

Rupesinghe argues that 'conflicts that involve a core sense of identity tend to be intractable largely because of the dynamics of the conflict rather than because of any rational assessment of benefits in perpetuating the conflict'.<sup>12</sup> Azar indicates that intractable conflicts that sometimes stem from a single grievance escalate 'to dominate and absorb most of the energies and resources of all sides, ultimately involving every aspect of inter-communal relations'.<sup>13</sup> In such cases, conflict resolution can be viewed as a means of altering the conditions of intractability.

Other characteristics of internal violent conflict include the militarisation of the conflict, the fragmentation of societies, communication breakdown between groups of society, increased number of refugees and internally displaced persons (IDPs), the stereotyping and/or demonisation of others, the internationalisation of the conflict and rare attempts at mitigation of the conflict, severe breaches of humanitarian law, particularly against civilians. Dehumanising ideologies serve to justify discriminatory policies and legitimise atrocities. In these circumstances as David Lake and Donald Rothchild argue intermingled groups polarised by violence face an intractable security dilemma.<sup>14</sup> As the security dilemma is created, 'the worst motivations tend to be attributed to the other side', the pace of mutual understanding and compromise shrink, attempts at peacemaking are often sporadic and uncoordinated and 'proposals for political solutions become rare, and tend to be perceived on all sides as mechanisms for gaining relative power and control'.<sup>15</sup>

In addition, according to Stephen Ryan, inter-communal conflicts are often characterised by destructive processes that escalate with varying degrees of intensity throughout the communities. These processes include heightened ethno-centrism, a decline in moderation, psychological distancing and a sharpening of territorial boundaries.<sup>16</sup> The result is polarised communities where ethnic hatreds, fear and distrust are rife. In situations of ethno-territorial conflicts, infusing territory with symbolic and transcendent qualities makes it intangible and difficult to divide. Territory can have a tremendous impact on identity and way of life. What makes ethno-territorial conflicts difficult to resolve is that the underlying issues have certain characteristics, like their being intangible or over territory

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12 Rupesinghe, 'Mediation', pp. 156–7.

13 Quoted in Rupesinghe, 'Mediation', p. 157.

14 David A. Lake and Donald Rothchild, 'Containing Fear, the Origins and Management of Ethnic Conflict', in Michael E. Brown, Owen R. Cote, Jr, Sean M. Lynn-Jones and Steven E. Miller (eds), *Nationalism and Ethnic Conflict* (Cambridge and London: The MIT Press, 1996–97), pp. 108–9.

15 Azar, *The Management*, p. 15.

16 Stephen Ryan, 'Transforming Violent Inter-communal Conflict', in Kumar Rupesinghe (ed.), *Conflict Transformation* (Palgrave: St Martin's Press, 1995), p. 230.

that has been infused with symbolic qualities. Such issues in turn lead to zero-sum proposals which hamper negotiations. This research suggests that resolving a territorial issue, like the N-K conflict, is not simply drawing the border between N-K and Azerbaijan, but resolving the symbolic and transcendent value of the territory which is endemic to the rivalry or historic animosity between the two nations. Ostensibly, adopting John A. Vasquez's and Brandon Valeriano's views are useful here because they emphasise that 'unless the rivalry relationship is addressed, the vicious circle of conflict to which rivalries are prone will not be broken and the territorial dispute is unlikely to be settled'.<sup>17</sup>

Within this context, in societies marked with fragmentation and miscommunication, diplomatic approaches to conflict resolution rarely yield lasting results and apparently must be supplemented by other approaches. Thus, it is crucial to look at internal conflicts within political and multidimensional frameworks that take into account social, economic and historical factors. It is also important to acknowledge that in ethnic conflict situations a multilevel approach must be pursued to involve many actors and institutions in the transformation process, and that each phase in the conflict may necessitate a different type of intervention by different actors or combination of actors.

In a fragmented society in which relationship is characterised by separation and alienation, and an enemy image is shaped, local communities become disempowered. When ethno-nationalists dominate in society, the civilian population becomes increasingly passive. In these situations humanitarian assistance by non-governmental organisations (NGOs) and international agencies become particularly important. As external mediation becomes more dominant and tries to negotiate a ceasefire and launches an internationally supported peace process, local actors are further disempowered. Apparently, this has been the situation in Armenia and Azerbaijan since the launching of the MG peace process in 1992. It is crucial therefore to initiate longer-term approaches, including empowering embedded local actors, institutions and organisations to support the peace process and invest more resources in peacebuilding. Indeed, according to Ronald J. Fisher, peacebuilding combines the classic meaning of social development to reduce inequity with a new interactive element designed to improve the relationship and de-escalate the hostility between the conflict parties, that is, interactive conflict resolution (ICP).<sup>18</sup> Changing the regional context, building coalitions in favour of conflict resolution and setting a multiple track of dialogue are also crucial to approach the peace process. Now we move on to explore conflict transformation that leads to conflict resolution.

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17 John A. Vasquez and Brandon Valeriano, 'Territory as a Source of Conflict and Road to Peace', in Jacob Bercovitch, Victor Kremenyuk and William I. Zartman (eds), *The SAGE Handbook of Conflict Resolution* (London and New Delhi: SAGE, 2009), p. 197.

18 Ronald J. Fisher, 'The Potential for Peacebuilding: Forging a Bridge from Peacekeeping to Peacemaking', *Peace and Change*, No. 18 (1993), pp. 247–66.



## Possible Strategies for Conflict Transformation

Conflict transformation is not a new approach, but rather it draws on many of the same concepts of conflict management and conflict resolution and is a reconceptualisation of the field to make it more relevant to interstate and intrastate contemporary conflict. Conflict transformation has a particular salience in asymmetric conflicts, like the N-K conflict, where the goal is to transform unjust social relationships, and high degree of polarisation between the parties, where stereotyping and demonisation have taken root. Internal conflicts require more than reframing positions, and finding win-win solutions. According to Miall, Ramsbotham and Woodhouse conflict transformation 'is also used in the understanding of peace processes, where transformation denotes a sequence of necessary transitional steps. It implies a deep transformation in the parties and their relationships and in the situation that created the conflict'.<sup>19</sup> Therefore, what is needed is a broad, open-ended and dynamic process embracing efforts to transform injustice as well as to bridge opposing positions.

We argue in Chapter 8 that in a multidimensional internal conflict, like the N-K conflict, where traditional approaches of mediation have consistently been unable to bring a viable peace, an alternative approach to deadlock is a multitrack approach to conflict transformation that emphasises creating sustainable frameworks for peacebuilding initiatives. According to Ted Robert Gurr, ethno-territorial conflicts, like the N-K case, should not be regarded as 'intrinsically zero-sum or negative sum'.<sup>20</sup> The integrative or transformational approach can be used to find outcomes acceptable to all the parties to the conflict.

In internal conflicts, conflict transformation is a more promising approach in which reaching agreement on substantive issues as quickly as possible can be seen secondary to addressing the conflict process as a whole and coming to terms with the historical background and conflict processes. Rupesinghe argues in favour of a comprehensive integrative or transformational approach that embraces multitrack interventions, and aims at finding solutions acceptable to all parties to the conflict 'by exploring human rather than institutional interaction'.<sup>21</sup> This approach is similar to Burton's theory on meeting basic human needs for security, identity, recognition and participation that may lie at the roots of conflict. Conflict transformation as a broad approach incorporates conflict resolution training, track one diplomacy and multilevel interventions. Raimo Vayrynen argues for a conflict theory based on the idea of transformation rather than settlement, stressing that a dynamic analysis of conflicts is indispensable:

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19 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 21.

20 Ted Robert Gurr, 'Transforming Ethno-Political Conflicts: Exit, Autonomy, or Access?' in Kumar Rupesinghe (ed.), *Conflict Transformation* (Palgrave: St Martin's Press, 1995), p. 3.

21 Kumar Rupesinghe, 'Conflict Transformation', in Kumar Rupesinghe (ed.), *Conflict Transformation* (Houndmills and Basingstoke: St Martin's Press, 1995), p. 75.

The bulk of conflict theory regards the issues, actors and interests as given and on that basis make efforts to find a solution to militate or eliminate contradictions between them. Yet, the issues, actors and interests change over time as a consequence of the social, economic and political dynamics of societies. Even if we deal with non-structural aspects of conflicts, such as actor preferences, the assumption of stability, usually make in the game-theoretic approach to conflict studies, is unwarranted. New situational factors, learning experiences, interaction with the adversary and other influences caution against taking actor preferences as given.<sup>22</sup>

According to John Paul Lederach, conflict transformation should be responsive to real-life challenges, needs and realities. The key dimensions are changes in the personal, structural, relational and cultural aspects of the conflict, brought about over different time periods.<sup>23</sup> Conflict transformation views peace as centred in the quality of relationships and the ways we structure our social, political, economic and cultural relationships. In thinking about structure, Lederach shapes the idea of the pyramid with top leadership and decision-makers at the top; leaders of social organisations, churches, journalists and the like in the middle; and grassroots community leaders at the bottom. A comprehensive peace process, therefore, should address complementary changes at all these levels.<sup>24</sup> Constructing a peace process in internal conflicts will require 'an operative frame of reference that takes into consideration the legitimacy, uniqueness and interdependency of the needs and resources' of the top level, middle range and grassroots.<sup>25</sup> Such an analytical framework is imperative to meet the needs of peacebuilding in N-K.

Building on Vayrynen's approach, we can identify five types of generic transformers that can provide a better opportunity to resolve asymmetric internal conflicts. Firstly, context transformation that refers to changes in the context of the conflict that may radically change the conflict situation. The end of the Cold War in 1991 is a dramatic example. Secondly, structural transformation that refers to the basic structure of the conflict so as to address the set of actors, issues and incompatible goals, the conflicting relationships and the society or state within which the conflict is constituted. The asymmetric conflict of N-K cannot be transformed without changing the unbalanced and contested relationship between both disputants that lie at their roots. Thirdly, issue transformation concerns the conflicting positions disputants take on issues such as territorial, legal and/

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22 Raimo Vayrynen, 'To Settle or to Transform? Perspectives on the Resolution of National and International Conflicts', in Raimo Vayrynen (ed.), *New Directions in Conflict Theory: Conflict Resolution and Conflict Transformation* (London: SAGE Publications, 1991), p. 4.

23 John Paul Lederach, *The Little Book of Conflict Transformation* (Intercourse: Good Books, 2003), p. 20.

24 Lederach, *Building Peace*, p. 39.

25 Lederach, *Building Peace*, p. 60.

or military. Issues in conflict are the underlying causes of a dispute and one of the most difficult negotiation problems. They seem to be inherent in the conflict and not matters of choice. In the N-K conflict the Armenians and Azerbaijanis disagree over the issues of sovereignty, independence, security and identity that remain unresolved. Vayrynen argues that the transformation process 'presupposes a significant departure from the previous political agenda in at least one central political issue'.<sup>26</sup>

Miall, Ramsbotham and Woodhouse reiterate that changes of position are very much related to 'changes of interests, and changes of goals, and hence to actor transformation, and also to the context and structure of the conflict'.<sup>27</sup> In other words, transformation concerns simultaneously several actors and connects issues and actors with each other. Within this context, problem-solving workshops, sometimes termed integration, can reframe the conflict and encourage the participants to look beyond territorial and military issues and instead focus on issues such as the fears and insecurities, misperceptions and misunderstandings that underpin conflict.

According to Karl Deutsch, this 'will imply considerable political change within most or all of the countries concerned, and within some of them these changes will have to reach fairly deep into their political structure'.<sup>28</sup> Although Zartman notes that integrative solutions in internal conflicts are especially 'elusive'<sup>29</sup> nevertheless, consociationalism, federalism, autonomy and power sharing can give incentives to agree over the issue of the status of N-K, provided that they are supported by external guarantors and that they mobilise domestic support. Conflict transformation may be slow and take a long time but reframing of issues can pave the way to a possible settlement.

Fourthly, actor transformation includes intra-party changes in major parties to the conflict and is often crucial to the appearance and recognition of new actors. The new actors may have to redefine their goals, alter their approach to the conflict and adopt radically different perspectives to seek peace.<sup>30</sup> Such transformation also includes changes in leadership as precipitators of changes in PSCs. The ruling parties in Armenia (the Republican Party) and Azerbaijan (the New Azerbaijan Party) stood firm on their positions in the negotiations, being unable to introduce change. A new leadership in both countries may have quite different goals and

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26 Vayrynen, *New Directions*, p. 5.

27 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 157.

28 Karl W. Deutsch, *The Analysis of International Relations*, second edition (Englewood Cliffs, NJ: Prentice Hall, 1978), p. 196.

29 William I. Zartman (ed.), *Elusive Peace, Negotiating an End to Civil Wars* (Washington, DC: The Brookings Institution, 1995).

30 Hugh Miall, 'Transforming Ethnic Conflict: Theories and Practices', in Andreas Wimmer, Richard J. Goldstone, Donald L. Horowitz, Ulrike Joras and Conrad Schetter (eds), *Facing Ethnic Conflicts: Toward A New Realism* (Boulder and New York: Rowman and Littlefield Publishers, 2004), p. 168.

attitudes concerning the adversary. There may be major shifts in political alliances and public constituencies. Apparently, negotiations for peace may become much more possible under such circumstances. Finally, actor transformation includes changes in the public constituencies and supporters of the political leaders.

Fifthly, personal transformation is, according to Adam Curle, at the heart of change. Changes of heart or mind in individual leaders or in groups with decision-making power at turning points, such as an inconclusive victory and a loss of foreign support, may be important. Accordingly, some external actors will try to reach these leaders or groups and bring about this personal change.<sup>31</sup>

From a conflict transformation perspective, sustainable peacemaking in divided and war torn societies requires 'a broad palette of measures aimed on the one hand at eliminating socio-economic inequalities and on the other at building up political and social capacities that will enable those involved to cope with ethnic plurality'.<sup>32</sup> Within this context, dialogue projects can perform a bridge-building function and create new human and political capacities to solve problems. A dialogue process would shift naturally into negotiations on a political settlement. On the necessity of dialogue to transform ethnic conflicts, Harold Saunders writes: 'no participant in dialogue will give up her or his identity, but each will recognise enough of the other's valid human claims that he or she will act differently toward the other'.<sup>33</sup> It is crucial to create 'the space for each community to express its historic identity and at the same time increase interdependence or relationship, mutual understanding and respect rather than exclusivity and threat'.<sup>34</sup> Certainly, the Armenians and Azerbaijanis need dialogue projects in which diverse participants introduce all the significant facets of the N-K conflict and think how to create not just a physical space but a relational space in which participants would feel safe in opening up their deeper feelings and resentments. Therefore, a state-centred approach is not large enough to include dialogue among citizens outside government as a significant instrument of conflict resolution. According to Saunders, a relational approach is needed because the relational approach is:

A cumulative, multilevel, open-ended process of continuous interaction engaging clusters of citizens in and out of government and the relationships they form to solve public problems in whole bodies politic across permeable borders.

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31 Adam Curle, *In the Middle: Non-Official Mediation in Violent Situations* (New York: European Platform for Conflict Prevention, 1987).

32 Norbert Ropers, 'From Resolution to Transformation: Assessing the role and Impact of Dialogue projects', in Andreas Wimmer, Richard J. Goldstone, Donald L. Horowitz, Ulrike Joras and Conrad Schetter (eds), *Facing Ethnic Conflicts, Toward a New Realism* (Boulder and New York: Rowman and Littlefield Publishers, 2004), p. 183.

33 Harold H. Saunders, *A Public Peace Process: Sustained Dialogue to Transform Racial and Ethnic Conflicts* (New York: St Martin's Press, 1999), p. 82.

34 Lederach, *Building Peace*, p. 116.

Conflict must often be dealt with at different levels of society where needs went unmet and that such a challenge could only be met by innovative instruments.<sup>35</sup>

The five types of transformation just described are directed to different parts of the conflict formation whether that is seen in Azar's terms or Burton's perspective. Context, structural and issue transformations address the context and contradictions at the core of the conflict. Actor and personal transformations address particularly attitudes, memory, behaviour and relationships. They are of course interrelated but may not necessarily move in a benign direction. These five types are related to the phases of the conflict and the timing of intervention by different actors at different levels depending on the situation. This leads us to address mediation as a form of third-party intervention in a conflict and explain how mediation as an approach to conflict resolution is related to negotiation.

### Utilising Mediation and Negotiation

This part of the chapter focuses on mediation and negotiation and their utilisation in internal conflicts. Mediation differs from other forms of third-party intervention in internal conflicts in the sense that it is not based on the direct use of force and it is not aimed at helping one of the disputants to win. Within this context, Christopher Mitchell defines mediation as any 'intermediary activity undertaken by a third party with the primary intention of achieving some compromise settlement of the issues at stake between the parties, or at least ending disruptive conflict behaviour'.<sup>36</sup> Indeed, mediation as type of intervention is consistent with the contingency approach to conflict resolution in that it addresses the objective interests of conflict to reach a compromise settlement. But certainly the subjective aspects, such as perceptions, attitudes and relationships must be jointly addressed to induce de-escalation and movement toward settlement on the substantive issues of conflict. Thus, Zartman and Saadia Touval argue that 'the mediator's (and negotiator's) challenge is to turn nonnegotiable positions into something negotiable, and many demands that start as absolutes turn out to be flexible under negotiation (and mediation)'.<sup>37</sup> This is not an easy task because in asymmetrical conflicts the parties know their roles and goals and seek absolute gains. It is crucial to observe that the competing territorial claims by the Armenians and Azerbaijanis has so far prevented a compromise settlement and caused the negotiations to

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35 Harold H. Saunders, *Politics is About Relationship: A Blueprint for the Citizens' Century* (New York: Palgrave Macmillan, 2005), pp. 7–8.

36 Christopher R. Mitchell, *The Structure of International Conflict* (London: Macmillan, 1981), p. 287.

37 William I. Zartman and Saadia Touval, 'International Mediation', in Chester A. Crocker, Fen Osler Hampson and Pamela Aall (eds), *Leashing The Dogs of War: Conflict Management in a Divided World* (Washington, DC: USIP Press, 2007), p. 438.

produce an incoherent result. Apparently, the subjective elements of the conflict were left unaddressed. We examine the difficulty of negotiating Armenian-Azerbaijani peace in the subsequent chapters of this book.

Where the mediator is an official representative of an organisation, as is the case in the N-K conflict, a set of motives may prevail. The CSCE MG is a player or actor in the conflict and has an interest in its outcome; otherwise, it would have not mediated the conflict. The CSCE has been utilised for mediation in Europe and the South Caucasus in fulfilment of its *raison d'être* of accommodating the security interests of Russia and the West, the respect of freedom and human rights standards and the protection of minority rights. The role of the CSCE is fully discussed in Chapter 3. Concern for peace as a value in and of itself and for strategic and geopolitical interests in the South Caucasus, Russia, Turkey and Iran have also proposed themselves as international mediators in the conflict. Mediation can be viewed as a policy instrument through which mediators can pursue some of their interests. Thus, according to Bercovitch 'the relationship between a mediator and disputants is never entirely devoid of political interest. To overlook this aspect is to miss an important element in the dynamics of mediation'.<sup>38</sup>

Disputants in conflict also have a number of motives for accepting mediation. Firstly, mediation may help the disputants find a solution that they cannot find by themselves and reduce the risk of escalation. Secondly, disputants may accept mediation in the hope that a mediator will actually nudge or influence the other party. Thirdly, disputants may see mediation as a public expression of good will and commitment to the norm of peaceful conflict management. Fourthly, should the negotiations fail they may want a mediator to take much of the blame. Fifthly, they may accept mediation because a mediator can be used to monitor a ceasefire, and guarantee the continuation of the peace process.<sup>39</sup> Apparently, both disputants in conflict and a mediator have pretty compelling reasons for initiating or accepting mediation.

Bercovitch and Allison Houston argue that internal conflicts are not uniform and that they can vary in terms of 'the situation, parties, intensity, escalation, response, meaning and possible transformation'.<sup>40</sup> These features define the context of the N-K conflict and have affected its course and outcome. The MG mediation has been shaped by the context and the characteristics of the conflict situation. Based on Bercovitch's and Houston's argument 'the specific rules, beliefs, attitudes, behaviours and symbols' that make up the conflict impinge on,

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38 Jacob Bercovitch, 'Mediation and Conflict Resolution', in Jacob Bercovitch, Victor Kremenyuk and William I. Zartman (eds), *The SAGE Handbook of Conflict Resolution* (London and New Delhi: SAGE, 2009), p. 346.

39 Bercovitch, 'Mediation', p. 346.

40 Jacob Bercovitch and Allison Houston, 'The Study of International Mediation: Theoretical Issues and Empirical Evidence', in Jacob Bercovitch (ed.), *Resolving International Conflicts, The Theory and Practice of Mediation* (Boulder and London: Lynne Rienner Publishers, 1996), p. 15.

and apparently even govern the process of mediation.<sup>41</sup> Therefore, to be effective a mediator must relate to and reflect the wider historical context of a conflict and the possible outcome.

It is suggested by Zartman and Touval that because of the asymmetric characteristic of internal conflicts, mediators must combine the most intrusive of the three mediation modes or tactics, that is manipulation, with the other two modes, communication and formulation. As communicators, mediators simply act as a conduit, carrying messages, acting as communicator between the parties to gather their concessions into a package with no substantive contribution to resolve the conflict. As formulators, mediators put forward their own ideas and try to persuade the parties as well as suggest possible solutions, overcoming the communication gap. As manipulators, mediators use their power to bring the parties to an agreement. Hence, we can differentiate between pure mediation and power mediation that are types of third-party intervention articulated by Ronald Fisher and Loreleigh Keashley in the contingency model of conflict resolution.<sup>42</sup> Mediators are involved in sharpening the stalemate and sweetening the proposed solution to make it attractive to both disputants.<sup>43</sup> This may be obtained by using leverage which comes in three forms.

The first form of leverage is achieved by the provision of side payments to enhance the outcome to one or more parties and turn the zero-sum game to positive-sum. Side payments require considerable resources and engagement from the mediators such as guarantees of financial aid. The second form of leverage is persuasion so as to point out the attractiveness of compromise on available terms and the unattractiveness of continued conflict. The third form of leverage is termination through withdrawal and leaving the parties alone to face escalation.<sup>44</sup> However, if a mutually hearting stalemate is present it will define the ripe moment for negotiations. Thus, the parties will be very sensitive to the threat of withdrawal. According to Zartman the ripe moment emerges when 'the stalemate is seen as tight and hurting, reinforced by additional sticks if necessary, and a way out is first perceived as possible and then developed as an attracting reality'.<sup>45</sup> Zartman asserts that the third party can help create the perception of a ripe moment through leverage.<sup>46</sup> It is noteworthy that this assertion is compatible with the contingency

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41 Bercovitch and Houston, 'The Study', p. 15.

42 Loreleigh Keashly and Ronald J. Fisher, 'Towards a Contingency Approach to Third Party Intervention in Regional Conflicts: A Cyprus Illustration', *International Journal*, No. 45 (Spring 1990), pp. 424–53.

43 Zartman and Touval, 'International Mediation', pp. 446–7.

44 Zartman, 'Dynamics and Constraints', p. 21.

45 William I. Zartman, 'Regional Conflict Resolution', in Victor Kremenyuk (ed.), *International Negotiation: Analysis, Approaches, and Issues*, second edition (San Francisco: Jossey-Bass, Wiley Company, 2002), p. 354.

46 William I. Zartman, *Ripe for Resolution: Conflict and Intervention in Africa* (New York: Oxford University Press, 1985).

approach in which 'power mediation is hypothesised to be useful in controlling hostility and gaining an initial agreement at a high level of escalation'.<sup>47</sup>

After examining modes and leverage of mediation it becomes crucial to stress that mediators adopt their strategy of intervention to meet the requirements of the situation. In intense conflicts a mediator will use any stick or carrot at his disposal to nudge the disputants toward a possible agreement. However, given the difficulty to negotiate identity/secession conflicts because of the intense nature of such conflicts it is very likely that the most that a mediator can achieve is a ceasefire agreement. In addition to the intensity of a conflict that affects the choice of strategy, other factors such as types of issues (identity, status, security) in a conflict, the internal characteristics of the parties, the previous relationship and experience of the parties, the mediator's identity, the timing of mediation intervention and the mediation environment affect the strategy that a mediator chooses.

Negotiation is a method of conflict management. In order to overcome any negotiation problem and avoid deadlock in an internal conflict it is instructive to consider the strategies of the negotiators and see whether they use a distributive or value-taking strategy or a purely integrative or value-making strategy. Most strategies in conflict resolution lie between these two poles of distributive or value-taking and integrative or value-making strategies. The distributive strategy is a set of tactics that are used for claiming value from others, and when one party's goals are in conflict with those of others. Examples of distributive strategies include 'high opening demands, refusing all concessions, exaggerating one's minimum needs and priorities, manipulating information to others' disadvantage, issuing threats and worsening the BATNA (Best Alternative to a Negotiated Agreement) of others'.<sup>48</sup> At the other pole lies the integrative or value-making strategy which comprises a set of tactics that are instrumental to the fulfilment of goals that are not at the core of a conflict. Examples of integrative strategies include 'sharing information relatively openly to explore common problems or common threats, proposing an exchange of concessions that may benefit more than one party and reframing the issue of space itself to ease an impasse'.<sup>49</sup> If the negotiators use distributive strategies the likelihood of deadlock increases. In this book as we proceed to examine the peace process that started in 1992, we will realise that deadlock occurred in the negotiations at the distributive end of the strategy spectrum. In order to break the deadlock, this book will suggest that the Armenians and Azerbaijanis must use an integrative strategy to attain viable peace.

The challenge of negotiation is to find ways of building trust that will initiate requirement, meaning that concessions will be reciprocated. Thus, other strategies

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47 Ronald J. Fisher, *Interactive Conflict Resolution* (New York: Syracuse University Press, 1997), p. 177.

48 Amrita Narlikar, 'Introduction', in Amrita Narlikar (ed.), *Deadlocks in Multilateral Negotiations, Causes and Solutions* (Cambridge and New York: Cambridge University Press, 2010), p. 6.

49 Narlikar, 'Introduction', p. 6.



that can reduce the intensity of the conflict and move it toward negotiations for a mutually acceptable settlement include graduated reciprocation in tension reduction (GRIT) strategy and the tit-for-tat (TFT) strategy. According to the GRIT strategy, one of the disputants unilaterally initiates a series of cooperative moves and reciprocity is invited, but cooperative moves continue whether or not there is immediate reciprocity. The TFT strategy is derived from game theory and the idea is that one player begins a series of games cooperatively and afterward consistently reciprocates the other player's actions, whether cooperative or non-cooperative.<sup>50</sup> Such de-escalating efforts help prepare for or expedite negotiations. Had they been used in the N-K negotiations they could have prevented deadlock, established trust and prepared both parties for a settlement.

The problem in asymmetric conflict is that both parties may not be willing to assign end values and negotiate based on those values to seek a fair settlement because the negotiating parties do not accept any end being preferable to continuing conflict. The N-K lengthy and inefficient peace process reveals that it is unlikely for both parties to accept any solution in a situation of sharp conflict over indivisible or non-tradable issues such as territory and status. Therefore, particularly in intrastate conflicts where ownership and/or control of territory is important, and where the stakes include high political commitment to the cause, end values are less likely to be assigned by the conflicting parties. Prospect theory indicates 'that losses are more highly valued than gains, that parties are more risk-taking over losses and risk averse over gains, and that the referent frames that parties use determine the comparative value of ends'.<sup>51</sup> Therefore, focusing on tactical elements rather than end-based analysis are important to effective negotiations.

Negotiations may not always proceed as planned by a mediator and may reach deadlock that is defined as a protracted situation of no agreement. A deadlock is therefore a situation where there is 'no progress, no mutual influence and no concessions in negotiations'.<sup>52</sup> A deadlock may trigger escalation and renewal of violence and harden the uncompromising positions of the parties. A deadlock can also help the negotiators to revise their course of action and make additional effort towards a compromise. Deadlocks can be strategic and tactical. A strategic deadlock occurs when there are 'real and basic incompatibilities between the parties'. A tactical deadlock results 'because of failures to coordinate the process of negotiation'.<sup>53</sup> Deadlocks that involve identity, secession and status are

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50 Louis Kriesberg, 'Contemporary Conflict Resolution Applications', in Chester A. Crocker, Fen Osler Hampson and Pamela Aall (eds), *Leashing the Dogs of War, Conflict Management in a Divided World* (Washington, DC: USIP Press, 2008), p. 461.

51 Zartman, 'Conflict Resolution', p. 328.

52 Jacob Bercovitch and Carmela Lutmar, 'Beyond Negotiation Deadlock: The Importance of Mediation and Leadership Change', in Marita Narlikar (ed.), *Deadlocks in Multilateral Negotiations, Causes and Solutions* (Cambridge and New York: Cambridge University Press, 2010), p. 235.

53 Bercovitch and Lutmar, 'Beyond Negotiation', p. 236.

difficult to resolve because questions of identity are often the least negotiable, and therefore finding a common solution can be uneasy. As the N-K conflict has shown, contested identities can create the toughest deadlock of all. The Armenians and Azerbaijanis in Azerbaijan do not share the same national identity and see themselves as different nations. The Karabakh Armenians have been demanding their own state to meet their identity and security needs. Yet, Azerbaijan has been categorically against N-K's separation because that may threaten the state. Finding a way to persuade both parties that they do have common ground has been extremely difficult.

Deadlocks may cause possible failure of any negotiation process. Major causes for negotiation deadlock include, firstly, the issue of uncertainty. This occurs where the parties are 'uncertain about aspects of the negotiation process such as the preferences, perceptions and beliefs of their opposition, or uncertainty about the actual effects of certain proposals'. When uncertainty and distrust dominate, the parties will fail to think about possible shared interests and gains, and hence make the negotiation deadlock-prone.<sup>54</sup> Such uncertainty is very much related to the second hypothesis introduced in Chapter 1 that states that deadlocks occur because negotiators bluff and lie. When uncertainty is high, the parties may provide inaccurate information and are cautious about moving away from the status quo and are skeptical about making any commitments. Also, under conditions of mistrust and suspicion, the parties will often view signals of cooperation or concessions as tricks aimed at tempting their own party into a vulnerable position.

A second factor which may cause a deadlock in negotiation 'is the tendency for the process to reinforce certain stakes'. When negotiations commence in this mentality, the likelihood of deadlock is certainly high. For example, the decision of entering negotiations may have negative impact for both parties 'in terms of reputation, standing and position'. Thirdly, negotiations may reach deadlock, simply due to the absence of a mutually acceptable solution.<sup>55</sup> We may add to these factors other factors that may cause deadlock. Here we can mention the number of negotiating parties (for example, whether to include diehard spoilers or not), openness and publicity of negotiations (the more open the less the chances of a successful outcome), the nature of the issues in conflict (substantive and difficult issues are more likely to cause deadlock) and the rank of negotiators. Each of these factors can cause serious disruption to a negotiation process. One of the aims of this research is to provide explanation to fundamental causes of deadlock in the N-K negotiations and suggest possible solutions to prevent deadlock.

While acknowledging the importance of these factors in causing deadlock, Leo Hawkins and Michael Hudson argue that negotiation deadlock primarily occurs when either one or both of the parties are not having their basic needs meet. This is in line with Azar's and Burton's need theory that emphasises meeting basic needs as a requirement for resolving internal conflicts. Further, consistent with

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54 Bercovitch and Lutmar, 'Beyond Negotiation', p. 237.

55 Bercovitch and Lutmar, 'Beyond Negotiation', p. 237.

the contingency model a deeper analysis of conflict dynamics, including the perceptions, emotions, attributions and motivations of the conflict parties, may be necessary to achieve a solution. Accordingly, the first step to resolving deadlock is to re-evaluate the parties' needs to ensure that they are clearly identified. Once the parties' needs are clearly identified, the content of the negotiation, and its style and behaviour should be changed accordingly. Processes such as 'redefining issues in a new and different manner, finding a bridging issue, recapping areas of agreement, recollection of previous good association, and discussion of the failure to negotiate' are used as techniques to help the parties bypass deadlock and move ahead.<sup>56</sup>

In order to break a deadlock Roger Fisher and William Ury advocate a form of conflict management known as 'principled negotiation' where decisions are made on the basis of their merits rather than through a bargaining process based on achieving concessions from the adversary. Principled negotiation suggests that negotiators should look for mutual benefits wherever possible, and that the outcome of the negotiations should be based on fair standards, rather than through one party conceding to another's demands. Fisher and Ury suggest a number of strategies which can help the principled negotiation approach such as 'separating people from the problem, focusing on interests rather than positions, inventing options for mutual gains and insisting on objective criteria'.<sup>57</sup> However, principled negotiation succeeds if negotiations are properly conducted and all difficulties are overcome. But it seems that the negotiation process is neither quite so linear, nor is it so predetermined; in reality it wanes and waxes and has many sticking points and spoilers who can torpedo the outcome.

## Conclusion

This chapter examined the characteristics of internal conflict, different approaches to conflict resolution and the causes of deadlock. We emphasised that internal asymmetrical conflicts are difficult to settle because core issues, such as identity and territory, are highly impervious to negotiation. Such issues require constructive formulas because concessions and compromises are ill suited to deal with those conflicts. Certainly, the N-K conflict is such an example.

This chapter provided the necessary background information on mediation, negotiation and deadlock. Mediation was defined as a process of conflict management, in which all parties have interests and are prepared to utilise resources to achieve these interests, and that mediation combines the interests, resources and positions in an attempt to achieve an outcome. For our purposes in

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56 Leo Hawkins and Michael Hudson, *The Art of Effective Negotiation* (Australia: Australian Print Group, 1990), pp. 109–10.

57 See Roger Fisher and William Ury, *Getting to Yes: Negotiating Agreement Without Giving in* (New York: Houghton Mifflin Company, 1981).

this book, a number of mediator strategies and the factors affecting the choice of a strategy were examined. In high-intensity conflicts the primary task of a mediator is to prevent further escalation, and in order to achieve this, a mediator may choose a more active form of intervention. The challenge is to be able to manage a conflict efficiently and effectively to prevent negotiations deadlock.

The aim of negotiation is to create a positive outcome. Here, the challenge is to make the outcome attractive to both parties, in that the agreement should be preferable to their security point (which is what they can obtain without negotiations). But if their BATNA is superior to a negotiated outcome, talks will certainly stall because the parties will have no incentive to reach agreement. Thus, it is reasonable to assume that a negotiation process in complex internal conflicts requires imaginative solutions and constant creativity to try to bridge the parties' opposing views on the issues at stake. The longer a negotiation process drags on, the harder it is to end the conflict. We do not assume that this analysis of mediation and negotiation is exhaustive but we believe that the literature review here adequately integrates many concepts that have a bearing on conflict resolution and provide the basis for examining mediation in the N-K conflict in subsequent chapters. We now turn to Chapter 3 that will focus on peacemaking attempts by the regional actors of Russia, Iran and Turkey and the CSCE MG.

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# Chapter 3

## Peacemaking or Managing Ethnic Conflict? (1991–93)

### Introduction

This chapter examines and analyses peacemaking attempts by Russia, Iran, Turkey and the CSCE (Conference for Security and Cooperation in Europe) from 1991 to 1993. This chapter starts with the early peace proposals in 1991, even before the ceasefire agreement of May 1994. Apparently, the peace initiatives by the regional actors of Russia, Iran and Turkey aimed to de-escalate the conflict and move it toward negotiations for an agreement acceptable to the disputants. However, this was not an easy task because the regional actors tried to use their leverage in order to pursue their geopolitical and geostrategic interests in the South Caucasus (see Map 1). The role and motives of each external actor will be analysed respectively. Thus, it is reasonable to raise some questions and seek answers. For example, were the regional actors really committed to stop the war and resolve the conflict? Did they address the subjective aspects of the conflict? Did they volunteer to bring the warring parties together to step in and establish a foothold in the region? The CSCE, being the official mediator since 1992, also became an actor in a conflictual relationship. This relationship apparently involved interests, costs and potential rewards and exemplified certain roles and strategies. The choice of a strategy was clearly, *inter alia*, affected by the context of the conflict, the nature of the relationship between the parties and their historical experience. Where appropriate the contingency model of intervention will be utilised to permit a systematic analysis of the conflict management process.

### The First Peace Package for Karabakh: September 1991

The first peace package for Karabakh was brokered by Boris Yeltsin, the President of the Russian Soviet Federal Socialist Republic (RSFSR), and Nursultan Nazarbaev, the President of Kazakhstan, on 23 September 1991 in Zheleznovodsk (Russian town) with representatives from Armenia, Azerbaijan and N-K. The aim was to de-escalate the conflict and establish a basis for future negotiations to a compromise solution, which would realise Armenian demands for recognition and representation. According to the needs theory, both demands could be considered political access needs. The provisions agreed upon were the following:

- To repeal all 'unconstitutional' legislation concerning the autonomous region of N-K.
- Recognise the authority of 'the legitimate organs of power'.
- Withdrawal of all armed forces from the conflict zone by January 1, 1992.
- Ensure the eventual return to their homes of all deported persons, and the release of all hostages.
- Normalisation of transport and the impartial flow of information.
- Set up a mechanism for permanent bilateral negotiations between delegations from the parliaments of Armenia and Azerbaijan.<sup>1</sup>

Apparently, the compromise agreement was accepted as a minimal outcome (agreeing formula) in N-K by the Presidents of Armenia Levon Ter-Petrosian and of Azerbaijan Ayaz Mutalibov. The ensuing negotiation process then would go through a succession of stages with different interventions, whose successful accomplishment would make for a mutually acceptable agreement that would maximise the payoffs for both parties.

In a major concession, Armenia renounced all claims to Azerbaijani territory and Ter-Petrosian backed down from insisting on the unification of N-K with Armenia because he argued that the idea of unification was 'utopian and futile'. Since 1988 Karabakh Armenians had been demanding separation from Azerbaijan and unification with Armenia. Thus, the conflict was identity/secession conflict. Ter-Petrosian also showed willingness to settle for a compromise solution that would 'restore the powers of the local Soviets' in N-K.<sup>2</sup> Perhaps, Ter-Petrosian accepted a compromise solution because of the internal fragile political situation in Armenia after its declaration of independence from the Soviet Union on 21 September 1991. Apparently, Armenia needed to consolidate and build the state in order to retain a degree of political leverage in determining the issue of the future status of N-K. The top priority was strengthening the sovereignty of newly independent Armenia and then pursuing the negotiation process with Azerbaijan. Ter-Petrosian acknowledged the dependence of Armenia's economy on the neighbouring states and Russia, and that Armenia's land-locked geographic position was precarious for the Armenian economy to flourish. However, Ter-Petrosian's moderate stance was not endorsed by the Armenian parliament, which expressed profound differences of opinion concerning the future status of N-K and the political and economic relations with Azerbaijan and Turkey.

Mutalibov accepted the agreement too but the Azerbaijani Communist leadership showed reluctance, because it was unwilling to 'modify its position' on N-K previously stated before Mutalibov's election on 8 September. The

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1 Elizabeth Fuller, 'El'tsin Brokers Agreement on Nagorno-Karabakh', *Report on the USSR*, Vol. 3, No. 40, 4 October 1991, p. 16. Also, see Caroline Cox and John Eibner, *Ethnic Cleansing in Progress, War in Nagorno-Karabakh* (Zurich, London and Washington: Institute for Religious Minorities in the Islamic World, 1993), p. 51.

2 Fuller, 'El'tsin Brokers', pp. 16-17.

Azerbaijani authorities were unwilling to lose control over the NKAR that was inside Azerbaijan. Therefore, it was not expedient for Azerbaijan to compromise its long presence in N-K, and its concessions to a ceasefire prior to the withdrawal of Armenian forces from its territory would weaken its political stance and endanger its domestic stability.<sup>3</sup> Here, it is noteworthy that violence had already escalated in N-K and both the Karabakh Armenian and Azerbaijani forces were trying to conquer villages in order to spread their control. Additionally, after declaring independence on 20 August 1991, the Azerbaijani parliament voted to terminate the autonomous status of N-K.

Mutalibov thought that it was 'politically advantageous' to accept the Yeltsin peace plan to improve 'his standing with Moscow' after having supported the August abortive coup against the Russian President. But public opinion in Azerbaijan was against a peace agreement based on such a large compromise. For example, the hard-line nationalist Azerbaijani Popular Front (APF) organised demonstrations in Baku and protested Yeltsin's peace plan.<sup>4</sup> Neither the Azerbaijani nor the Armenian public was with peace. This general feature in both republics was not promising for future progress mainly because both Presidents did not consult their constituencies. Here, using structural analysis is useful to explain the negative outcome of the negotiations, in that 'cooperative negotiations concern the negotiatory relation between the negotiations and their domestic constituencies in two-level games'.<sup>5</sup> Thus, following Zartman, to avoid a negative outcome the negotiating parties would need to negotiate with their domestic constituencies and 'reach an agreement on the domestic level that would correspond to the parameters of an agreement on the inter-party level'. This two-level game 'was as applicable to conflict negotiation as to cooperation'.<sup>6</sup> But this opportunity was so complex in both Armenia and Azerbaijan because domestic debate on the prospects for peace was inchoate at best.

It should be acknowledged that the Zheleznovodsk peacemaking attempt was no more than a basis on which a settlement could be reached on the future political status of N-K. Much would depend on the willingness of the Armenian and Azerbaijani peoples to reach a final resolution. Similarly, the power and ability of Russia and Kazakhstan as guarantors of peace were at stake. Both states were supposed to use their leverage to produce an outcome agreeable to both parties, and preclude the recurrence of violence.

Despite the Russian-Kazakhstani brokered negotiations, violence continued unabated in N-K. Yet, escalation did not prevent to continue the 'follow-up' meetings between the Armenian, Azerbaijani and N-K delegates. On 25 October 1991, another peacemaking attempt was made when the delegates appealed to the combatants 'to refrain from violence and voluntarism and to complement the

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3 Fuller, 'El'tsin Brokers', p. 17.

4 Fuller, 'El'tsin Brokers', p. 17.

5 Zartman, 'Conflict Resolution', p. 327.

6 Zartman, 'Conflict Resolution', p. 327.



inter-republican talks with diplomacy by the people'.<sup>7</sup> Unfortunately, the result was not encouraging and the war continued.

The Russian-Kazakhstani initiative did not prevail because public opinion in both republics was not in favour of peace. Public opinion criticised both the Armenian and Azerbaijani Presidents. Apparently, the belligerents thought that it was premature to negotiate, and that each party could improve its negotiating position by fighting. The conflict process did not lead to a decision to negotiate when the conflict was not ripe for resolution. According to Zartman, 'ripeness would occur when the parties would feel that they could no longer expect to win the conflict through escalation at an acceptable cost and that there was a possibility of a jointly acceptable solution'. The main condition for the ripe moment was a 'mutually hurting stalemate'.<sup>8</sup> Unfortunately, in the early 1990s the conditions were unripe for conflict settlement. According to Miall, Ramsbotham and Woodhouse, 'ripeness was not sudden, but rather a complex process of transformations in the situation, shifts in public attitudes and new perceptions and visions among decision makers'.<sup>9</sup> Sadly, both parties continued to develop demeaning stereotypes of each other and their attitudes were influenced by emotions of fear and hatred.

The military situation deteriorated further when in November 1991 Azerbaijan abolished N-K's autonomous status and shut down a pipeline that supplied Armenia with natural gas from Russia. Ostensibly, the Armenian delegation boycotted the ongoing negotiations. Russian official (track one) diplomacy failed to bring the warring parties back to the negotiation table. The final blow came on 20 November 1991, when the Karabakh Armenian forces shot down an Azerbaijani helicopter carrying Azerbaijani, Russian and Kazakhstani observers over N-K.<sup>10</sup> The sad incident was a signal for the resumption of military operations in N-K.

Thus, Russia's first attempt to broker a settlement lasted only two months. But, for Yeltsin it was just the beginning of a series of Russian peace initiatives that were launched from 1992 to 1994. This brings us to examine Russia's role as an external actor in the conflict and its geopolitical interests in the South Caucasus.

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7 Michael P. Croissant, *The Armenia-Azerbaijan Conflict, Causes and Implications* (London and Westport: Praeger, 1998), p. 45. Also, see 'Report on the Conflict in Transcaucasia', Report (1), Document 7793, presented to the Parliamentary Assembly of the Council of Europe (PACE), 10 April 1997, posted on <http://stars.coe.fr/doc/doc97/edoc7793.htm>

8 Zartman, 'Conflict Resolution', p. 329. Also, see Willam I. Zartman, *Ripe for Resolution, Conflict and Intervention in Africa* (New York: Oxford University Press, 1989).

9 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 163.

10 Elizabeth Fuller, 'The Near Abroad: Influence and Oil in Russian Diplomacy', *Transition*, Vol. 1, No. 6, 28 April 1995, p. 32.

*Russia as an Actor in the N-K Conflict*

Russia was and still is the most active actor and occasionally a mediator in the conflict. Russian interests are the product of interrelated geopolitical and geostrategic calculations that have been revised since 1991, when the Soviet Union collapsed. The territories of the South Caucasian independent states (Armenia, Azerbaijan and Georgia), including N-K, serve as a buffer zone for Russia against any security threat from Turkey and Iran because the dissolution of the Soviet Union changed its southern frontier that extends between the Black and the Caspian Seas. Therefore, Russia no longer shares a common border with Turkey and Iran along the Arax River and the Pontus Mountains.<sup>11</sup> Post Soviet Russia's borders pass through the Caucasus Mountain chain, north of which is located the troubled region of the North Caucasus.

The South Caucasus region still possesses a Russian geopolitical connotation because it makes a clear distinction between the Russian North Caucasus and the three states to the south. Large swathes of southern Russia lie within the North Caucasus region, hence its security is inextricably linked with that of the three states in the South Caucasus, which, as Tracy German calls, are part of Russia's 'southern underbelly' (*yuzhnaya podbryush'ye*), a term that indicates the sense of vulnerability Russia feels along its southern border.<sup>12</sup>

Even before the Soviet Union's collapse, the Russian leadership perceived the South Caucasus region as part of the 'near abroad' and indeed considered it as a sphere of vital Russian interest.<sup>13</sup> Russia had a history of two centuries of Russian rule in the region, apart from the years from 1918 to 1921, when the three South Caucasus states experienced a period of short independence. Therefore, it was Russia's perception that did not change after 1991 that it had special rights in the region (historical, military, political and economic). Since 1991, Russia maintained a constant military presence in the South Caucasus by retaining Soviet-era military bases in Georgia until late 2007, together with military bases in Armenia, and the Russian military base in Azerbaijan that was the Gabala early warning radar station, built in 1985 as part of the Soviet Union's Missile Defense Complex.<sup>14</sup> That said, from a security perspective, Russia considers that its national security cannot sustain without carrying its responsibilities in upholding peace and stability in the

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11 Vitaly V. Naumkin, 'Russia and Transcaucasia', *Armenian General Benevolent Union (AGBU)*, Vol. 7, No. 3, September 1997, p. 26.

12 Tracy German, *Regional Cooperation in the South Caucasus: Good Neighbours or Distant Relatives* (London: Ashgate, 2012), p. 83.

13 John Lough, 'The Place of the Near Abroad in Russian Foreign Policy', *Radio Free Europe/Radio Liberty (RFE/RL) Research Report*, Vol. 2, No. 11, 12 March 1993, p. 27.

14 German, *Regional Cooperation*, pp. 90–91.

region.<sup>15</sup> Therefore, the protection of Russia's borders with the South Caucasus states has become part of Russia's security policy to maintain the stability of the Russian Federation's southern flank. Additionally, Russia has continued to exert its influence on the South Caucasus states often at the expense of other regional and international actors.

Such a concept of regional security led Russia to revise its foreign policy agenda in 1993 and prioritise the concept of foreign policy of the Russian Federation as well as protect the external borders of the Commonwealth of Independent States (CIS) that was created in December 1991 and aimed at integrating the former Soviet Republics.<sup>16</sup> The CIS was perceived by the South Caucasus states as a vehicle for furthering Russian security and economic interests rather than genuine cross-border collaboration. Initially, the CIS was composed of eleven member states, as the three Baltic states declined membership, while Georgia did not join until 1993 (but it left in 2009 in the wake of its 2008 war with Russia).<sup>17</sup> To counter the growth in Western influence within its strategic backyard, in 1992 Russia also created the Collective Security Treaty that became the Collective Security Treaty Organization (CSTO), a military alliance of seven CIS member states (Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan).<sup>18</sup> The CSTO is particularly important for Armenia, which perceives itself to be in a vulnerable position in the South Caucasus surrounded by the hostile states of Azerbaijan and Turkey. The significance and security of the Caucasus since 1993 has been a Russian top priority foreign policy objective. Russian military presence in the South Caucasus, peacekeeping operations, treaties and bilateral cooperation with the South Caucasus states, and protection of Russia's borders has been issues among the Russian security concerns.<sup>19</sup> Hence, the expansion of Russian influence in the South Caucasus and the maintenance of peace and security on the borders of the Russian Federation are two geostrategic Russian objectives.

In addition to the security interests, Russia as an oil- and gas-producing country has strategic economic interests in the South Caucasus and the Caspian region. In 1993, it became a dominant view among Russian foreign policymakers that in the near future the South Caucasus in general and Azerbaijan in particular

15 George Khutsishvili, 'On the Outskirts of Empire', *War Report*, No. 52, June–July 1997, p. 40.

16 Caroline Kennedy-Pipe, 'The CIS, Sources of Stability and Instability', in Regina Owen Karp (ed.), *Central and Eastern Europe, the Challenge to Transition* (Oxford and New York: Oxford University Press, 1993), pp. 258–9.

17 The CIS member states are Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia Federation, Turkmenistan, Tajikistan, Ukraine and Uzbekistan.

18 'Ex-Soviet Leaders Gather in Yerevan to Discuss Crisis Response', *RFE/RL Caucasus Report*, 20 August 2010, posted on <http://www.rferl.org/articleprintview/2133558.html>.

19 Herzig, *The New Caucasus*, pp. 102–8. Also, see Suzanne Goldenberg, *Pride of Small Nations, the Caucasus and Post-Soviet Disorder* (London and New Jersey: Zed Books, 1994), pp. 59–63.

would become a major producer of oil to the world markets.<sup>20</sup> As the promoter of the Baku-Novorossiisk export route as another option to the Baku-Tbilisi-Ceyhan (BTC) export route promoted by Turkey and the United States (US), Moscow tried to benefit from the multibillion dollar projects by keeping Azerbaijan within its zone of influence and managing the N-K conflict.<sup>21</sup> The BTC pipeline would transport crude oil from Azerbaijan via Georgia to the Turkish Mediterranean port of Ceyhan. There was also the Baku-Tbilisi-Erzurum in Turkey (BTE/South Caucasus gas pipeline) that would create substantial revenues for the transit countries and would strengthen economic and political links between Azerbaijan, Georgia, Turkey and the West. Both pipelines the BTC and the BTE aimed to enable Caspian producers to bypass Russian-controlled pipelines. It is worth stressing that there was a growing rivalry between Russia and the West over access to the region's hydrocarbon resources and export infrastructure. The successful completion of the BTC (which came into operation in 2006) would give renewed impetus to the Baku-Tbilisi-Kars (BTK) rail link, a project to connect the rail network of Azerbaijan, Georgia and Turkey and open the way for a possible link from China, through Central Asia and the Caucasus, to the European Union (EU). In the 1990s there were hopes that the proposed BTC would advance economic development, stability and peace in the region, with initial plans routing it across Armenia's territory therefore paving the way for improved relations between Armenia and its two adversaries, Azerbaijan and Turkey.<sup>22</sup> But, Armenia was excluded from transnational infrastructure projects because of the N-K conflict with Azerbaijan.

Still, in the 1990s, Russia found more difficulty in reconciling itself with Azerbaijan and Georgia rather than Armenia, which remained loyal to its 'historic protector' despite Moscow's changing sides in the N-K war at the end of the Soviet period.<sup>23</sup> A weak Azerbaijan was preferable for Russia, since that weakness would grant Moscow an excuse for military intervention to preserve its political, economic and security interests in the South Caucasus. Russian ambitions in the South Caucasus went beyond its military presence and influence over the foreign policy of the regional states to maintain predominance over the former Soviet republics. In order to attain this goal, Russia pursued a vigorous policy in the

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20 Robert E. Ebel, 'The Political and Economic Implications of Transcaucasus Oil', *Armenian General Benevolent Union (AGBU)*, Vol. 7, No. 3, September 1997, pp. 22–3.

21 Thomas Goltz, 'A Contrarian View on the Caspian Oil Sweepstakes', *War Report*, No. 50, April 1997, p. 21.

22 John J. Maresca, 'A Peace Pipeline to End the Nagorno-Karabakh Conflict', *Caspian Crossroads*, No. 1, (Winter 1995), pp. 17–18.

23 Goldenberg, *Pride of Small Nations*, p. 63. It is worth mentioning that 'in N-K Moscow changed sides with bewildering frequency at the end of the Soviet era. While several of Mikhail Gorbachev's advisers were expressing sympathy for the Armenian position in the late 1980s, Red Army troops were actively cooperating with Azerbaijanis in deporting Armenian civilians from the enclave. Despite such betrayals, Yerevan seemed determined to entrust its security to an independent Russia'. See, same source, p. 63.

region. After the creation of the CIS in December 1991, Russia demonstrated willingness to commit peacekeeping troops and monitor ceasefires in the region more than all regional and international actors.<sup>24</sup> The Russian engagement in the N-K conflict excluded any border changes between Armenia and Azerbaijan, a policy that was consistent with the position of the international community.

From an overall perspective of the above mentioned goals, one can conclude that Russia had considered its engagement in the South Caucasus as natural and vital. In addition to the N-K conflict, Georgia's secessionist regions of Abkhazia and South Ossetia worried Russia because a disintegrated and war-torn South Caucasus would have an economic, security and political impact on the Russian Federation itself. A weak South Caucasus and without Russian military presence probably would facilitate Turkish and Western expansion in the direction of the South Caucasus, Central Asia and the Volga region, something which was deemed unacceptable and dangerous by Moscow. The means through which Russia pursued its goals and interests will be examined below and in other subsequent chapters.

### **The Second Peace Attempt Prior to the 1994 Ceasefire**

After the failure of the Russian-Kazakhstani plan, the Islamic Republic of Iran took the initiative in February–May 1992. Ali Akbar Velayeti, the Iranian Deputy Foreign Minister, after conducting difficult talks with the Armenian and Azerbaijani sides<sup>25</sup> achieved a quadrilateral agreement, which was signed on 8 May 1992 in Tehran by Armenia, Azerbaijan, Russia and Iran. The agreement stipulated:

- A ceasefire within the week.
- Lift the economic blockade of Armenia.
- To admit international observers to the area.
- To ease the exchange of prisoners and come to a joint decision on the problem of refugees.<sup>26</sup>

The agreement failed almost immediately and violence escalated in an extraordinary ferocity. After the Russian attempt, once again Iranian official diplomacy failed to manage asymmetric internal conflict because it did not address the problematic relationship between the parties and the subjective elements, such as perceptions and attitudes of both sides. According to the contingency model, third-party

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24 Levon Chorbajian, 'Introduction to the English Language Edition', in Levon Chorbajian, Patrick Donabedian and Claude Mutafian, *The Caucasian Knot, the History and Geopolitics of Nagorno-Karabakh* (London and New Jersey: Zed Books, 1994), p. 32.

25 Elizabeth Fuller, 'Nagorno-Karabakh: Internal Conflict Becomes International', *RFE/RL Research Report*, Vol. 1, No. 11, 13 March 1992, p. 2.

26 Goldenberg, *Pride of Small Nations*, p. 169.

interventions should have been coordinated and sequenced in order to deal with the objective and subjective factors of the conflict to induce de-escalation. Iran's mediation in 1992 came in the wake of the Soviet collapse, and was apparently linked with its desire to attain geopolitical and security influence in the region. Iran's motive behind its involvement in the South Caucasus was also driven by economic concerns, mainly gaining a greater role in the future developments of the offshore oil reserves of the Caspian Sea. Iran wanted to use its geographic position as a littoral state as leverage in getting a share in the future oil exploration plans.

With regard security interests, Iran's strategic interest in the N-K conflict stemmed from its concern for stability along its northern border with Azerbaijan.<sup>27</sup> After Azerbaijan gained independence from the Soviet Union in 1991, there were renewed fears in Tehran that the new republic, that is, northern Azerbaijan, might seek reunification with southern Azerbaijan, which became an Iranian province at the beginning of the 19th century, heavily populated by ethnic Azerbaijanis (estimated around 30 million). Azerbaijani demands for reunification would threaten the territorial integrity of Iran. It is worth noting that by the 19th century, Russian victory over the Persian Empire and the signing of the Gulistan and Turkmanchai Treaties in 1813 and 1828 led to the division of Azerbaijan into northern and southern parts.<sup>28</sup> As violence escalated in N-K and the APF captured power in Baku, in June 1992, Iran supported Armenia in its conflict with Azerbaijan over N-K to prevent any potential threat to its territorial integrity. Hence, Iranian policy in the South Caucasus has had to balance its desire to play a regional role and act as a model for other Muslim peoples, against the need to maintain amicable relations with Russia and uphold stability in its northern provinces to prevent Azerbaijani separatism. Further, Iran's mediation aimed to prevent US and Turkish influence in the South Caucasus. This brings us to examine Iran's emergence as a regional actor in the conflict with an emphasis on its interests and fears in the region.

### *Iran as an Actor in the N-K Conflict*

Similar to Russia's role, Iran's role in the region is strongly influenced by history and geopolitics. Iran has a long border with the South Caucasus states including N-K after its secession from Azerbaijan in 1991. Iran's border was established as a result of the second Russo-Persian war of 1828 that divided the Azerbaijani nation. Those to the north became part of the Russian Empire and later the Soviet Union,

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27 Islam Nazarov, 'Relations Between Iran and Azerbaijan Today and in the Nearest Future', *Central Asia and the Caucasus*, No. 5(17), 2002, pp. 80–86.

28 Clement Therme, 'Iranian Foreign Policy towards the South Caucasus: Between Revolutionary Ideals and Realpolitik', in Annie Jafalian (ed.), *Reassessing Security in the South Caucasus: Regional Conflicts and Transformation* (London: Ashgate, 2011), pp. 144–5.

while those to the south remained in Persia. Hence, the notion of 'northern' and 'southern' Azerbaijan was created and transformed into a national myth, utilised later by Azerbaijani nationalists particularly after Mikhail Gorbachev's policy of democratisation in the second half of the 1980s.<sup>29</sup>

Iran's geopolitical interests in the post-Soviet South Caucasus have included a security component. Although the Azerbaijanis are Shiite Muslims like the Iranians, Iran has long been concerned with the unstable situation that the N-K conflict caused, because that could lead to insecurity along its northern border. Iran has preferred a weak Azerbaijan on its northern flank in order to keep any Azerbaijani separatist tendency within its borders calling for union with northern Azerbaijan under control. Thus, the motive behind Iran's mediation was to manage the conflict because its continuance could adversely affect Iran's political and security interests. The conflict had a significant impact on the development of Iran's role in the region, as well as its bilateral relations with individual states. Iran initially maintained a position of neutrality but to prevent sentiments of cultural awareness and nationalism among its Azerbaijani minority it supported the Armenians in their war against Azerbaijan.<sup>30</sup>

Iran was cautious in taking the risks of its involvement in the South Caucasus. Iran engaged in mediation and expended resources because as Bercovitch notes, a mediator 'would expect to resolve a conflict and gain something from it'.<sup>31</sup> Thus, in order to minimise its security fears and to mitigate Azerbaijani anti-Iranian sentiment, in 1989 Ali-Akbar Hashemi Rafsanjani, Iran's President, visited Baku to conclude commercial and cultural agreements.<sup>32</sup> However, Iran's relations with Azerbaijan had witnessed many ups and downs. The cautious rapprochement of 1989 did not last when in June 1992 the APF captured power in Azerbaijan and adopted a pro-Turkish stance. Consequently, the Iranian-Azerbaijani relations deteriorated. The APF's pan-Turkic policy created security fears in Iran and Russia and 'prompted them to adopt a pro-Armenian posture in N-K'.<sup>33</sup> Yet, in 1993 Iran did not hesitate to describe the Armenian offensives as acts of aggression when thousands of Azerbaijani refugees fled to the Azerbaijani provinces in northwestern Iran, creating a security threat. Iran's relations with Azerbaijan improved gradually only after the fall of the APF and the election of Heidar Aliiev as President in 1993. From the aforementioned, it is reasonable to assume that Iran used mediation,

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29 Shireen T. Hunter, 'Azerbaijan: Searching for New Neighbours', in Ian Bremmer and Ray Taras (eds), *New States New Politics, Building the Post-Soviet Nations* (London: Cambridge University Press, 1997), p. 437.

30 Brenda Shaffer, 'Azerbaijanis in Iran: Experiencing a Cultural Reawakening', *Eurasia Insight*, 4 August 2001, p. 1.

31 Bercovitch, 'Mediation', p. 346.

32 Fuller, 'Nagorno-Karabakh', pp. 1–2.

33 Hunter, 'Azerbaijan', p. 450. On the APF's pro-Turkish policy and identity, see Brenda Shaffer, *Borders and Brethren, Iran and the Challenge of Azerbaijani Identity* (Cambridge and London: The MIT Press, 2002), pp. 154–204.

as Russia did, as a policy instrument through which it could pursue some of its interests without arousing too much opposition.

In the early 1990s, as mentioned above, Iran tried to be cautious in its engagement as a political actor in the conflict. Iran intervened several times in 1992–93 to negotiate ceasefires but all were short-lived. Iran hoped to resolve the conflict and further economic relations with Armenia. Contrary to Azerbaijan, Iran established friendly relations with Armenia by signing a friendship and trade cooperation agreement in 1992. The aim was to establish cross-border energy and transport links. Indeed, a temporary bridge was built (it became permanent in 1995) over the Arax River at Meghri, called ‘the bridge of friendship’, facilitating the transport of goods from Iran to Armenia.<sup>34</sup> The strategic significance of Meghri, on the Armenian-Iranian border will be examined in Chapter 6. But it is important to stress that the two countries share borders and Armenia’s transit routes passes through Iran. These southern transit routes are vital to Armenia given the closure of its border with Turkey. In 1993 as the crisis over N-K deepened, Turkey closed its border with Armenia. Iranian foreign policy aimed to establish mutual respect and cooperation among neighbouring states in the South Caucasus. However, the US did not welcome Tehran’s unilateral mediation in 1992 because Washington preferred to give precedence to Turkey to counterbalance Iranian influence in the region.

In addition to the security component of its geopolitical interests, Iran considered its role in Central Asia as ‘natural in providing a bridge between the outside world and landlocked Central Asia’.<sup>35</sup> Iran, like Turkey, intended to exploit the collapse of the Soviet Union to portray itself as a model Islamic country upon which the predominantly Islamic republics of the former Soviet Union (FSU) could build their future religious, political and economic developments.<sup>36</sup> The 1979 Iranian Revolution remained a significant event for Iranian foreign policy that sought to export revolution and Islamic ideology to Islamic nations. However, Iran’s Azerbaijani experience was not encouraging because Azerbaijan tried to maintain a secular state.

Within this context, Iran aimed to use its leverage in the region to persuade Azerbaijan not to drift toward the West. In 1993, Iran saw Azerbaijan ‘as a conduit for western influence’ trying to exclude it from the oil consortium.<sup>37</sup> Iran exerted economic pressure on Azerbaijan for its attempt to a rapprochement with the US because Azerbaijani-US relations would eventually diminish Iran’s hopes in the geological excavation of the oil-rich region of the Caspian Sea. For example, to make Azerbaijan acknowledge its interests and vulnerabilities, Iran stopped several times its gas and electric supplies to the Nakhichevan autonomous republic

34 Therme, ‘Iranian Foreign Policy’, p. 141.

35 Croissant, *Armenia-Azerbaijan*, p. 60.

36 Tschanguiz Pahlavan, ‘Iran: New Policies for New Times’, *War Report*, No. 50, April 1997, pp. 29–30.

37 Pahlavan, ‘Iran’, p. 29.



that was part of Azerbaijan but landlocked by Armenia.<sup>38</sup> In 1994, Iranian anti-Western attitudes pushed the US and Western countries to exclude Iran from the so-called 'contract of the century', that was an 8\$ billion oil contract signed with the Azerbaijan International Oil Consortium (AIOC).<sup>39</sup> Undoubtedly, the Caspian region in general and Azerbaijani oil in particular presented a geostrategic interest for the US. The main dispute that has been simmering since the collapse of the Soviet Union in 1991 was to resolve the issue of the legal status of the Caspian oil fields between the five littoral states of Azerbaijan, Russia, Kazakhstan, Turkmenistan and Iran.<sup>40</sup> The ongoing negotiations between the five littoral states have so far failed to establish a legal regime and foster oil exploration and pipeline construction projects.

In 1993, Iran explicitly stated that the 1921 and 1940 agreements between Iran and the Soviet Union on the Caspian resources remained legally binding, and that arrangements outside these agreements were not acceptable.<sup>41</sup> But it should be stressed that these two agreements had dealt with 'navigation and fishing, not oil exploration'.<sup>42</sup> Iran proposed to either leave the Caspian Sea for common use or divide the seabed into national sectors with 20 per cent allocated to each of the five littoral states. Turkmenistan supported Iran's initiative but no further developments took place.<sup>43</sup> However, it seemed that 'the Iranian sector of the Caspian comprised 12 to 14 per cent of the sea', and Iranian claims beyond this percentage meant annexing part of the oil-rich Azerbaijani sector.<sup>44</sup> Hence, it is reasonable to assume that Iran would not benefit from the Caspian resources beyond its territorial waters.

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38 Leila Alieva, 'The Foreign Policy of Azerbaijan', *Central Asian and Caucasian Prospects*, Briefing Paper No. 9, October 1996.

39 Alieva, 'The Foreign', p. 2.

40 German, *Regional Cooperation*, p. 132. On the US strategic interests in the region, see Fiona Hill, 'The Caucasus and Central Asia in US Foreign Policy', *Eurasia Organization*, 8 June 2001, posted on <http://www.eurasia.org>. On Iran's economic interests in the region, see Ariel Cohen, 'Iran's Aggressive Moves in Caspian Basin Challenge International Economic and Security Interests', *Eurasia Organization*, 14 August 2001, posted on <http://www.eurasia.org>; also, see Justin Burke, 'Iran Seeks Role in Caspian Oil and Gas Game', *Eurasia Insight*, 20 September 2000, posted on <http://www.eurasianet.org>; also, see Nair Aliyev, 'Caspian Power Struggle', *Institute of War and Peace Reporting (IWPR)*, Caucasus Reporting Service (CRS), No. 95, 24 August 2001, posted on <http://www.iwpr.net>

41 See, Elizabeth Fuller, 'The Near Abroad: Influence and Oil in Russian Diplomacy', *Transition*, Vol. 1, No. 6, 27 September 1995.

42 Ariel Cohen, 'The US Must Support Energy Security in the Caspian Against Iranian Encroachments', *Central Asia and the Caucasus, Journal of Social and Political Studies*, No. 1(13), 2002, p. 41.

43 Levon Sevunts, 'Borders Matter: War Possible Over Caspian Oil Riches', *The Gazette*, 24 August 2001.

44 Cohen, 'The US Must Support', p. 39.

The relationship between oil and politics left a significant impact on resolving the conflicts in the region. Apparently, it was in the interest of all external actors to seek peaceful relations between the South Caucasus states and try to solve the regional protracted conflicts of Abkhazia, South Ossetia and N-K before any economic venture. Without the active involvement of the South Caucasus states it would be difficult to achieve regional stability and cooperation. The BTC, BTE and BTK transnational infrastructure projects require states to work together and address common threats to achieve peace and development. It could be argued that Iran's Karabakh peace initiative failed because of its unilateral nature. Any equitable settlement of the N-K conflict was to consider the interests of the external and internal actors. Additionally, neither Russia nor Iran acknowledged the asymmetric characteristic of the conflict and that managing protracted internal conflicts was difficult mainly because, as Zartman notes, the asymmetrical parties in intrastate conflicts knew their 'roles and goals' and sought absolute gains.<sup>45</sup> Both parties tried to achieve a military victory. Neither Russia nor Iran attempted to improve the relationship of both parties and address their basic needs whose frustration was at the core of the conflict. From 1994 onwards Iran would always express its willingness to mediate the conflict. Iran's Karabakh policy is further addressed in Chapter 4. In the next section we examine Turkey's role as a regional political actor in the South Caucasus.

### Turkey as a Regional Actor in the South Caucasus

The demise of the Soviet Union created new opportunities as well as challenges for Turkey to extend its influence in the South Caucasus and Central Asia. Turkey's interests in the region were not only associated with historic, linguistic and cultural ties, but also with a pan-Turkic vision of new Turkic states in Central Asia.<sup>46</sup> Politically, Turkey viewed itself as a model of a secular democratic Muslim country to be followed by the Muslim nations of Central Asia in their future development.<sup>47</sup> It was said that 'Turkey was the star that showed the Turkic countries the way'.<sup>48</sup> Turkey's ambitions to extend its influence into Azerbaijan and Central Asia was wholly understandable in light of the European Union's rejection of Turkey's application for membership in 1989, and the competition among the regional powers to establish zones of influence in the South Caucasus.

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45 Zartman, 'Conflict Resolution', p. 326.

46 Svante E. Cornell, *Azerbaijan Since Independence* (London and New York: M.E. Sharpe, 2011), p. 366. Also, see Graham E. Fuller, 'Turkey's New Eastern Orientation', in Graham E. Fuller and Ian O. Lesser (eds), *Turkey's New Geopolitics: From the Balkans to Western China* (San Francisco and Oxford: Westview Press, 1993), pp. 66–85.

47 Cornell, *Azerbaijan*, p. 365.

48 Iftekher Sayeed, 'Central Asia's Great Game: Dream and Reality', *The Independent*, 28 July 2000.

As a model state which combined democracy and Islam, Turkey in 1992 did not hesitate to render \$1 billion of aid to Azerbaijan and the Central Asian republics of the FSU.<sup>49</sup> Ankara saw Armenia as a geographic barrier to extend further aid to the region. To overcome this barrier Turkey had to establish good neighbourly relations with Armenia, which proved to be a difficult task without finding a *modus vivendi* between the two states to overcome the historical hatreds associated with the 1915 genocide.<sup>50</sup> Regional cooperation was hindered because Armenia had no diplomatic relations with Azerbaijan and Turkey. The three South Caucasus states recognise the importance of deepening cooperation, but while the N-K conflict remained unresolved, progress toward trilateral cooperation and economic integration at the state level would remain limited. For Turkey, a rapprochement with Yerevan became a foreign policy option to enable it to realise its goals and become a regional power. Armenian-Turkish relations and their impact on conflict resolution in N-K will be discussed in further detail in Chapter 7. Russia also tried to limit Turkish influence in the region. Indeed, Russia, as a rival regional power, did not wish to see more Turkish engagement in Central Asia and the Caucasus.<sup>51</sup>

Strategically, the South Caucasus states create a buffer zone between Turkey and its historic rival in the region: Russia. From a Turkish perspective, instability in the South Caucasus states would directly affect Turkey's own security and stability and therefore affect its 'trade and transport relations in the east'.<sup>52</sup> Thus, in the early 1990s, Turkey avoided getting involved in the regional conflicts, such as N-K, but it was almost impossible for Ankara to be completely neutral from the military developments in N-K particularly because of the close kinship relations with the Azerbaijanis. With regard Turkey's energy policy, the security of the BTC oil pipeline that had the support of the US was a major Turkish concern because Ankara sought to keep oil flowing through the pipeline (that had become operational in 2006 as mentioned above). The BTC project that had the greatest geopolitical significance 'would secure Turkey's role as a major player in the Caspian region, as well as provide an alternative route for Caspian oil bypassing

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49 Sayeed, 'Central Asia's', 28 July 2000. Within this context, 'among the countries that could help Central Asia, Turkey was the most obvious candidate. Turkish television was watched throughout the region. Thousands of Central Asian students were studying in Turkey and Ankara sponsored the countries' entry into such international bodies as the UN and the OSCE'. See the same source.

50 See, Mustafa Aydin, 'Changing Dynamics of Turkish Foreign and Security Policies in the Caucasus', in Annie Jafalian (ed.), *Reassessing Security in the South Caucasus: Regional Conflicts and Transformation* (London: Ashgate, 2011), p. 119.

51 Nikolai Kireev, 'Turkey in Search of a National Strategy of Eurasian Cooperation', *Central Asia and the Caucasus*, No. 1(13), 2002, pp. 19–20. According to Alparslan Turkes, the head of the Nationalist Movement Party in Turkey and one of the followers of Nihal Atsız, the most dedicated ideologists of pan-Turanism, 'it was Russia that reduced Turkey to its present state; it had been nursing a grudge against Turks and it destroyed the Turkish empire'. See same source, p. 20.

52 Aydin, *Changing Dynamics*, p. 118.

both Russia and Iran'.<sup>53</sup> The BTE gas pipeline (that became operational in 2007) was equally important because the delivery of gas from the Shah Deniz field of Azerbaijan effectively ended Georgia's gas dependency on Russia and provided an alternative energy source to Turkey.<sup>54</sup> Turkey's ambition was to become an energy hub, and central to that ambition was the Nabucco pipeline, a project that would bring Caspian Sea and Middle Eastern gas to Europe via Turkey.<sup>55</sup> The Nabucco pipeline is a key component of the EU's Southern Gas Corridor and was already pinpointed as a priority within the natural gas sector in 2010.<sup>56</sup> It is beyond the scope of this chapter to elaborate further on energy routes and competing pipeline projects because the aim is to focus on the role and interests of the regional actors in the N-K conflict and how they envisaged a resolution that would bring viable peace to the region.

### *Turkey as an Actor in the N-K Conflict (1991–93)*

Turkey was the first country to recognise Azerbaijan's independence on 9 November 1991, even before the collapse of the Soviet Union on 8 December.<sup>57</sup> In 1991 Ankara volunteered to play a neutral third-party mediatory role in the conflict. However, it was susceptible for Turkey to keep a neutrality particularly after February 1992, when anti-Armenian demonstrations in Ankara called for 'an intervention on Azerbaijan's behalf' to stop the Armenian military advances in N-K and protect Azerbaijani refugees fleeing the region.<sup>58</sup> Suleyman Demirel's, the Turkish Prime Minister, government came under heavy opposition criticism 'for standing idly by while the Turkish people's Azerbaijani brethren were being massacred'. The harshest critic was Alparslan Turkes, the head of the Nationalist Movement Party, who in February 1992 argued for a Turkish military intervention and stressed that, 'Turkey could not stand idly by while Azerbaijani territory was being occupied'.<sup>59</sup>

Repeated Turkish willingness to mediate in the conflict failed to elicit official requests neither from Armenia nor from Azerbaijan. In December 1991, Hikmet Cetin, the Turkish FM, publicly acknowledged that Turkey was 'not an official mediator' in the conflict, but it was ready 'to exert its influence' to find a peaceful settlement provided that both parties agree to such a role.<sup>60</sup> Cetin embarked on several rounds of shuttle diplomacy in the region and among several European

53 Aydin, *Changing Dynamics*, p. 124.

54 Aydin, *Changing Dynamics*, p. 124.

55 Cornell, *Azerbaijan*, p. 382.

56 See German, *Regional Cooperation*, p. 102.

57 Cornell, *Azerbaijan*, p. 366.

58 Svante E. Cornell, 'Turkey and the Conflict in Nagorno-Karabakh: A Delicate Balance', *Middle Eastern Studies*, Vol. 34, No. 1, January 1998, pp. 60–61.

59 Cornell, *Azerbaijan*, p. 369.

60 Fuller, 'Nagorno-Karabakh', p. 2.

capitals in an attempt to bring the conflict to the attention of the CSCE in Europe and the US to gain support of a peacekeeping mission in the region.<sup>61</sup> Turkey's unofficial mediation could be defined as Chris Mitchell notes an attempt to 'at least ending disruptive conflict behaviour' rather than achieving a compromise settlement.<sup>62</sup> Thus, Turkey's mediation behaviour could be understood as an attempt to stop violence and destruction in N-K and not an overall resolution of the conflict.

Turkey in its foreign policy vis-à-vis the US took a firm stance on what it considered a Western bias toward the Armenians. During his visit to Washington on 11 February 1992, Demirel called on the US to stop its support for Armenia because that would end Turkey's neutrality in the region and might trigger a regional war. In addition, Western support for Armenia's territorial demands in N-K might awaken 'irredentist demands by Armenia on lands in eastern Turkey'.<sup>63</sup> There is a problematic history between Armenia and Turkey associated with the drawing of the Armenian-Turkish boundary. It is worth mentioning that the Treaty of Moscow, signed on 16 March 1921, determined the final boundary between Turkey and Soviet Armenia without the participation or signature of an Armenian plenipotentiary. The Russian Soviet Federal Socialist Republic (RSFSR) took responsibility for securing the confirmation of Armenia and the other two South Caucasus governments, a pledge that was realised in the Treaty of Kars on 13 October 1921, between Turkey and the Soviet republics of Armenia, Azerbaijan and Georgia.<sup>64</sup> Ultimately, these boundaries would gain recognition in the Treaty of Lausanne, signed in 1923, between Turkey and the Allied Powers.<sup>65</sup>

Turkey was aware of the dangers of Turkish military intervention in the conflict on the side of the Azerbaijanis. Turkish military intervention could have created serious problems to Ankara because it could have meant reviving Armenian perceptions about aggressive pan-Turkic policy in the region and therefore jeopardising its alignment with the North Atlantic Treaty Organization (NATO), since Turkey as a member could not deviate from the Organization's foreign policy.<sup>66</sup> Hence, Turkey's membership in NATO reduced its freedom of action in the conflict. In addition, the significant influence of the Armenian lobby in the US Congress 'made a ban on US military aid to Turkey seemed a realistic consequence of a Turkish intervention' in N-K.<sup>67</sup> Concerning Turkish military intervention, Demirel argued that 'we were not indifferent to the suffering of the

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61 Cornell, 'Turkey and the Conflict', p. 60.

62 Quoted in Bercovitch, 'Mediation', p. 341.

63 Elizabeth Fuller, 'Nagorno-Karabakh: Can Turkey Remain Neutral?' *RFE/RL Research Report*, Vol. 1, No. 14, 3 April 1992, p. 37.

64 Richard G. Hovannisian, *The Republic of Armenia, Between Crescent and Sickle: Partition and Sovietization*, Vol. IV (Berkeley and Los Angeles: University of California Press, 1996), pp. 402–3.

65 Hovannisian, *The Republic*, p. 403.

66 Fuller, 'Nagorno-Karabakh', p. 37.

67 Cornell, *Azerbaijan*, p. 370.

Azerbaijanis ... but ... one step too many by Turkey would put the whole world behind Armenia'.<sup>68</sup> Turkey's policy toward Azerbaijan once again became a matter of internal debate, when in May 1992 the Karabakh Armenian forces attacked the Nakhichevan Autonomous Republic, which belongs to Azerbaijan. Demirel's pledges to aid Nakhichevan and enable it to cope against the Armenian assault did not go unnoticed. In a warning to Turkey, Russia, in the name of the CIS cautioned Ankara against any provocative act that could 'trigger a Third World War'.<sup>69</sup> The motive behind the Russian warning was the collective security pact signed on 15 May 1992 between Russia, Armenia and the four Central Asian Muslim republics.

Demirel also tried to achieve cooperation between the US and Turkey in foreign policy issues. He looked forward for a joint US-Turkish committee to coordinate policy in Azerbaijan and Central Asia. Apparently, as Bercovitch rightly argues, Turkey's motive behind initiating unofficial mediation was that Turkey wanted 'to do something about the conflict whose continuance could adversely affect its own political interests'.<sup>70</sup> Demirel's efforts not only intended to achieve political leverage in the region, but also to secure some economic aid and investment in Azerbaijan through Turkey. Demirel's aims concerning economic investments were not materialised because the US preferred to get involved only directly.<sup>71</sup>

Obviously, Turkey's attitude with regard the conflict was not neutral because it provided Azerbaijan a range of military (in the form of advisers), economic and diplomatic assistance. Further, Turkey lobbied to support the Azerbaijani position at the international level.<sup>72</sup> As a country dependent on US economic and military aid, and because of its poor human rights record, 'Turkey was forced not to distance itself too much from the American and European policies'.<sup>73</sup> In addition, a military intervention would apparently undermine Turkey's case for EU membership, one of its most ardently sought international goals. However, Ankara neglected European calls to lift its economic blockade to Armenia. Turkey considered the withdrawal of the Karabakh Armenian forces from Azerbaijani territories that were beyond the borders of the autonomous region and the settlement of the conflict as a precondition to meet the European calls on lifting the blockade. It is important to stress that Turkey's policy toward Azerbaijan was guided by five priorities:

Support for Azerbaijan's independence; support for Azerbaijan's sovereignty over N-K; a desire to prevent or limit Russian return to the South Caucasus;

68 Fuller, 'Nagorno-Karabakh', p. 37.

69 Kennedy-Pipe, 'The CIS, Sources of', pp. 258–9.

70 Bercovitch, 'Mediation', p. 346.

71 Goldenberg, *Pride of Small Nations*, p. 49.

72 'The Nagorno-Karabakh Crisis: A Blueprint for Resolution', a memorandum prepared by the Public International Law and Policy Group and the New England Center for International Law and Policy, based on ideas and initiatives presented at an international conference, Washington, DC, 17–18 May 2000, p. 12.

73 'The Nagorno-Karabakh Crisis', p. 12.

participation in Azerbaijani oil production and the export of Azerbaijani oil through Turkey; and preservation of a friendly, though not necessarily pan-Turkic, government in Baku.<sup>74</sup>

In February 1992, Turkey faced difficulty in coping with its internal opposition after the Armenians committed violence against Azerbaijani civilians in the town of Khojalu in N-K. Public opinion was against Turkey's 'mild stance on the Armenian advances and criticised the government's feeble performance in the South Caucasus and Central Asia compared to its aim of becoming a regional power'.<sup>75</sup> In addition to Alparslan Türkeş's stance, as mentioned above, Mesut Yılmaz, an opposition leader and head of the Motherland Party, argued that Turkey should mobilise its army along the Armenian border and Nakhichevan 'to retain a guarantor status over N-K' and 'show the seriousness of its opposition to Armenia's behaviour'. Indeed, in March 1992, Turkey announced that it would inspect Armenian aircraft en route to Armenia over Turkish space 'in an effort to implement an arms embargo on the warring parties'. Moreover, Turkey participated in Azerbaijan's economic blockade to Armenia as an expression of solidarity, prohibiting economic aid to pass through Turkish territory. However, these measures did not have any significant impact on the further escalation of violence in N-K.<sup>76</sup>

In 1993, Turkey tried to keep its friendship with Azerbaijan and not compromise its relations with the US, Russia and the EU. The N-K conflict figured high on the political agenda of overlapping visits to Moscow by Aliiev, the Azerbaijani President, and Tansu Ciller, the Turkish Prime Minister. Aliiev became President in June 1993 when Abulfaz Elçibey's (who was an advocate of pan-Turkism) government was ousted. Ciller expressed willingness for more cooperation between Russia, Turkey and Azerbaijan to exert pressure on Armenia to accept a peace agreement. Turkey was persuaded that 'a ceasefire with the help of Russia was a must', but it ruled out the deployment of Russian peacekeepers in N-K. Ciller made it explicit that such an operation could only become acceptable as part of a multinational peacekeeping force.<sup>77</sup>

Turkey's aspirations to extend its influence in the South Caucasus and Central Asia were not fulfilled at this stage, not least due to the determined Russian commitment to obtain a virtual monopoly on the N-K peace process that would commence in 1992 and the weakness of the CSCE in its mediatory role to achieve a negotiated settlement to the conflict. The next section of this chapter examines the initiation of the peace process and the competing roles of the CSCE and Russia in managing the conflict.

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74 Cornell, *Azerbaijan*, p. 366.

75 Cornell, 'Turkey and the Conflict', p. 61.

76 Cornell, 'Turkey and the Conflict', p. 61.

77 Fuller, 'Russia, Turkey, Iran', p. 32.

## The CSCE/OSCE as a Regional Security and Cooperation Organisation

The founding Helsinki Act in August 1975 formally established the Conference for Security and Cooperation in Europe (CSCE), a security organisation whose 55 participating states extend in a geographical area from Vancouver to Vladivostok.<sup>78</sup> Despite some procedural and mandatory difficulties, the CSCE (OSCE since 1994) has been viewed as an organisation with a strong mandate to promote the peaceful resolution of ethnic conflicts and other disputes between and within member states, the respect of freedom and human rights standards and the protection of minority rights.<sup>79</sup> The CSCE's comprehensive approach to security is complemented by a cooperative approach to solving problems. Starting from the assumption of indivisibility of peace, the CSCE holds that 'peace can bring benefits to all member states, while insecurity in one state may affect the wellbeing of all'. Therefore, all member states are requested to enhance peace promoting efforts 'in order to prevent crisis from happening or resolve the existing conflicts'.<sup>80</sup> The CSCE as a peace-promoting and conflict-resolving organisation has been involved in the N-K conflict since 1992. Now we turn to a detailed examination of its conflict management role in the conflict.

### *The CSCE as an Actor in the N-K Conflict (1992–93)*

A key development in third-party intervention to resolve the N-K conflict was the UN's agreement in 1992 to let the CSCE become the main leading international body in the management and resolution of the conflict.<sup>81</sup> Hence, the CSCE became officially involved in the conflict on 24 March 1992, when its Ministerial Council adopted a decision to convene in Minsk (Belarus) under the auspices of the CSCE to provide an ongoing forum for a negotiated settlement of the conflict between Armenia and Azerbaijan.<sup>82</sup>

Within this context, Armenia, Azerbaijan and nine other CSCE member states (the Czech Republic, Slovakia, Germany, Sweden, Belarus, France, Italy, the

78 William M. Brinton, 'The Helsinki Final Act and Other International Covenants Supporting Freedom and Human Rights', in William M. Brinton and Alan Rinzier (eds), *Without Force or Lies, Voices from the Revolution of Central Europe in 1989–1990* (USA: Mercury House Press, 1990), pp. 471–82.

79 Jennone Walker, 'European Regional Organizations and Ethnic Conflict', in Regina Owen Karp (ed.), *Central and Eastern Europe, the Challenge to Transition* (Oxford and New York: Oxford University Press, 1993), pp. 53–6.

80 Marton Krasznai, 'The Future Role of the OSCE in Resolving Conflicts and Fostering Cooperation in the Caucasus Region', paper presented at the international conference organised by the Armenian Center for National and International Studies, on Prospect for Regional and Trans-regional Cooperation and the Resolution of Conflicts, Yerevan, 27–28 September 2000.

81 Macfarlane, 'Keeping Peace or Preserving Conflicts?' p. 34.

82 Elizabeth Fuller, 'Ethnic Strife Threatens Democratization', *RFE/RL Research Report*, Vol. 2, No. 1, (January 1993), p. 22.



Russian Federation, the United States and Turkey) agreed to take part in the Minsk Conference. The Minsk Conference did not convene because of the escalation of the fighting in 1992 in N-K. Instead, as a result of high level of American intervention an informal Minsk Group (MG) was formed with the Italian deputy Foreign Minister as its first Chairperson.<sup>83</sup> Difficult talks followed between James Baker, US Secretary of State, and the Armenian and Azerbaijani Foreign Ministers on the issue of participation of separate representatives of the Armenian and Azerbaijani communities of N-K in the CSCE sponsored negotiations.<sup>84</sup> For negotiations to succeed, as Zartman notes, there must be valid spokespersons for the parties, a deadline and a vision of an acceptable compromise. Recognition and dialogue were preconditions, and for these to take place both parties had to be accepted as legitimate.<sup>85</sup> Yet, Azerbaijan rejected the inclusion of representatives of Karabakh Armenians in the talks because that would imply recognition of the secessionist group. But the Karabakh leadership demanded recognition, which is, as Azar and Burton argue, a basic human need, as a negotiating partner.

Due to the Azerbaijani stance, John J. Maresca (US Ambassador to the CSCE) arranged private meetings of US, Russian and Turkish representatives to agree on a common proposal to the parties. The limited discussions became (3+1) with the invitation of the Italian Chair of the MG, and later (5+1) with the joining of Armenia and Azerbaijan. Azerbaijan ruled out granting N-K a political status, which was a core issue in the conflict, and negotiating with the Karabakh leadership 'purporting to be official representatives'.<sup>86</sup> At this stage of the peace process the basic aims of the CSCE were first to arrange a ceasefire and then commence negotiations. At this stage also, consultation or interactive conflict resolution, as Fisher and Keashly contend in their contingency model, could have been critical in conflict de-escalation by providing a complementary role to mediation.<sup>87</sup> Consultation would provide a pre-negotiation function by improving the relationship between the conflict parties before dealing with substantive issues. The CSCE Stockholm meeting on 14 December 1992 that was on the verge of implementing a full ceasefire agreement failed because of Azerbaijan's refusal.<sup>88</sup>

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83 John J. Maresca, 'Resolving the Conflict Over Nagorno-Karabakh: Lost Opportunities for International Conflict Resolution', in Chester A. Crooker, Fen O. Hampson and Pamela Aall (eds), *Managing Global Chaos, Sources of and Responses to International Conflict* (Washington, DC: USIP Press, 1996), p. 260.

84 Maresca, 'Resolving', p. 260.

85 See William I. Zartman (ed.), *Elusive Peace, Negotiating an End to Civil Wars* (Washington, DC: The Brookings Institution, 1995).

86 Maresca, 'Resolving', p. 260.

87 Fisher, *Interactive Conflict*, p. 167.

88 Maresca, 'Resolving', p. 260. Despite the failure of the ceasefire attempt, 'the Stockholm meeting was significant for the N-K negotiations in a much broader way, for at this meeting Andrei Kozyrev, the Russian Foreign Minister, gave a hard-line speech that hinted at the direction that Russian policy would follow on issues such as N-K in the months to come'. See same source, p. 261.

Apparently, Azerbaijan had no incentive to accept a ceasefire, perhaps because it had a superior BATNA available, as per hypothesis 1 in Chapter 1. Still, the war was not over and Azerbaijan could hope to win on the battlefield and negotiate from a stronger position.

The first MG ‘emergency preliminary’ meeting was held in June 1992 in the absence of a Karabakh delegation.<sup>89</sup> The first two sessions of the talks continued and an agreement was reached on the need to send peacekeeping troops to N-K. Like consultation, peacekeeping would also provide a complementary role to mediation in that it might control some of the hostility through an initial and partial settlement. The appearance of the Karabakh delegates in July at the third session of the talks was based on a ‘limited purpose’ that was to discuss their participatory status.<sup>90</sup> At this stage, consultation with the Armenian and Azerbaijani sides might have brought them together for intense and complex discussions focusing on issues of the conflict and the escalation that had brought them to the point of apparent intractability.

Unfortunately, the MG during the Rome meeting did not clarify from the beginning that the peaceful resolution of the conflict would have to reconcile two fundamental principles, which were already CSCE principles: the territorial integrity of recognised states and the right to national self-determination of peoples.<sup>91</sup> This lack of clarity perhaps gave the Karabakh Armenian leadership a ‘false signal that unilateral shifts in borders might be acceptable to the international community’.<sup>92</sup> Certainly, territory was a core issue in the ethno-territorial conflict between the Armenians and Azerbaijanis. Sovereignty over the territory of Karabakh had tremendous impact on identity and ways of life. Historically, territory was infused with symbolic and transcendent qualities in the conflict process. For both Armenians and Azerbaijanis the territory of Karabakh was representative of their history and their identity. Hence, as John Vasquez and Brandon Valeriano show ‘symbolic and transcendent stakes lead actors basically to make zero-sum proposals for settling the issue’.<sup>93</sup> Taking these qualities into consideration the MG could have clarified to both parties that ‘borders might be changed by peaceful means, when all parties concerned agree, in accordance with international law, and provided that the right to self-determination was respected’.<sup>94</sup>

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89 David D. Laitin and Ronald G. Suny, ‘Thinking a Way Out of Karabakh’, *Journal of Middle East Policy*, Vol. 3, No. 1, (October 1999), e-mail version, p. 12.

90 ‘A White Paper, Nagorno-Karabakh’, published by the Armenian Center for National and International Studies (ACNIS), Yerevan, 1997, p. 10.

91 Richard Weitz, ‘The CSCE’s New Look’, *RFE/RL Research Report*, Vol. 1, No. 6, 7 February 1992, p. 27.

92 Laitin and Suny, ‘Thinking’, p. 12.

93 John A. Vasquez and Brandon Valeriano, ‘Territory as a Source of Conflict’, p. 195.

94 Weitz, ‘The CSCE’s New Look’, p. 29.

It is crucial to stress that both parties held divergent or incompatible goals which motivated their behaviour. These incompatible goals defined the range of issues in the conflict that were identity, security, status and survival. Consequently, these issues in the conflict defined the logical structure of the conflict situation. As the Armenians and Azerbaijanis differed so widely in terms of their values, beliefs and goals, it was to be expected that they would differ with respect to their perception of the issues in the conflict. The Armenians saw the issues in the conflict as pertaining to the right to self-determination and independent statehood to preserve their identity and enhance their security, while the Azerbaijanis saw them as pertaining to the territorial integrity of the state to enhance its existence, its sovereignty and its identity. The territorial and identity issues were salient and symbolic issues and the rivalry and relationship between both parties was a situation of historic animosity. That said, settling the territorial issue was not simply demarking the border between Azerbaijan and N-K, but, as Vasquez and Valeriano argue, 'resolving all other questions, like the symbolic and transcendent value of the territory, which were endemic to the rivalry. Unless the rivalry relationship was addressed, the vicious circle of conflict to which rivalries were prone would not be broken and the territorial dispute was unlikely to be settled'.<sup>95</sup>

The Karabakh Armenians' declaration of independence in September 1991 and their attempt to create a separate state was unlikely to be endorsed by the CSCE. The aim of the MG was to enable the conflicting parties to overcome their conflict and reach a negotiated settlement. But the problem was that the asymmetrical parties had defined their goals and tried to seek absolute gains at the other's expense. Once the peace process began in 1992, 'a dilemma arose as to whether first to address the core issues in the conflict, which tend to be the most difficult, or to concentrate on the peripheral issues in the hope of making early agreements and establishing momentum'.<sup>96</sup> Miall, Ramsbotham and Woodhouse suggest that a step-by-step approach would offer the parties the opportunity to test each other's good faith and allow for reciprocation.<sup>97</sup> Indeed, one of the parties could have used the GRIT strategy and invited cooperation. According to the GRIT strategy, one of the parties announces and unilaterally would initiate a series of cooperative moves; reciprocity would be invited, but the conciliatory moves continue, whether or not there was immediate reciprocity. The Armenians and Azerbaijanis were supposed to establish rapport, trust each other by tension-reducing steps and gradually set up dialogue and had confidence that the process would deliver an acceptable settlement. In addition to track one diplomacy of the MG that worked around the subjective elements of the conflict, consultation or interactive conflict resolution would be more effective to address misunderstandings and mutual distrust. The parties did not need to address core issues from the beginning of the process.

95 Vasquez and Valeriano, 'Territory as a Source of Conflict', p. 197.

96 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 164.

97 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 164.

Tension-reduction steps and consultation would reduce the intensity of the conflict and move it toward negotiations.

In October 1993, the MG's Italian Chairperson, Mr Marion Raffaelli, presented a peace plan for the settlement of the conflict which focused on tension reducing steps:

- The progressive withdrawal of armed forces of N-K within one month from the different occupied territories.
- Azerbaijan was to respond by lifting its blockade in a number of corresponding stages: firstly, the gas pipeline; secondly, the Idjevan-Kazakh railway and; finally all other lines of communication were to be unblocked.
- All these stages were to be monitored by groups of CSCE experts.<sup>98</sup>

Azerbaijan refused the plan because it did not address the Armenian blockade to Nakhichevan and did not refer to the Lachin district (the narrow strip of land that separated N-K from Armenia). It is noteworthy that by October 1993, in addition to the Lachin and Agdam districts, the Karabakh Armenian forces seized the Azerbaijani districts of Kelbajar, Kubatli, Jebrail, Fizuli and Zangelan that were outside the borders of the autonomous region of N-K.<sup>99</sup> The Armenian incursion which added the number of the refugees and approached the borders of Iran was condemned by Iran, Turkey and the UN Security Council. Armenia accepted the MG plan but the Karabakh leadership refused it. On 8 November, the MG meeting in Vienna presented a second peace plan which took Azerbaijan's demands into consideration, particularly the withdrawal of the Karabakh forces from the Azerbaijani occupied territories, and the return of the refugees to their homes. The issue of the status was not stipulated because it would be discussed in the Minsk Conference that was never convened due to disagreement between the conflicting parties.<sup>100</sup> Once again the Vienna meeting's proposals were criticised by Hasan Hasanaov, the Azerbaijani FM, who accused the MG 'siding with Armenia and of tacitly condoning an Armenian policy of ethnic cleansing' and practicing pressure on Azerbaijan to make 'unacceptable decisions'. On the other hand Aram Abrahamian, the Armenian presidential spokesperson, assessed the Vienna meeting positively advocating combined mediatory efforts between the CSCE, Russia and the UN. Abrahamian announced that 'Russia's mediation

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98 'Report on the Conflict on Nagorno-Karabakh', Document 7182, presented to the Parliamentary Assembly of the Council of Europe (PACE), 17 October 1994, p. 8.

99 Human Rights Watch/Helsinki, *Azerbaijan, Seven Years of Conflict in Nagorno-Karabakh* (USA: Human Rights Watch, 1994), pp. 29–30.

100 *OSCE Handbook, Field Activities, the Nagorno-Karabakh Conflict Dealt with by the Minsk Conference*, electronic version, p. 14, posted on <http://www.osce.org/publications/handbook/5.htm>

in the Karabakh conflict was neutral and unbiased and its proposals should be thoroughly studied'.<sup>101</sup>

In light of the presented peace plans the most useful way of describing and interpreting the MG's behaviour is to conceptualise its activities in terms of the strategy that it used. In third-party mediation, the contingency approach to mediation is apparently a useful guide to conflict analysis because it refers to subjective and objective elements of the conflict. Given the subjective factors of misperception, attitudes and miscommunication between the parties, the MG at this stage of the conflict used the communication-facilitation strategy and it adopted a fairly passive role, opening contacts, channelling information to the parties and facilitating cooperation between them. Indeed the MG was concerned with the quality of interaction and the creation of a better environment for conflict management. The MG tried to gather the parties' demands together into a package without adding to the content. This role, as Zartman and Touval note, 'was completely procedural, with no substantive contribution by the mediator, and in its simplest form it was completely passive, only carrying out the parties' orders for the delivery of messages'.<sup>102</sup> Communication-facilitation strategies are the most frequently utilised by international mediators, while directive strategies appear to be more successful.

The MG's use of the communication-facilitation strategy stemmed from a number of factors such as the intensity of the conflict, the type of issues in conflict and the internal characteristics of the parties. The high intensity N-K conflict affected the nature of conflict management and the pattern of mediation. The severity of the conflict, the level of hostilities and the strong negative perceptions of the parties were major factors. With regard the issues in conflict, they were internal because the conflict was intrastate. The issues of sovereignty, territory, identity, security, safety and independence were the underlying causes of the conflict. These issues in conflict defined the logical structure of the conflict situation. These issues as Azar and Burton explain were basic human needs or ontological and biological drives for survival.<sup>103</sup> There were also the subjective and emotional issues of fear, resentment and distrust that according to Bercovitch 'were hard to negotiate over, and harder still to mediate'.<sup>104</sup> The best that the MG could do in such a context was to resort to communication-facilitation strategy in order to build confidence and trust between the parties and give them an incentive to de-escalate and to pursue peaceful conflict management. But this was difficult to achieve without using interactive conflict resolution. Concerning the internal characteristics of the parties, they had different social structures, that is, ethnic, cultural and religious, which meant that the parties were less amenable to third-party active mediation.

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101 Fuller, 'Russia, Turkey, Iran', p. 32.

102 Willaim I. Zartman and Saadia Touval, 'International Mediation', p. 446.

103 See John Burton, *International Conflict Resolution, Theory and Practice* (Boulder and Sussex: Wheatsheaf Books and Lynne Rienner Publications, 1986).

104 Bercovitch, 'Mediation', p. 349.

Each party perceived the other as a threat to its identity and survival. Thus, in the N-K case, the MG used communication strategy to establish channels of communication and help the parties to engage in negotiations. Still, using the contingency approach makes us see clearly that the form of mediation was not random. It was affected by the structure (issues) of the conflict, the characteristics of the conflict, the intensity of the conflict and the internal characteristics of the parties.

The MG's second peace plan was also doomed to failure. However, the intensive efforts of the MG in 1992 and 1993 culminated in the adoption of an 'adjusted timetable' based on step-by-step approach to implement Security Council Resolutions 822, 853, 874 and 884 in order to attain a political solution.<sup>105</sup> It is worth noting that all the Security Council Resolutions protected the principle of the inviolability of international borders, confirmed the primary role of the CSCE in the resolution of the conflict, condemned the seizure of territories by Karabakh Armenians and reminded the parties of the requirements of withdrawal of occupying forces from Azerbaijan. The timetable that was refused by all the parties and was not implemented by them is summarised below:

- Withdrawal of troops from occupied territories.
- Restoration of all communications and transport.
- Exchange of hostages and prisoners of war.
- Unimpeded access for international humanitarian relief efforts to the region.
- Establishment of a permanent and comprehensive ceasefire to be monitored by the CSCE.
- The formal convening of the Minsk conference.<sup>106</sup>

A lost opportunity to make peace and the failure of the MG's first phase (January–December 1992) mediation could be attributed to a number of causes. Firstly, both parties to the conflict were not yet fully tested on the battlefield, and had hopes of winning the war and emerging victorious. Positions hardened in response to the battlefield situation and the absence of international pressure. Utilising the contingency approach, it is reasonable to argue that given the intensity of the conflict and not using interactive conflict resolution, the subjective factors of miscommunication, misperceptions, attributions and emotions certainly became more salient. The peacemaking process was thus not a reversal of the war-making process, since war-making created factors that were not in such intensity before the war. Such factors were emotions of hatred and revenge, the demand for security at

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105 *Annual Report on OSCE Activities*, section 2.9, on Conflict Dealt in the Area Dealt with the Conference on Nagorno-Karabakh, 1993, electronic version, posted on <http://www.osce.org/e/docs/annualrep93e.htm>

106 *OSCE Handbook, Field Activities, the Nagorno-Karabakh Conflict Dealt with by the Minsk Conference*, electronic version, 19 April 2000, p. 14, posted on <http://www.osce.org/publications/handbook/5.htm>

higher level, and the intensification of moral justification of violence to defeat the other side. For both parties the conflict was not 'ripe for resolution' and they could achieve their aims by further violence.<sup>107</sup> Negotiations were not possible because the asymmetry between the parties was not reduced and there was no equal power balance between them to favour negotiation. Politically, the nationalist parties were strong in Armenia and Azerbaijan. Thus, a sticking point developed because the nationalist parties and elites were unfavourable to the process, political space was closed and conditions were attached to negotiations which prevented forward movement. For example, in Armenia, Ter Petrosian was unable to convince parliament to accept an initial peace agreement and postpone the discussion of the political status of N-K. Similarly, in Azerbaijan Elchibey refused the discussion of a compromise settlement before the withdrawal of the Karabakh forces from the Azerbaijani occupied territories.

Within this context, the weak and transitional nature of Armenia and Azerbaijan as newly independent states was an obstacle to conflict management. In 1992, the nationalist intellectuals in both countries were in power and the liberation of N-K was on top of their political agenda. Given the asymmetric nature of the conflict, the MG was unable to obviate the inefficient process of negotiation because any end of conflict was not preferable to continuing conflict where the parties were satisfied by a solution deemed fair. As alluded to above, the sharp conflict was over indivisibles and non-tradables (territory, identity, security), situations where controlling the territory of N-K was primary. For both parties the stakes included high political commitment for the cause of Karabakh. Both parties were unwilling to consider end values to reach a fair outcome. As prospect theory indicates, 'the losses were more highly valued than gains, and that the parties were more risk-taking over losses and risk averse over gains, and that the referent frames that parties used determined the comparative value of ends'.<sup>108</sup> Consequently, the aim of the conflicting parties in the Stockholm meeting was to test the degree of tolerance and support of the international community to their demands rather than talk about concessions and peace.

Secondly, the low-level interest of the CSCE countries (particularly CSCE MG Foreign Ministers) in the conflict. It could be argued that this was a major difficulty that confronted the CSCE Stockholm meeting in December 1992 to implement a ceasefire. Still, Maresca states that 'the Chairperson of the MG did not even attend the Stockholm meeting. His absence signaled that no important developments were expected and ensured that FMs would not focus on the N-K case'.<sup>109</sup> The Russians also did not send their MG negotiator. Perhaps, the Russian absence was deliberate in order to distance Russia from any decision taken by the MG. According to Maresca, 'the Russians were represented on all Karabakh

107 See William Zartman, *Ripe for Resolution, Conflict and Intervention in Africa* (New York: Oxford University Press, 1985).

108 Zartman, 'Conflict Resolution', p. 328.

109 Maresca, 'Resolving the Conflict', pp. 261–2.

related discussions by a mid-level official, who was not in a position to exert pressure or join in initiatives'. Furthermore, 'there was no official position of the US representative to the MG despite the fact that the MG had been created because of high-level US intervention'. Apparently, the US representative was not interested in a peace deal. His focus was on 'some other task' rather than being devoted to the assigned position in the MG.<sup>110</sup>

Thirdly, there was doubt expressed by the MG Foreign Ministers in Stockholm regarding a future peacekeeping operation or monitoring force, whether the CSCE could actually provide such a force to be dispatched to N-K. Yet, peacekeeping was crucial to control some of the hostility between the parties. Additionally, the CSCE could only engage peacekeeping missions in conflict zones after an effective ceasefire between the conflicting parties, and only after their consent and cooperation. Even if these conditions were provided in 1992, a CSCE peacekeeping force was not immediately available. Any decision for the creation of a peacekeeping force would take weeks or perhaps months. Therefore, it was difficult to see how a CSCE peacekeeping force could be provided to monitor a ceasefire that would need quick deployment to prevent its collapse.<sup>111</sup>

Thus, the mediation of the MG was unsuccessful and ineffective because it did not have a positive effect on the conflict. The conflict did not de-escalate to non-violent behaviour, a ceasefire was not accepted, an agreement was not signed and a peacekeeping force was not created. In addition, the intervention was not coordinated so that the appropriate strategy was used at the right time to make de-escalatory moves. Intervention should have addressed all the objective and subjective elements of the conflict to change the situation and to prevent relapse. Hence, a tactical deadlock resulted 'because of failures to coordinate the process of negotiation'.<sup>112</sup> Instead of demonstrating to the conflicting parties a strong commitment to resolve the conflict, the MG seemed weak. Following Zartman, 'the success of mediation would depend on persuading the parties to change their perception of the value of current situations and future outcomes, that was, to see a stalemate and reach a turning point'.<sup>113</sup> Furthermore, the lack of an official position of the US representative and Russia's determination to distance itself from the MG were certainly important reasons for unsuccessful mediation. That said, there was little possibility of coordinating mediation in complex PSC situations such as N-K. Perhaps coordination would be possible but given the welter of conflicting interests among the regional actors it seemed unlikely. To sequence and coordinate implied a degree of control over the activities of the regional actors, particularly Russia. A brief examination of Russia's interests and interventions in the conflict would bear this out.

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110 Maresca, 'Resolving the Conflict', pp. 261–2.

111 Walker, 'European Regional Organizations', pp. 55–6.

112 Bercovitch and Lutmar, 'Beyond Negotiation', p. 236.

113 Zartman, 'Dynamics and Constraints', p. 21.



*Possible Coordination Between the CSCE and Russia*

In 1992, the eclipse of the MG efforts to hammer out a political solution increased Russian intentions to step in strongly in the near abroad. Russia found the political situation conducive to enforce a unilateral peace after its first abortive attempt (Yeltsin-Nazarbaev initiative in 1991). On 20 February with the initiative of Andrei Kozyrev, the Russian FM and the FMs of Armenia and Azerbaijan met in Moscow and pledged themselves 'for an immediate ceasefire, the restoration of communications, dispatch of humanitarian aid and continuing negotiations on a settlement of the conflict'.<sup>114</sup> The parties disagreed on the participation of the Karabakh leadership in future negotiations and the possibility of the deployment of UN peacekeeping troops in the region. Azerbaijan repeated its negative stance on the issue of participation of the Karabakh leadership in any talks because that would mean to admit 'the territorial divisibility of Azerbaijan'.<sup>115</sup> Azerbaijan agreed that Armenia would negotiate on behalf of the Karabakh leadership.

Russia's major aim was to return the South Caucasus states to its traditional sphere of exclusive influence as they were in the Soviet era, and the best way to achieve this aim was to enforce a unilateral peace agreement on the conflicting parties. In other words, Russia wanted to broker a ceasefire and play a leading role in the negotiations to keep its leverage in both Armenia and Azerbaijan. As argued above, Russia perceived the South Caucasus region as part of its 'southern underbelly', a term that underscores the sense of vulnerability it felt along its southern border.<sup>116</sup> Moreover, Russia considered that its national security could not sustain without carrying its responsibilities in upholding peace and stability, and protecting its historic, military, political and economic rights in the region. In principle, Russia was not against the deployment of UN peacekeeping troops in N-K if they would be replaced at a later stage by CIS peacekeeping troops. Russia was trying to promote the status of the CIS to be recognised as a regional and international organisation along with the UN and the CSCE.<sup>117</sup> Russia was even encouraged to do so in the absence of international support for a UN peacekeeping role in the South Caucasus as the US State Department clearly stated that 'the U.S. would not support a move to deploy UN troops in N-K at this time'.<sup>118</sup> Moreover, the failure of the MG mediation in the early stage (January–December 1992)

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114 Fuller, 'Nagorno-Karabakh', p. 3.

115 Fuller, 'Nagorno-Karabakh', p. 3. Azerbaijan stated that 'it had already formally abolished N-K's autonomous status within Azerbaijan. Moreover, the Azerbaijani declaration of independence specifically stipulated that the territory was indivisible. On the other hand, Armenia refrained from recognizing N-K's independence because it considered that to do so would merely exacerbate matters'. See, the same source, p. 3.

116 German, *Regional Cooperation*, pp. 96–7.

117 Suzanne Crow, 'Russia Promotes the CIS as an International Organization', *RFE/RL Research Report*, Vol. 3, No. 11, 18 March 1994, p. 33.

118 Fuller, 'Nagorno-Karabakh', p. 3.

encouraged Russia to step in forcefully. The limits to which the MG mediation could achieve were succinctly stated by Margaretha af Ugglas, the CSCE Chairperson, when she said: ‘the CSCE could contribute to peacekeeping efforts only if the warring parties themselves were willing to end hostilities’.<sup>119</sup>

In September 1992, a new Russian peace initiative was presented by Pavel Grachev, the Russian Defense Minister, to his Armenian and Azerbaijani counterparts. During the secret negotiations, which were conducted in the Russian resort of Sochi, and in the presence of representatives from the Karabakh leadership, an agreement was concluded based mostly on Azerbaijani concessions. The agreement stipulated that:

- The Azerbaijanis agreed to a ceasefire without a withdrawal of the Armenian forces from Shushi and Lachin.
- The Azerbaijanis also compromised on their standing position that N-K was an internal affair, by agreeing to allow observers from CIS republics to station in N-K.
- A council of observers was to be set up to impose sanctions for breaches of the agreement.<sup>120</sup>

The ceasefire was almost immediately violated but a group of observers arrived from Russia, Ukraine, Belarus, Kazakhstan and Georgia. A Council of Observers was to be established to impose sanctions for breaches of the agreement. In early October, the failure of the agreement eventually meant the limitation of the Russian unilateral peace initiative and raised the need for bilateral negotiations in order to reach a peaceful settlement. Consequently, ‘the protocol on security zones’ was signed between the parties to reduce tension and limit the serious outbreaks of violence but no breakthrough was achieved.<sup>121</sup>

Within this context, it is reasonable to assume that the failure of the Russian-mediated agreement could be attributed to two major causes. Firstly, the competition between Russia and the CSCE to mediate a settlement; and secondly, the apparent inconsistency in the Russian approach to peace between the Russian Foreign and Defense Ministries. Again, the peace process was in jeopardy.

The MG in its second phase of mediation (January–August 1993) faced Russia which sought to play a major role in resolving the conflict. Russian insistence on peacekeeping on the territories of the FSU was proclaimed by President Yeltsin in his speech in February 1993:

Stopping all armed conflicts on the territory of the FSU was Russia’s vital interest. I believe the time had come for distinguished international organizations,

119 Fuller, ‘Turkey, Iran and the Karabakh’, p. 32.

120 Jonathan Aves, *Post-Soviet Transcaucasia*, Post-Soviet Business Forum (London: Royal Institute of International Affairs, 1993), p. 35.

121 Aves, *Post-Soviet*, pp. 35–6.

including the UN, to grant Russia special powers as guarantor of peace and stability in regions of the FSU.<sup>122</sup>

The Russian unilateral peace plans, as discussed above, presented a shift from a multinational approach to peace to a unilateral Russian initiative. Russia began to insist on a Russian-controlled CIS 'separation force', which would be deployed to separate the warring parties and would be authorised to use force in case of violations to a ceasefire. This approach was in contrast to international proposals for an internationally controlled 'monitoring force', which would not be authorised to use force.<sup>123</sup> That said, we realise that international mediation was a complex and dynamic interaction between mediators who had resources and an interest in the conflict and its outcome. Indeed, Russia as a political actor brought to the mediation situation its own interests, perceptions and resources.

Moscow's 'deny access' strategy at this stage was applied to its diplomatic relations with the CSCE. Moscow did not hesitate to exploit every opportunity to 'make trouble and prevent consensus on important decisions in the CSCE. Moscow was worried about the CSCE's increased involvement in the management of the conflict because that could undermine and marginalise its role in the South Caucasus region'.<sup>124</sup> This is very much relevant to the contingency model of intervention in the sense that Russia could have desired peace and accepted the role of mediator for motives of its own. There might be attempts to coordinate different interventions at different levels of escalation but the interests of the different actors would mar the coherence of mediation.

As a cover to its 'deny access' strategy, Yeltsin's personal mediator for N-K, Vladimir Kazimirov, declared in the summer of 1993 that Russia decided to conduct its diplomatic activity on four levels to attain a peaceful resolution to the conflict: 'as a member of the CSCE MG, within the UN, acting independently, and on the basis of bilateral consultations'.<sup>125</sup>

Parallel to Kazimirov's declaration, the US interest resumed in favour of finding a peaceful resolution to the conflict by means of introducing an international rather than a Russian peacekeeping force. Maresca, who was preparing a peacekeeping proposal, offered Kazimirov a list of seven conditions for a joint supervision of a ceasefire in N-K. Had the Russians responded, the initiative could have paved the way for Russian-American coordination concerning peacekeeping, however, under the auspices of the CSCE.<sup>126</sup> The challenge in the N-K conflict was to institute peacekeeping as soon as possible to control the violence and to follow that

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122 Maresca, 'Resolving the Conflict', p. 263.

123 Thomas de Waal, *Black Garden, Armenia and Azerbaijan Through Peace and War* (New York and London: New York University Press, 2003), pp. 230–31.

124 Pavel K. Baev, 'Going it Alone in the Caucasus', *War Report*, No. 52, June–July 1997, p. 36.

125 Fuller, 'Russia, Turkey, Iran', p. 32.

126 Laitin and Suny, 'Thinking a Way Out of Karabakh', p. 13.

initial intervention with other ones to facilitate de-escalation. Moscow was afraid of a possible US attempt to engage Turkey in a peacekeeping operation under the auspices of the CSCE. Thus, in 1993, Turkish increased political involvement in the conflict encouraged the Russians to ‘going it alone in the South Caucasus’, in order to prevent Turkey from any engagement in the peaceful settlement of the conflict.<sup>127</sup> Moscow ruled out any role for Turkey in a peacekeeping force in its near abroad because that would perhaps extend Turkish influence to Central Asia, another piece of former Soviet territory. The uncooperative stance of the Russians, which could be attributed to the lack of joint efforts on foreign policy issues between the Russian Foreign Ministry and the Defense Ministry,<sup>128</sup> led Maresca to comment on Russian intentions by stating:

It was clear that it was their deliberate intention not to cooperate, thus to ensure that their own proposal would be understood by the parties to be the only game in town, and would ultimately supplant the international negotiating process.<sup>129</sup>

By the end of 1993, a change in the Chairmanship of the CSCE MG from the Italians to the Swedes made it more difficult to pursue US-Russian negotiations on cooperative arrangements in the South Caucasus. Jan Eliason, the Swedish Chairperson, decided to terminate private meetings and pursue the peace process through shuttle diplomacy, a strategy, which according to Maresca, ‘downgraded the US role in the process, even though the US was the only voice that the Russians took seriously’.<sup>130</sup> Eliason embarked on several rounds of shuttle diplomacy by travelling to Moscow, Baku, Ankara and Yerevan to give new impetus to the stalled negotiations. Maresca argues that the reason behind Eliason’s decision was that ‘the Swedes had not participated actively in the earlier work of the MG and they had been influenced decisively by the failure in Stockholm’.<sup>131</sup> Apparently, Eliason thought that shuttle diplomacy could achieve a breakthrough in the negotiations. But his lack of experience in the negotiation process was certainly an obstacle to effective mediation. His new diplomatic approach would enhance Russia’s role and ability in sidelining the MG. Russia would try to impose its will on both issues of the formation and composition of the peacekeeping force.

Similar to the first phase, the second phase of the MG mediation did not produce tangible results and a second opportunity to make peace was lost. Apparently, a number of external and internal factors contributed to the failure of brokering a lasting ceasefire and resuming the negotiations.

Externally, the Russian policy objective of keeping other countries out of its declared sphere of influence was a decisive factor. President Yeltsin wanted Russia

127 Baev, ‘Going it Alone’, pp. 36–7.

128 See de Waal, *Black Garden*, pp. 231–2.

129 Maresca, ‘Resolving the Conflict’, p. 264.

130 Maresca, ‘Resolving the Conflict’, p. 264.

131 Maresca, ‘Resolving the Conflict’, p. 265.

to be the guarantor of peace and stability on the territories of the FSU. That was why he insisted on a Russian-controlled peacekeeping force in N-K. Further, the lack of a consistent and explicit Russian stance to engage in serious negotiations was another factor. Russia perhaps wanted to signal to the MG that without its consent and conditions peace would not be achieved. Still, the rivalry between the Russian Foreign Ministry and Defense Ministry hampered the negotiations. Contrary to the Foreign Ministry that had no experience in the republics of the FSU, the Defense Ministry 'that had thousands of men on the ground in the Caucasus, was able to play a leading role' and emerge powerful in Russian domestic politics.<sup>132</sup>

Internally, Armenia's government gave more ascendancy to Russia's role in the conflict rather than the CSCE's role. Armenia's stance was expressed clearly when Gerard Libaridian, Armenia's First Deputy FM, stated that 'the MG lagged behind the unfolding of events ... [it] advanced no initiatives, it only waited till the conflicting sides would make their conditions'.<sup>133</sup> Perhaps, Armenia's stance stemmed from its perception concerning Russia's protection of Armenia's border with Turkey, particularly in the absence of a lasting ceasefire and good neighbourly relations with Azerbaijan and Turkey.

In Azerbaijan, President Aliiev vowed to introduce peacekeepers, restore Azerbaijan's sovereignty in N-K and secure the return of the refugees to their homes. However, in order to fulfil his political agenda he had to 'maneuver between the nationalists and support for reconsolidation of relations with Russia'.<sup>134</sup> Within this context, while Kazimirov was visiting Baku along with Yerevan and Stepanakert, and was criticising the MG by stating that 'it lacked mechanisms for enforcing an eventual ceasefire', Aliiev too made similar comments. For example, Aliiev said: 'the MG had achieved virtually nothing'.<sup>135</sup> After Elchibey's ouster from power in 1992, Aliiev perhaps sought the support of the nationalists who were eager to liberate N-K from the Armenian forces and restore Azerbaijani sovereignty there. Aliyev's position could have stemmed from the weakness of the UN in failing to implement the Security Council Resolutions 822 and 853 by enforcing an unconditional withdrawal from the Azerbaijani occupied territories.

The stance of the Karabakh leadership was not conciliatory too. Indeed, it insisted on Karabakh Armenians' right to self-determination and refused to accept a peace agreement that would not guarantee outright independence from Azerbaijan. Its military victories on the battlefield served as an additional incentive to prefer a military solution to the conflict. This stance hampered the MG's efforts to arrange a lasting ceasefire. It also hardened Azerbaijan's stance too which drew gradually toward a military solution by the end of 1993.

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132 De Waal, *Black Garden*, p. 232.

133 Fuller, 'Russia, Turkey, Iran', p. 32.

134 Ian Bremmer and Anthony Richter, 'The Perils of Sustainable Empire', *Transition*, Vol. 1, No. 3, 15 March 1995, p. 14.

135 Fuller, 'The Near Abroad', p. 32.

From the aforementioned, it is plausible to argue that Armenia, Azerbaijan and the Karabakh leadership did not appear to have been interested in serious negotiations. Their positions in the second phase of mediation more or less remained the same. In addition to the tactical deadlock, strategic deadlock occurred because of the ‘real and basic incompatibilities between the parties’.<sup>136</sup> Deadlock also resulted because the levels of uncertainty and distrust between the parties were high. As the negotiation process unfolded it seemed that the parties were engaged in too much bluffing and lying as per hypothesis 2. In addition, they did not have incentive to make concessions because they had a superior BATNA, mainly emerge victorious on the battlefield, or no deal was better than their conception of a solution. It is noteworthy that if the mediator was unable to communicate the bottom lines of the parties credibly, the other party might have assumed that there was bluffing and refused to make concessions.

## **Conclusion**

Mediation in the N-K conflict was practiced by numerous actors, including Iran, Russia, Turkey and the CSCE, but failed to be instrumental in achieving a cessation of hostilities and a peace agreement because of the geopolitical and geostrategic interests of the mediators and their motives, the unstructured nature of the conflict environment, the issues that were at stake and the relationship of the warring parties. The mediators pursued mediation as a policy instrument through which they could pursue some of their interests. Negotiations under conditions of asymmetry were very difficult because the negotiation process did not function under conditions of equality. There was no mutually hurting stalemate so that the moment was ripe for resolution. Thus, the parties preferred violence rather than compromise to achieve their goals.

In an unstructured environment the parties believed that they were in a zero-sum relationship. They did not have a shared understanding of the conflict and they adopted coercive strategies and non-cooperative perspectives to fulfil their aims. Deadlock was likely to occur because the parties viewed negotiations as primarily zero-sum. The failure of the parties to think about possible shared interests made the negotiations deadlock prone. True, Karabakh Armenians wanted to achieve self-determination and independence and the government of Azerbaijan wanted to restore its sovereignty and protect its territorial integrity. Yet, we should not ignore the communal content of the conflict. Each party considered the other as a threat, and each was prepared to act violently against the other. Thus, their behaviour purported to influence the adversary to change, modify or abandon its goals. It is crucial to stress that the parties were reluctant to move fast toward negotiations and appear too conciliatory toward each other because they did not trust each other and tension was not reduced. Two opportunities for making peace were lost because

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136 Bercovitch and Lutmar, ‘Beyond Negotiation’, p. 236.

of the obstacles of context and commitment. The low-level interest of the MG member states in the conflict, the failure of the MG to address the subjective aspects of the conflict by using consultation or interactive conflict resolution parallel with track one diplomacy and the lack of skilled mediators were an additional obstacle to the successful conduct of negotiations. Still, mediation effectiveness depended on the nature of the issues in dispute. The issues of territorial control, identity, security, safety, recognition and participation were also human needs and very difficult to negotiate. The contested identities created the toughest deadlock of all. The conflicting parties' perception of these issues was a key factor in determining whether mediation would be much more successful. Most importantly, track one negotiations adopted by the CSCE MG was difficult to work out because it did not address the most sensitive question of Armenian-Azerbaijani relations and how these relations could be transformed. The next chapter will examine the renewed dynamics of the CSCE mediation and further explain the limitations of track one strategy in addressing substantive political questions such as the status of N-K.

## Chapter 4

# Renewed Dynamics of International Efforts to Make Peace (1994–97)

### Introduction

Chapter 4, which covers the period from 1994 to 1997, examines and analyses the renewed dynamics of international efforts to find a mutually acceptable settlement by the conflict parties. This chapter examines the CSCE Budapest and Lisbon summits in 1994 and 1996 that addressed the issues of peacekeeping, sovereignty and security. The competition between the CSCE and Russia on peacekeeping in the South Caucasus is analysed. This chapter also emphasises the role of the CSCE and the strategy that it adopted to make the peace plans attractive to both parties. More than one peace plan was offered in order to achieve a satisfactory outcome although satisfaction is a very subjective and personal quality. The aim of the CSCE was also to create a better environment for conflict management. The limitations of official diplomacy in resolving asymmetrical conflict, the major obstacles to peace and the role of the spoilers in wrecking a negotiated agreement are also analysed and examined. Additionally, we explain that a compromise agreement based on mutual concessions was very unlikely because the BATNA of the parties were superior to the offers and because public opinion in general and the ethno-nationalists in particular were unready for accepting peace. H1 is tested here. It was crucially important to address the subjective elements and the core issues of the conflict to build the peace rather than ignoring them. H3 is also tested here to analyse why the parties rejected the peace plans.

### Russia Versus the CSCE after the May 1994 Ceasefire

The 12 May 1994 Bishkek protocol (see Appendix A) that was signed by the warring parties under Russian pressure needed further consolidation.<sup>1</sup> After mid-1994, Russia and the MG continued to pull in opposite directions as both actors tried to introduce different peace plans to resolve the N-K conflict. What became clear was that any peace plan would need ‘harmonisation’ between the CSCE and

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1 On additional details on the Bishkek protocol, see <http://www.nkr.am/en/the-bishkek-protocol/43/>



Russia.<sup>2</sup> Without this prerequisite, success would hardly be achieved. The purpose of Eliason's shuttle diplomacy soon became 'to unify the efforts of Russia and the CSCE to settle the conflict'.<sup>3</sup> Concurrently with other issues, the CSCE's Initial Operations Planning Group (IOPG) was preparing a CSCE 'monitoring mission' in support of a possible peace agreement. The planning was mainly based on the MG adjusted 'timetable' offered to the warring parties in November 1993, and on the expectations generated by them during the mediation process.<sup>4</sup> Preparations were underway in order to increase CSCE's readiness for non-forcible deployment of international personnel with the consent of the conflict parties in the area of conflict to create security space and prepare the ground for conflict resolution.

What was reported by Eliason was that the CSCE and Russia were trying to achieve 'a joint concept of mediation', and that 'the mediation process in Karabakh had never been so close to achieving an end to the bloodshed'.<sup>5</sup> However, political developments proved just the opposite. When the Russians unilaterally on June 1994 were completing a 'comprehensive draft' peace plan in Moscow without the CSCE, Eliason travelled to Moscow to persuade the Russians to include some CSCE peace proposals. Kazimirov's response was that 'there was no alternative to the Russian draft'.<sup>6</sup> Below, we refer to the Russian draft peace plan of June 1994 that envisaged a six part process for the resolution of the conflict:

- Withdrawal of all military forces to a separating distance of 5 to 20 kilometers within 3 days of the accord's signing, followed by the pullout of Armenian troops from the Agdam and Fizuli districts of Azerbaijan and the deployment of primarily Russian disengagement forces in the separation strip.
- Withdrawal of Armenian units from Jebail within 10 days, followed by the exchange of prisoners of war, the lifting of all transportation, communication, and energy blockades, and the return of Azerbaijani refugees and police units to the Agdam and Fizuli districts.
- Withdrawal of Armenian forces from the Zangelan district within 15 days.
- Withdrawal of Armenian units from the Kubatly district within 20 days followed by the commencement of repair and restoration of transportation links in affected areas and the return of Azerbaijani police units to Jebail and Zangelan.

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2 See, Annual Report on CSCE Activities, section 2.2 on Conflict in the Area Dealt with by the Conference on Nagorno-Karabakh, 1994, posted on <http://www.osce.org/e/docs/annualrep/anrep94e.htm>

3 Elizabeth Fuller, 'The Karabakh Mediation Process: Grachev Versus the CSCE?' *RFE/RL Research Report*, Vol. 3, No. 23, 10 June 1994, p. 16.

4 See, Annual Report on CSCE Activities, 1994, posted on <http://www.osce.org/e/docs/annualrep/anrep94e.htm>

5 Fuller, 'The Karabakh Mediation', p. 16.

6 Croissant, *The Armenia-Azerbaijan*, p. 112.

- Withdrawal of the Armenian forces from the Kelbajar district within 28 days, followed by the return there of Azerbaijani police; restoration of the all transportation, communication and energy links within 1 month.
- Discussion of the ultimate legal and administrative status of N-K for an undefined period beginning at the time of the accord's signing.<sup>7</sup>

Apparently, the CSCE alternative peace plan that Eliason was trying to negotiate with the Russians and the conflict parties was not different from the Russian draft peace plan except what was related to a peacekeeping force. Below we refer to the CSCE plan of June 1994:

- A timetable for the disengagement of the warring sides to be negotiated in detail.
- Armenian withdrawal from the Azerbaijani occupied territories.
- The deployment of an international peacekeeping force in the zone of conflict.
- The international peacekeeping force had to monitor not only the cessation of hostilities, but also the movements of the peacekeeping troops.<sup>8</sup>

The terms of the Russian draft plan, which envisaged an overall settlement of the conflict, became the subject of debate between both disputants. The CSCE also tried to make its role more effective. To minimise the disagreements over the provisions of the Russian draft plan, the disputants were invited to talks in Moscow on 5 August 1994. The major issues of contention were, firstly, 'the composition of the proposed peacekeeping force to be deployed in the conflict zone'; and, secondly, 'the timing of the proposed Armenian withdrawal from Shushi and Lachin districts'.<sup>9</sup>

Concerning the stance of the internal actors, Azerbaijan obstinately rejected the deployment of a Russian or CIS peacekeeping force in N-K, because it would pave the way for the stationing of Russian troops in Azerbaijan and along the Azerbaijani-Iranian border. Additionally, Vafa Guluzadeh, the Azerbaijani presidential spokesperson, subsequently stated that the N-K conflict was internationalised, which meant that it 'should be resolved by the CSCE' and not by Russia alone.<sup>10</sup> Moreover, Azerbaijan refused the remaining of the Lachin and Shushi districts (not specified in the Russian draft plan) under Armenian control until the final determination of the political status of N-K. Azerbaijan's precondition for signing a peace agreement was that the Karabakh Armenian forces must withdraw from all of the occupied territories simultaneously.

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7 Quoted from *Interfax* and *Kommersant Daily*, 22 July 1994 and 26 July 1994 in Croissant, *The Armenia-Azerbaijan*, p. 112.

8 Fuller, 'The Karabakh Mediation', p. 16.

9 Croissant, *The Armenia-Azerbaijan*, p. 113.

10 Fuller, 'The Karabakh Mediation', p. 16.

Armenia, on its part, had no objection for the deployment of Russian peacekeepers in N-K, perhaps because 'of the rather cozy relationship between Yerevan and Moscow, and partly because of Armenia's disillusion with the eclipse of the CSCE's efforts at mediation'.<sup>11</sup> The Armenian presidential spokesperson stated that Russia was capable to play 'the role of guarantor in the peace process'. Still, Vahan Papazian, Armenia's FM, stressed that 'a Russian peacekeeping force should be given a mandate from international organisations to deflect charges of Russian neo-imperialism'.<sup>12</sup> Apparently, the overt Armenian pro-Russian stance stemmed from Yerevan's fear that a CSCE international peacekeeping force could include Turkish troops too. As mentioned in Chapter 3 Armenia had no good neighbourly relations with Turkey because of the unresolved conflict over the 1915 genocide.

With regard to the Karabakh leadership, its stance 'was reluctant to surrender occupied Azerbaijani territories', particularly the Shushi and Lachin districts. The Karabakh leadership argued that withdrawal from Shushi was not negotiable, because it was within the boundaries of the NKAR. Concerning Lachin, the only land connection with Armenia, its status could be decided only after signing a final peace agreement with Azerbaijan and after getting international security guarantees for the non-renewal of military operations. The rest of the occupied territories could be used as a bargaining chip in future negotiations on determining the political status of N-K.<sup>13</sup>

Notwithstanding the uncompromising positions of the internal actors, the Moscow meeting (5–13 August) failed to find a political settlement to the conflict. The only common ground between the disputants was that all of them endorsed the proposal of 'international peacekeepers' to be dispatched in the conflict zone, but neither the composition of the force nor the timetable for its deployment were clarified.<sup>14</sup> Although peacekeeping was central to the response of the CSCE and Russia to the complex protracted internal conflict to create security space and prepare the ground for conflict resolution, no measures were taken because of lack of consent of the conflict parties. Despite the little progress that was made during the Moscow talks, Russia remained committed to its dominant role in the mediation process. Russia, as a major actor in the negotiations, was apparently trying to find a balance between asserting itself as a key player in the South Caucasus and attempting to form a strategic balance with the CSCE. Certainly geopolitical considerations, like the promotion of the CIS, shaped Russian policy in the region and as a major player in international affairs. Oil pipeline politics was also another factor that shaped Russian policy in the region. In September 1994,

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11 Fuller, 'The Karabakh Mediation', pp. 14–15.

12 Fuller, 'The Karabakh Mediation', pp. 14–15.

13 Elizabeth Fuller, 'Between Anarchy and Despotism', *Transition*, The Year in Review, Part II, 1994, p. 63.

14 Elizabeth Fuller, 'Karabakh Mediation Update', *RFE/RL Daily Report*, No. 154, 16 August 1994.

Russia did not recognise the legitimacy of what is called the ‘deal of the century’ contract that Azerbaijan signed with eight Western oil companies to develop three oil fields in Azerbaijan, because Russia considered the agreement contrary to the Soviet-Iranian agreements of 1920 and 1941 that prohibited any foreign companies from exploiting Caspian mineral resources.<sup>15</sup> On the other hand, the CSCE did not give up aiming to counter Russian influence, as its representatives took a more active role in the second round of the Moscow peace talks on 1 September 1994.<sup>16</sup> The CSCE’s active role was not welcome by the Russian officials, including Kazimirov, who was embarrassed by the CSCE’s renewed dynamism. Indeed, Kazimirov stated that:

There were constant attempts to formalise the MG’s primacy, to emphasise the CSCE’s leading role. Some countries were trying to use the CSCE as a cover for their geopolitical interests, rather than as a conflict resolution mechanism. Some people would like to minimize Russia’s role and exclude the CIS from the process.<sup>17</sup>

Despite Russia’s consistent efforts to emerge as the dominant peacekeeper in N-K, little was achieved in the summer of 1994. Admittedly, the objectives of the CSCE peace plan coincided with the Russian draft comprehensive political settlement, but their differences laid in the composition of the peacekeeping force. The Russian plan primarily insisted on observers from the CIS states under Russian command, whereas the CSCE urged the need for an international group of observers ‘while hesitating to become physically involved’.<sup>18</sup> Maresca argues that the main problem was the issue of ‘sphere of influence peacekeeping’ or ‘third-party peacekeeping’ that hindered an agreement with the Russians.<sup>19</sup> The Russian diplomacy concerning peacekeeping in the territories of the FSU played a major role in weakening the CSCE’s proposal with respect an international force. Moreover, the Russians were given more impetus in July 1994 when the UN ‘had given its blessing to Russian peacekeeping operations in Georgia’.<sup>20</sup> This created a precedent by granting Russia an ‘international mandate’ in deploying Russian and CIS peacekeeping forces in the territories of the FSU. Furthermore, the question of peacekeeping in the territories of the FSU was ‘linked to the broader issue of

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15 Elizabeth Fuller, ‘The Near Abroad’, p. 34.

16 Elizabeth Fuller, ‘Karabakh Talks Resume’, *RFE/RL Daily Report*, No. 167, 2 September 1994.

17 Vladimir Socor, ‘Russia Challenges CSCE Over Karabakh’, *RFE/RL Daily Report*, No. 190, 6 October 1994.

18 Parliamentary Assembly of the Council of Europe (PACE) Report on the Conflict on Nagorno-Karabakh, Document 7182, p. 11, posted on <http://stars.coe.fr/doc/doc94/edoc7182.htm>

19 Maresca, ‘Resolving the Conflict’, p. 266.

20 Fuller, ‘The Near Abroad’, p. 33.

delimiting spheres of influence in Europe specially, the question of possible NATO expansion eastward'.<sup>21</sup> For its part, Turkey's stance was supportive to the CSCE's proposal of international observers as Ankara agreed not to involve Turkish military units to curtail Armenian fears, and suggested eastern Turkey (Erzerum) as a logistical base for the peacekeeping force.<sup>22</sup>

From the aforementioned, it is reasonable to assume that at this stage of the peace process (May–June 1994) coordination between the CSCE and Russia progressed. True, as before, their differences with regard the composition of the peacekeeping force remained substantially different but at least Russia did not insist on a unilateral mediation in the conflict as it did in the early stage of the CSCE mediation (January–December 1992). As in 1992, in 1994, too, Russia's stance with regard peacekeeping in the South Caucasus weakened the CSCE MG and hampered its efficiency as a peacemaking organisation. However, the CSCE and the Russian draft peace plans coincided with regard the withdrawal of the Karabakh forces from the Azerbaijani occupied territories and the overall settlement of the conflict. This consensus between both external actors was extremely important, because it would disable the conflict parties to play off international mediators against each other, as they did in the early stages of the CSCE mediation.

Parallel to the CSCE-Russian coordination the US involvement in the conflict intensified as the Bill Clinton administration tried to give new impetus to the CSCE efforts at mediation. In the summer of 1994, Maresca presented a new proposal to the conflict parties for a negotiated resolution of the N-K conflict that included the following elements:

- Nagorno-Karabakh would be reconstituted as the Republic of Nagorno-Karabakh (RNK), a self-governing legal entity within and freely associated with the sovereign Republic of Azerbaijan.
- Armenia and Azerbaijan would sign a treaty on mutual transit rights across each other's territory.
- Refugees would be permitted to return to their homes, with certain villages designated for international monitoring.
- All of Armenia and Azerbaijan, including RNK, would be a free trade area.
- All agreed arrangements would be included in two documents to be the basis for a diplomatic solution signed at the Minsk Conference.
- The provisions of these documents would be guaranteed by the CSECE and the UN Security Council.
- The United States should not be involved on the ground in the Caucasus, but should take the lead in building good road connections between RNK and Armenia, and between Azerbaijan and Nakhichevan, an exclave of Azerbaijan.

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21 Fuller, 'The Near Abroad', p. 33.

22 Laitin and Suny, 'Armenia and Azerbaijan', p. 15.

- A donor's conference would be organised to raise funding for the economic reconstruction of the region.<sup>23</sup>

Apparently, Maresca's proposal was intended to engage a wider audience more generally concerned with the US role in international preventive diplomacy, humanitarian intervention and conflict resolution. In addition to creating security space, as mentioned above, creating humanitarian space was crucial for preparing the ground for conflict resolution. Miall, Ramsbotham and Woodhouse note that resolving refugee problems might be long term. Therefore, in the post-cold war period, emphasis had been on a broader concern for humanitarian aid to include not only 'relief for physical deprivations, but to incorporate the objective of empowering and resettling displaced populations and rebuilding structures of civil society'.<sup>24</sup>

As the preparations started for the CSCE Budapest summit in the autumn of 1994, the issue of 'sphere-of-influence peacekeeping' or 'third-country peacekeeping' in N-K rose on top of the international agenda, and was discussed by Presidents Clinton and Yeltsin at their meeting in September 1994 in Washington. Although the US did not object to the presence of Russian troops in N-K, Clinton tried to make Russia acquiesce to a 'less dominant role' in a CSCE peacekeeping force. Peacekeeping as a type of intervention was imperative to de-escalate the conflict and seek a partial settlement. Yeltsin argued that Russia was committed to resolve the conflict and preferred to preserve its control in the 'near abroad'.<sup>25</sup> No agreement was reached between them on deployment of peacekeeping troops. Prior to the CSCE summit and for the first time since 1992, the date of the CSCE mediation, a number of positive steps appeared and is worth analysing.

We can identify five steps. Firstly, although the CSCE and Russian plans apparently remained dormant, on 12 March 1994 the speakers of the Armenian and Azerbaijani parliaments reached a provisional agreement on the removal of troops from the occupied territories, and the creation of a 'buffer zone'.<sup>26</sup> Although provisional in nature, the agreement on this contested issue since 1992 was important because it would satisfy one of Azerbaijan's preconditions and pave the way for further negotiations. Additionally, the creation of a buffer zone between the original borders of the NKAR and Azerbaijan would become an opportunity to test each party's intentions for genuine peace.

Secondly, at the MG meeting on 11–15 April 1994, a 23-point 'document on the reinforcement of confidence-building measures (CBMs) between the conflicting parties was adopted'. For example, after the progressive withdrawal

23 Special Report of the United States Institute of Peace, 'War in the Caucasus: A Proposal for Settlement of the Conflict over Nagorno-Karabakh', (Washington, DC: 1994).

24 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 145.

25 Maresca, 'Resolving the Conflict', p. 266.

26 Report on the Conflict in Nagorno-Karabakh 1994, Document 7182, p. 11, posted on <http://stars.coe.fr/doc/doc94/edoc7182.htm>.

of the Karabakh forces from the occupied territories, Azerbaijan would lift the economic blockade on a step-by-step basis. All the steps would be monitored by CSCE experts. In this context, the gas pipeline and the reopening of the Idjevan-Kazakh railway would be the initial steps to be followed by subsequent steps until all land and rail communication lines were unblocked.<sup>27</sup> This would gradually create trust between the two shattered communities and facilitate trade relations and economic improvement that were crucial for the rehabilitation of the war-torn region. Contacts at the grassroots level would prepare both peoples for peace for the sake of the future Armenian and Azerbaijani generations.

A third positive step was achieved on 5 May 1994, when representatives of the parliaments of Armenia, Azerbaijan and the Karabakh authorities met in Bishkek under the aegis of the CIS Inter-parliamentary Assembly and adopted a protocol of agreement on a ceasefire.<sup>28</sup> They also agreed that peacekeeping troops should be sent to N-K to monitor the ceasefire. Although the composition of the peacekeeping force had not become clear, signing of the protocol by the conflict parties was a further positive step.

Finally, on 25 July 1994 the Defense Ministers of Armenia, Azerbaijan and the commander of the Karabakh army 'signed an agreement undertaking to observe the ceasefire and expressing a desire to speed up the signing of a political agreement'.<sup>29</sup> This was a sign of good faith that had not existed since 1992. Admittedly, Azerbaijan should be credited for its stance more than Armenia and the Karabakh Leadership because it accepted to negotiate on the political status of N-K before the withdrawal of the Karabakh forces from its occupied territories.

The date of the CSCE summit was December 1994. The CSCE had a stake in this summit because it had to restate its conflict resolution role in Europe and the South Caucasus. It had also to demonstrate its ability to deploy an international peacekeeping force in N-K. The next part of this chapter examines the summit and the shift in Russia's stance as the sole peacemaker in the region.

## **The CSCE Summit in Budapest in December 1994**

The member states of the CSCE met in Budapest from 5 to 6 December 1994 to discuss strengthening the organisation's role in resolving conflicts in Europe and the FSU. Among other issues, the participants debated the possibility of creating a multinational peacekeeping force within the framework of the Helsinki Document of 1992 which provided a general mandate for CSCE peacekeeping operations.<sup>30</sup>

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27 Report on the Conflict in Nagorno-Karabakh 1994, Document 7182, p. 8, and p. 11.

28 On the Bishkek protocol, see <http://www.nkr.am/en/the-bishkek-protocol/43/>.

29 Report on the Conflict in Nagorno-Karabakh, Document 7182, p. 11.

30 *OSCE Handbook, Field Activities, The Nagorno-Karabakh Conflict Dealt with by the Minsk Conference*, p. 14, posted on <http://www.osce.org/publications/handbook/5.htm>.

The summit addressed the N-K conflict and reached a general agreement on the issue of a joint CSCE-Russian peacekeeping force. Russia dropped its condition on keeping its dominant role in peacekeeping in its sphere of influence and expressed willingness to participate in a peacekeeping force under the auspices of the CSCE.<sup>31</sup> An agreement was reached on a 3,000 strong CSCE force to be dispatched to the region following the signing of a peace agreement between the conflict parties, and on the establishment of a High-Level Planning Group (HLPG) to plan the formation, composition and rules of engagement of the force, which also needed an adequate resolution from the UN Security Council.<sup>32</sup>

The Budapest summit changed the organisation's name from CSCE to that of the Organisation for Security and Cooperation in Europe (thereafter OSCE). With regard the N-K conflict, the summit achieved two positive steps: firstly, it supported the previous four UN Security Council resolutions on the conflict that called for the immediate withdrawal of the Karabakh forces from the occupied territories, and to 'enter into intensified substantive talks' for a political settlement under the auspices of the OSCE. Secondly, the summit approved to deploy a multinational OSCE peacekeeping force to N-K following the negotiation of a political agreement between the conflict parties. It also urged the parties to initiate CBMs<sup>33</sup> (see Appendix B).

Despite the general accord on a multinational peacekeeping force, two major issues continued to block a final agreement on the composition of the force. Firstly, who would command the force; and secondly, the percentage of the force to be provided by Russia.<sup>34</sup> Both the OSCE and Russia had a stake in an internationally supervised peacekeeping force. As examined in Chapter 2, for both, mediation was a policy instrument through which they could pursue some of their interests. Bercovitch notes that 'when the mediator is an official representative of a government or an organisation, as is often the case, particular set of motives might prevail'.<sup>35</sup> Indeed, for the OSCE, mediation and peacekeeping was a major opportunity to prove its 'post-Cold War conflict resolution role' and for Russia it was an assertion for its 'vision of the OSCE as the central international organisation for Europe, in which it foresaw a major role for itself'.<sup>36</sup> In other words, Russia's general policy on security issues in Europe had been to back a 'collective security system' based primarily on 'OSCE structures as an alternative to NATO enlargement'.<sup>37</sup>

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31 Maresca, 'Resolving the Conflict', p. 266.

32 Annual Report on CSCE Activities, 1995, Section 2.2, on the Conflict in the Area Dealt with by the Minsk Conference, 10 September 1995, posted on <http://www.osce.org/e/docsannualrep/anrep95e.htm>.

33 On the OSCE Budapest Summit 1994 see, <http://www.osce.org/mc/39554>, and <http://www.osce.org/who/timeline/1990s/11>.

34 Laitin and Suny, 'Armenia and Azerbaijan', p. 15.

35 Bercovitch, 'Mediation and Conflict', pp. 345–6.

36 Maresca, 'Resolving the Conflict', p. 266.

37 Christer Pursiainen, 'Securing an International Place at the Table', *War Report*, June–July 1997, p. 38.



Maresca argues that had the Clinton administration exerted more pressure on the Russians, a more tangible agreement on the composition and guidelines for an OSCE peacekeeping force would have been accomplished.<sup>38</sup> Further, there was no consensus in the realm of peacekeeping between the conflict parties. A number of obstacles addressed below generated by the disputants need explanation.

### *The Disputants' Calculus*

Azerbaijan, as before, rejected the deployment of Russian peacekeepers in N-K because it was suspicious of Russia's neutrality. Instead, Azerbaijan wanted an international peacekeeping force under the aegis of the OSCE. However, after meeting Anders Björner, the new Chairperson of the MG, and the Russian negotiator in Baku, President Aliyev 'questioned whether a peacekeeping force was even necessary' because the May 1994 ceasefire had held in the absence 'of any neutral contingent to separate the conflict parties'.<sup>39</sup> Apparently, other than the Russian imperial ambitions in the South Caucasus, President Aliyev doubted Russian intentions to establish a military base in Azerbaijan that would threaten Azerbaijani Caspian oil interests. Azerbaijan wanted an unconditional withdrawal of the Karabakh forces from the occupied territories, including Shushi and Lachin, and the return of all the refugees to their homes. This demand was basic for Azerbaijan because it considered that it could not negotiate over the status of N-K while part of its territories was still being occupied. By meeting the humanitarian needs of returning refugees, the OSCE would develop a 'reservoir of credibility' that would enable it to confront the many challenges that would arise in the peace process.<sup>40</sup> At this stage of the negotiations, Azerbaijan did not present a clear proposal concerning the legal status of N-K because it considered the region part of its territory. Azerbaijan also refused to conduct bilateral negotiations with the Karabakh leadership because it considered the government of Armenia as its main negotiating partner. But by not recognising the secessionist group (Karabakh Armenians) from the state (Azerbaijan), negotiations became difficult because recognition was a basic human need. Recognition, as Zartman notes, was 'both the top and the bottom line' of the secessionist group.<sup>41</sup> Zartman also stresses that in asymmetrical conflicts 'recognition was necessary for negotiation; negotiation conferred recognition'.<sup>42</sup> Once this obstacle was overcome, the disputants could begin discussing other issues, such as security and independence. By refusing

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38 Maresca, 'Resolving the Conflict', p. 266.

39 Fuller, 'The Near Abroad', p. 33.

40 Michael J. Dziedzic, 'Conclusion', in Jock Covey, Michael J. Dziedzic and Leonard R. Hawley (eds), *The Quest for Viable Peace, International Intervention and Strategies for Conflict Transformation* (Washington, DC: USIP and Association of the US Army, 2005), p. 269.

41 Zartman, 'Dynamics and Constraints', p. 10.

42 Zartman, 'Conflict Resolution', p. 334.

recognition, the Azerbaijani government could have intended to win the support of the domestic opposition which had often criticised the government for not taking serious measures to liberate the occupied territories.

Armenia welcomed a CIS or an OSCE international peacekeeping force to monitor the ceasefire and control the lines of land and rail communication with Azerbaijan. It was enthusiastic about the OSCE's Budapest summit decision to send a 3,000 strong peacekeeping multinational force.<sup>43</sup> Apparently, President Ter-Petrosian could not reject the Russians in the absence of a peace treaty between Armenia and Turkey. Hence, without the normalisation of relations and opening of the border between both neighbourly countries, Armenia feared a Turkish military intervention that would violate its sovereignty, and probably exert political pressure in order to enforce the withdrawal of the Karabakh forces. Thus, to avoid a potential Turkish threat, Armenia after becoming independent in 1991 agreed to have Russian troops posted at its border with Turkey.<sup>44</sup> Armenia's position was best illustrated by Ter-Petrosian during his visit to the US:

Only Russia was prepared to contribute its forces for peacekeeping purposes ... I have no choice ... But I am confident that the officials who were in power in Russia do not have the goal of re-establishing Russia's empire.<sup>45</sup>

Armenia's main objective was to find an acceptable solution to the N-K conflict to rebuild its shattered economy.<sup>46</sup> This could be achieved only by establishing permanent peace in N-K. Armenia favoured the acceptance of the Karabakh leadership as an independent party in the negotiations with Azerbaijan because that would give apparently new impetus to the dynamics of the negotiations and attain peace. A bilateral dialogue between the Karabakh leadership and Baku might lessen the differences between Yerevan and Stepanakert on many aspects of the peace process, such as the issues of withdrawal and status. Consequently, a high level of cooperation between the Karabakh leadership and Ter-Petrosian would probably lessen opposition to Ter-Petrosian. The political opposition in Armenia expected Ter-Petrosian to endorse openly the stance of the Karabakh leadership. Armenia also favoured granting the population of N-K security guarantees that was another basic human need.

The Karabakh leadership restated its previous position of 1992 that it would accept a CIS peacekeeping force. But, with regard the occupied territories, Arkadi Gukasyan, the FM of the unrecognised RNK, stressed that the 'Karabakh

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43 Human Rights Watch/Helsinki, *Azerbaijan*, p. 85.

44 Leonidas T. Chrysanthopoulos, *Caucasus Chronicles, Nation-Building and Diplomacy in Armenia 1993–1994* (Princeton and London: Gomidas Institute, 2002), pp. 26–7.

45 Human Rights Watch/Helsinki, *Azerbaijan*, p. 85.

46 Report on the Conflict on Nagorno-Karabakh, Document 7182, p. 10, posted on <http://stars.coe.fr/doc/doc94/edoc7182.htm>.

leadership would never sign any agreement formalising an Armenian withdrawal from Shushi and the Lachin corridor'.<sup>47</sup> Shushi had been part of the NKAR when it was created in 1923, and Lachin was the only land connection with Armenia. Therefore, these districts must not be equated with the rest of the occupied districts. Robert Kocharian, who was elected President of the unrecognised RNK, affirmed this goal too.<sup>48</sup> During the author's interviews, it was stressed that 'the people of N-K had fought the war for self-determination. Hence, the achieved independence remained the unbargainable right of Karabakh Armenians'.<sup>49</sup> With regard the occupied territories the Karabakh leadership would use this issue as a bargaining chip in the negotiations. Those territories would be returned only after Azerbaijan would recognise N-K's status and after getting international security guarantees. The commitment of the Karabakh leadership to status and security was so strong that it risked its chance to negotiate and compromise. Negotiations thus became correspondingly difficult if not impossible.

The view of the Karabakh military with regard the occupied territories was tougher. During the author's interviews with field commanders in Martakert, Madaghis and Dnashen districts it appeared that the stance of those commanders was inflexible. They stressed that:

Politicians in Armenia could not negotiate on the return of the 'liberated' (occupied) territories to Azerbaijan. We had shed our blood to liberate them. Let them (i.e. the politicians) come here to our military barracks and stay awake the whole night controlling the line of contact, and let us take their positions in the government institutions and negotiate with Azerbaijan to make them feel that our job in protecting the security of N-K was very difficult. Therefore, any political deal concerning the return of the 'liberated' territories was doomed to failure without our consent.<sup>50</sup>

Notwithstanding the disputants' calculus, it is reasonable to assume that the disputants used a strict distributive strategy rather than an integrative strategy in pursuing their goals. The distributive strategy often led to a zero-sum approach because the disputants sought solutions that were at the expense of the opponent.<sup>51</sup> This strategy comprised a set of tactics that were functional only for claiming value from the opponent and 'defending against such claiming, when one party's

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47 Fuller, 'Russia, Turkey, Iran', p. 34.

48 Human Rights Watch/Helsinki, *Azerbaijan*, p. 108.

49 Author interview with Levon Melik-Shahnazarian, Chairperson of the Foreign Affairs Committee of the Karabakh parliament in 1994, and Masis Mailian, Deputy Minister of Foreign Affairs until 2002, Karabakh July 2000.

50 Author interview with field commanders (anonymous), Karabakh July 2000.

51 Jay Rothman, 'Conflict Research and Resolution: Cyprus', in *The Annals of the American Academy of Political and Social Science, Resolving Regional Conflicts: International Perspectives*, Vol. 518, November 1991, p. 100.

goals were partly in conflict with those of the others'.<sup>52</sup> For example, strict distributive strategies used by the disputants included high demands, refusing concessions, exaggerating minimum needs and priorities and 'taking others' issues hostage, worsening their BATNA'.<sup>53</sup> The abovementioned implications explain why negotiation in an asymmetric internal conflict was so difficult. Additionally, traditional statist diplomacy did not facilitate conflict resolution because it did not encourage the conflict parties to analyse their underlying needs in an open, exploratory process.

The reason for Russia's acceptance of a joint international peacekeeping force could be attributed to Moscow's war in Chechnya, which broke in December 1994. Russia had perceived the problems of the North and South 'Caucasus as a whole'. From a Russian perspective, 'either strong international opposition to Russian efforts to dominate in the N-K conflict or prior agreement on international peacekeeping arrangements for N-K might have tempered Russia's actions in Chechnya'. Similarly, any military setback in Chechnya would not only affect its ability to provide a peacekeeping force for N-K, but also its future prestige concerning any international peacekeeping mission in the region. Therefore, while the war in Chechnya was not over, Russia's 'decision making abilities' in the 'Caucasus as a whole' would be limited.<sup>54</sup>

After the Budapest summit, negotiations dragged on in various European capitals and Moscow. As part of its conflict management role, bilateral and trilateral contacts were suggested by the OSCE to narrow the differences between the conflict parties. The next part of this chapter examines the aftermath of the Budapest summit and the major issue of contention.

### *The Aftermath of the Budapest Summit: January 1995–December 1996*

The first joint declaration between Ter-Petrosian and Aliiev in which they affirmed to put an end to the N-K conflict on the basis of the 'principles and rules of international law' was made in Luxembourg in April 1995. The bilateral talks continued afterwards between the Armenian presidential advisor Libaridian and his Azerbaijani counterpart Guluzade. Although a breakthrough seemed at hand, four major issues hindered a final agreement between the conflict parties. These major issues are summarised below:

1. **The Security of N-K:** The questions involved here included threats to peace after withdrawal; deployment of international peacekeeping force; securing a permanent land connection between N-K and Armenia; demilitarization of Azerbaijani territories outside of N-K; increasing Armenia's role in guaranteeing Karabakh security; retaining the army of Karabakh

52 Narlikar, 'Introduction', p. 6.

53 Narlikar, 'Introduction', p. 6.

54 Maresca, 'Resolving the Conflict', pp. 266–7.

Armenians as a guarantor of their security. Any security guarantees would need the deployment of multinational peacekeeping forces and the creation of monitoring structures.

2. **The Shushi Problem:** This strategic hilltop might be productively broached only in the context of refugee problems. The Armenians insisted that Azerbaijanis could return to their homes in Shushi if Armenian refugees return to Azerbaijan proper. Actually, this seemed to be a negotiating gambit, since the return of Armenians to any area of Azerbaijan outside N-K was unlikely to occur.
3. **The Lachin Corridor Problem:** Armenia and Karabakh insisted that the corridor would remain under Armenian control until the final status of N-K was determined. Azerbaijan insisted that direct negotiations with the Karabakh leadership could be possible only after the withdrawal from the occupied territories, including Shushi and Lachin. In October 1995 Baku was ready to discuss international control of the Lachin corridor. No compromise solution was reached.
4. **The Status of Karabakh:** The real crux of the negotiations quagmire was N-K's ultimate political status. Karabakh Armenians had refused any subordination to Baku, while Baku had insisted on granting Karabakh only broad autonomy.<sup>55</sup>

These issues were the underlying causes of the conflict. The question of territorial control was a necessary precondition for successful mediation. Territory, sovereignty, status and security were the most prevalent issues in contention. For both parties to control the territory and have sovereignty over it had tremendous impact on identity, which was a basic human need. Trying to change the disputants' issue positions and bargain on another concrete issue was an unlikely scenario for Karabakh's territorial dispute. For the OSCE, it was difficult to defuse the territorial dispute from its transcendent and symbolic qualities without changing the underlying relationship which had framed the issues so that they were intangible. Thus, consistent with the contingency model a deeper analysis of conflict dynamics including the perceptions and motivations of the parties was necessary in order to reach a settlement. Through interactive conflict resolution hostility could have been reduced and trust could have been enhanced between the parties.

To break the deadlock, Joseph Presel, the US special negotiator for N-K and CIS regional conflicts, conducted complex talks with the conflict parties. The US supported peace efforts within the OSCE to reach a negotiated agreement. From September to October 1995, a number of peace models were proposed. Firstly, the Armenian side proposed a 'Chechen model', which would draw a

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55 See, Hratch Tchilingirian, 'Nagorno-Karabakh: Transition and the Elite', *Central Asian Survey*, Vol. 18, No. 4 (1999), pp. 446–7. Also, see Nagorno-Karabakh, 'A White Paper' (Yerevan: Armenian Center for National and International Studies, 1997), pp. 12–17.

political agreement for five years at the end of which Karabakh's status would be decided.<sup>56</sup> Secondly, the Dayton accords over Bosnia that established a multiethnic state consisting of two entities as a model was proposed where the international community tried to apply 'the concept of self-determination in a way that was conducive to integration and not to disintegration'.<sup>57</sup> Azerbaijan refused both models and insisted on the territorial integrity of the state. Azerbaijan was willing to grant N-K a high degree of autonomy after the withdrawal of the Karabakh forces from its territories. However, Giulshen Pashaeva, the director of the Azerbaijani Center for Conflict Studies, said that the concept of 'higher degree' of autonomy or 'wide autonomy' was unclear with no 'specific details'.<sup>58</sup> Thus, Armenia and the Karabakh leadership argued that 'the Azerbaijani side had so far failed to forward specific propositions about the content of wide autonomy. Indeed, there was a lot of work for Azerbaijan's diplomats and experts in international law'.<sup>59</sup>

In late 1995, the MG supported by the US suggested a new draft peace plan based on two important key points:

- Karabakh would remain formally within Azerbaijan, but with its own police, military, and security force.
- Karabakh's full autonomy would not include the right to establish diplomatic relations, but would be guaranteed by international peacekeepers deployed in the Lachin corridor and formal security guarantees from NATO and the US.<sup>60</sup>

The change in the agenda and proposals of the MG in 1995 did not contribute to a negotiated solution because the environment of the conflict was unstructured in that the conflict parties believed that they were in a zero-sum relationship. Both parties lacked the formal and informal norms that could provide a sense of community. Each party considered the other as a threat. The Karabakh leadership rejected autonomy and consolidated its demand for independence

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56 Carol Migdalovitz, *Armenia-Azerbaijan Conflict*, Congressional Research Service, 21 September 1992, updated 3 December 1996, p. 10. It is important to note that on September 13, Ter-Petrosian called for an interim solution during which Armenia, Azerbaijan and Karabakh would benefit from normal economic relations and a decision on status could be postponed.

57 Strobe Talbott, 'Self-Determination in an Independent World', *Foreign Policy*, Spring 2000, p. 3. The Dayton agreement 'created a multiethnic state consisting of two entities, the Federation of Bosnia and Herzegovina and the Republica Srpska, but efforts to implement its terms had been hindered both by continued ethnic animosity and the complex machinery of ethnic checks and balances built into the constitution of the state'. See, same source.

58 Ivlian Khaindrava, 'Karabakh and Abkhazia: the Dynamics of non-Settlement', *Central Asia and the Caucasus, Journal of Social and Political Studies*, No. 1(13), 2002, p. 82.

59 Khaindrava, 'Karabakh and Abkhazia', p. 82.

60 Laitin and Suny, 'Armenia and Azerbaijan', p. 16.

from Azerbaijan for two main reasons. Firstly, N-K was already a *de facto* independent entity since December 1991. Secondly, the Karabakh Armenians had won the war militarily and occupied 15 per cent of Azerbaijani territory,<sup>61</sup> which meant that they wanted to negotiate from a strong position and rule out administrative subordination to Baku, as was the situation in the Soviet period. From their perspective, why should they trust the Azerbaijani government when their strongest need was to keep their own belief in their identity? Admittedly, it was very difficult indeed for the OSCE to reconcile the two principles of territorial integrity and self-determination because they were incompatible with each other. Shortly, the negotiations suffered because each party was a victim of its own part in the asymmetry.

But the OSCE continued its mediation to extend and enhance its influence by becoming indispensable to the conflict parties and gaining their gratitude. Indeed, in order to animate its peacemaking efforts, the Chairman-in-Office (CIO), in August 1995, appointed a 'personal representative to the CIO on the conflict dealt with by the OSCE Minsk Conference', whose tasks are summarised below:

- To represent the CIO in matters relating to the N-K conflict, particularly in achieving an agreement on the cessation of the armed conflict and in creating conditions for the deployment of an OSCE peacekeeping operation.
- To assist the HLPG to assist the parties in implementing and developing confidence-building, humanitarian and other measures facilitating the peace process, in particular by encouraging direct contacts.
- To report on activities in the region and cooperate, as appropriate, with representatives of the UN and other international organizations operating in the area of conflict.<sup>62</sup>

The personal representative was established in Tbilisi, Georgia, with branch offices in Baku, Yerevan and Stepanakert. Five field assistants assisted him in performing his tasks, which also included monitoring the line of contact between the parties on regular time intervals. The monitoring process continues to this day. The MG in its quest for a political settlement to the conflict addressed the principles of territorial integrity and self-determination in its Lisbon summit in December 1996. What follows next is an examination of the Lisbon summit.

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61 Razmig Panossian, 'The Irony of Nagorno-Karabakh: Formal Institutions Versus Informal Politics', in James Hughes and Gwendolyn Sasse (eds), *Ethnicity and Territory in the Former Soviet Union: Regions in Conflict* (London: Frank Cass Publishers, 2002), p. 146.

62 *Handbook of Organization for Security and Cooperation in Europe (OSCE)*, 3rd edition (Vienna: the Secretariat of the OSCE, 1999), p. 65.

## **The OSCE Lisbon Summit in December 1996**

The OSCE Lisbon summit from 2 to 3 December 1996 addressed the security challenges facing Europe and proposed cooperative approaches in order to face those challenges. The summit endorsed the 'Lisbon declaration on a common and comprehensive security model for Europe for the 21st century', and a 'framework for arms control'.<sup>63</sup> The summit also addressed the N-K conflict.

The statement made by the CIO of the OSCE, which included Azerbaijan's demand of its territorial integrity, was supported by all the participating states except Armenia. The statement emphasised the following three principles as part of the comprehensive settlement of the N-K conflict:

- Territorial integrity of the republic of Armenia and the Azerbaijan republic.
- Legal status of N-K defined in an agreement based on self-determination, which confers on N-K the highest degree of self-rule within Azerbaijan.
- Guaranteed security for N-K and its whole population, including mutual obligations to ensure compliance by all the parties with the provisions of the settlement<sup>64</sup> (see Appendix C).

The Armenian delegation protested the statement's reference to Azerbaijan's territorial integrity, which predetermined the outcome of the negotiations between the conflict parties to reach a political settlement on the status issue. It also questioned the credibility of the Azerbaijani stance so that it alone would provide the security guarantees for the Karabakh Armenians (see Appendix C, annex 2).

From an Armenian perspective it was difficult to reach a settlement on the status issue without negotiating directly with the Karabakh leadership. Only the Karabakh leadership was qualified as a valid spokesperson to negotiate on the status issue. Negotiations required recognised leaders on each side 'who were capable of making and holding an agreement and also capable of talking both forward to each other and backward to their followers'.<sup>65</sup> Thus, without a solution to the status and security issues the occupied territories could not be restored to Azerbaijani sovereignty. In the words of Libaridian, 'Azerbaijan should have negotiated seriously withdrawals and status rather than hijacking the OSCE Lisbon summit'.<sup>66</sup>

The Karabakh leadership's position which refused the statement by the CIO could be summarised as follows:

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63 Richard Giragossian, 'A Paper on the Organization for Security and Cooperation in Europe (OSCE) and the Nagorno-Karabakh Conflict: A Compilation of Analysis' (Washington: July 2000), p. 5.

64 OSCE Lisbon Summit, 1996, Annexes, Annex 1, see <http://www.osce.org/mc/39539>

65 Zartman, 'Dynamics and Constraints', p. 19.

66 Gerard J. Libaridian, 'The Politics of Promises, a paper presented at a conference on the Transcaucasus Today, Prospects for Regional Integration', Yerevan, 23 June 1997.



Security, legal status, territorial issues and refugee resettlement were all legitimate topics for discussion, yet my government, said Naira Melkumian, Foreign Minister of the unrecognised RNK, believed that none of these issues should be predetermined by the mediating group as a precondition for formal negotiations.<sup>67</sup>

From the Karabakh leadership's perspective, the statement of the Lisbon summit would hinder progress because the leadership supported a compromise solution based on the right to self-determination and 'within an equitable negotiation framework that required balanced concessions by both parties'. The leadership then called the OSCE to act as a 'neutral mediator and refrain from prejudicial actions and preconditions'.<sup>68</sup> Deadlock occurred because the Karabakh leadership believed that its BATNA (as per hypothesis 1) was superior to the proposed solution by the OSCE. As such, the leadership had little incentive to render concessions because it had achieved self-determination. The better the BATNA, the smaller the zone of agreement would be.

The Azerbaijani delegation accepted the statement issued by the CIO because it supported the territorial integrity of Armenia and Azerbaijan. Azerbaijan would not negotiate with the Karabakh leadership because its presence in the talks would imply recognition. Azerbaijan would remain committed to a peaceful solution based on the Lisbon principles and was ready to provide security guarantees to the 'whole population of N-K, which meant that Azerbaijani refugees would return home safely, but that Armenians would also be protected as residents there'.<sup>69</sup> In Lisbon, Azerbaijan won a diplomatic battle by presenting itself subject to Armenian aggression with 15 per cent of its territories occupied by the Karabakh forces. The international community was unwilling to change interstate borders because that might lead to irredentist claims elsewhere. Thus, the OSCE's support for the territorial integrity of Azerbaijan ended Yerevan's hopes concerning the possibility of international recognition of the *de facto* RNK.

Until December 1996 all OSCE peace plans avoided discussing the political status of N-K which was the most contentious issue. For the Armenian side, status, recognition and security that were human needs too were core issues, while for Azerbaijan independent status was unacceptable. The conflict parties did not show any inclination to change their positions. This looked like a zero-sum game. By the end of 1996, missed opportunities for making peace, rejected compromise texts and failed summits to resolve the conflict all led to deadlock: but deadlock did not shape a mutually hurting stalemate so that the parties were receptive to the efforts of the MG and were predisposed to move into serious negotiations.

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67 Naira Melkumian, 'The Nagorno-Karabakh Conflict and the New Geopolitical Realities of the Caucasus', Russian and Eurasian Program, Center for Strategic and International Studies (CSIS) (Washington, DC: 2 March 1998), p. 2.

68 Melkumian, 'The Nagorno-Karabakh', p. 2.

69 Vafa Guluzade, 'Karabakh, the Armenia-Azerbaijan Conflict', *Azerbaijan International*, No. (6.2), Summer 1998, posted on <http://www.azer.com>.

Until December 1996, the issues related to the Karabakh mediation process could be divided into two categories: firstly, ‘military technical’ issues or ‘the removal of the consequences of the war’, which included the occupied territories; the blockades; the refugees; and humanitarian intervention. Secondly, the issue of the future status of N-K.<sup>70</sup> The discussion of the first category issues took precedence in order to establish grassroots contacts between the conflict parties and implement step-by-step solutions, differing the issue of the final status to a later stage of negotiations. Apparently, negotiating solutions to the military technical issues could contribute to economic relations and the creation of trust between the conflict parties. Ostensibly, in 1997 the OSCE would change its tactic of mediation to facilitate a compromise solution to the conflict.

### The OSCE Peace Proposals in 1997

In 1997, the OSCE MG gained more international weight when France and the US joined Russia as Co-Chairs. In addition to being communicator between the conflict parties, the MG combined to its mediation role the intrusive strategies of formulation and manipulation to enter into the substance of the negotiation. Consistent with the contingency model these strategies could be effective at this stage in the conflict. As Zartman and Touval suggest, ‘formulas were the key to a negotiated solution to a conflict; they provide a common understanding of the problem and its solution or a shared notion of justice to govern an outcome’.<sup>71</sup> Therefore, the MG as formulator would try to persuade the conflict parties, as well as suggest solutions. Ostensibly, the MG presented three successive peace plans. The first two were a phased or step-by-step settlement in May and September 1997, and the third a package plan that was presented in July to encourage the parties and persuade them of its vision of a solution, and then take measures to make the solution attractive. The May 1997 peace plan included the following elements:

- N-K must cede all territory outside of traditional N-K borders and the city of Shushi to Azerbaijan, to be followed by the deployment of OSCE peacekeepers in these areas.
- OSCE peacekeepers would be responsible for the security of returning Azerbaijani refugees to these areas and would provide the security guarantees for the Karabakh population.
- In return, Azerbaijan would allow Karabakh, initially, to retain a limited defense force, or national militia, whose military weapons and arms would fall under the control and supervision of the OSCE peacekeepers.
- N-K would retain its constitution (with no provisions for independence).

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70 Gerard J. Libaridian, *The Challenge of Statehood, Armenian Political Thinking Since Independence* (USA: Blue Crane Books, 1999), pp. 55–6.

71 Zartman and Touval, ‘International Mediation’, p. 446.

- The Lachin humanitarian corridor, connecting Armenia to Karabakh, would be transferred to OSCE control to be followed by final stage peace talks between Karabakh and Azerbaijan to finalize Karabakh's political status within Azerbaijan, with Karabakh then demolishing and transforming its military forces into a regular civilian police force.
- N-K would enjoy the special status of a free economic zone with special trade and tariff treatment.<sup>72</sup>

Representatives of the three Co-Chairs of the MG conducted meetings with government representatives in Yerevan, Baku and Stepanakert to put considerable pressure on all parties to resume negotiations 'with a realistic approach to the mediation effort'.<sup>73</sup> At this stage secrecy was demanded from all the conflict parties. The May 1997 phased peace plan meant that negotiating on 'military technical' issues and implementing solutions seemed possible without waiting for a final agreement on the status issue, which had been hindering the negotiations. Hence, after agreeing on a first category of issues the conflict parties could negotiate a second category of issues and proceed in a likely manner.

In July 1997, the MG submitted a second peace plan which was a revised version of the May plan. The new plan was based on a package approach, which meant that the 'military technical' issues would be solved with the contentious issues, including the status issue, simultaneously within one 'framework document'.<sup>74</sup> Despite its great similarity to the May plan it included a new outlook to enhance its value 'by adding benefits to its outcome and presenting it in such a way as to overcome imbalances that might have prevented one of the parties from subscribing to it'.<sup>75</sup> The package plan included the following elements:

- The withdrawal of the Armenian forces from the occupied Azerbaijani territories, which would then be declared a demilitarised zone under the control of OSCE peacekeeping troops.
- OSCE peacekeepers would supervise the return of displaced persons to their abandoned homes in that zone.
- The OSCE would also deploy peacekeepers to control the Lachin corridor, which would link the unrecognised RNK to Armenia.
- All sides in the conflict recognise Azerbaijan's and Armenia's territorial integrity and inviolability of their borders.

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72 Richard Giragossian, *Transcaucasus a Chronology*, Vol. VI, No. 7, 10 July 1997. Also, See Giragossian, 'A Paper on The Organization for Security and Cooperation in Europe (OSCE)', p. 10. Also, see Laitin and Suny, 'Armenia and Azerbaijan', p. 17.

73 Giragossian, *Transcaucasus*, p. 12.

74 Elizabeth Fuller, 'OSCE Karabakh Peace Proposals Leaked', *RFE/RL Caucasus Report*, Vol. 4, No. 7/8, 23 February 2001, p. 2.

75 Zartman and Touval, 'International Mediation', pp. 446–7.

- Concerning the status issue, N-K was a state and territorial formation within the confines of Azerbaijan. The division of responsibilities was to be decided in talks between the enclave's authorities and the Azerbaijani leadership and approved by the OSCE. The responsibilities were to be included in the constitutions of Azerbaijan and the RNK.
- N-K and Nakhichevan had the right to free and unimpeded transport and communication with Armenia and Azerbaijan.
- N-K's administrative borders would be defined in accordance with the borders of the former NKAO.
- N-K would have its own constitution approved by its people in a referendum.
- The constitution and laws of N-K would be applicable throughout the territory of N-K. Azerbaijan's law, legislative acts, and executive decisions could be applicable on the territory of N-K if they did not contradict the latter's constitution and law.
- N-K forms its legislative, executive, and judicial authority independently.
- The people of N-K would elect representatives in Azerbaijan's parliament and participate in Azerbaijan's presidential elections.
- N-K would have the right to establish direct ties with foreign states in the economic, scientific, cultural, sport, and humanitarian spheres, and to have appropriate representatives abroad charged with implementing these ties. N-K's political parties would have the right to establish ties with political parties in other countries.
- N-K's citizens would have Azerbaijani passports in which N-K was specifically mentioned. N-K's citizens were not foreigners according to the law of the Republic of Armenia. They could migrate to Armenia and gain Republic of Armenia citizenship after permanent resettlement.
- N-K would be recognised as a free trade zone with a free circulation of currencies.
- N-K would have a National Guard and police force. N-K citizens had the right to do their military service on the territory of N-K.
- Azerbaijan's army, security, and police forces had no right to enter the territory of N-K, except when permission from the N-K's authorities was obtained.
- N-K's budget would consist of income generated on account of its own resources. N-K's government would encourage and guarantee investments by Azerbaijan and foreign individuals and companies.
- N-K was multinational; each citizen would have the right to use his/her native language in all official and unofficial dealings.
- The UN Security Council would be the guarantor of this agreement.<sup>76</sup>

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76 Fuller, 'OSCE Karabakh Peace Proposals Leaked', p. 2. Also, see 'Our Response to the OSCE', *Haykakan Zhamanag*, 2 March 2001.

In September 1997 the MG submitted a third peace plan which was based on the phased rather than package approach. The September plan is summarised below:

The plan stated that following the withdrawal of the Karabakh forces from the Azerbaijani occupied territories and the creation of a demilitarised zone, the three sides to the present agreement, having put an end to the military aspect of the conflict, agree to continue conducting negotiations in good faith with the assistance of the OSCE MG ... to steadily attain an all-encompassing regulation of all other aspects of the conflict, including the political aspect, which included defining the status of N-K and resolving the problem of Lachin, Shushi, and Shaumian districts.<sup>77</sup>

As understood from the MG peace plans the phased approach called for withdrawal of the Karabakh forces as a first stage. A second stage would provide the necessary conditions for the deployment of OSCE peacekeepers in the region and the establishment of normal and friendly relations between Armenia and Azerbaijan. A third stage would facilitate the lifting of the blockades imposed by Turkey and Azerbaijan on Armenia and N-K, and a final stage would include a negotiated agreement on the status of N-K. The phased approach could be called 'land for peace' formula.<sup>78</sup>

The alternative strategy that was a package approach tended to solve all the disputed issues simultaneously in a single negotiated agreement, including the political status of N-K. As for the status, the main idea being debated was the formula of 'Karabakh *de jure* part of Azerbaijan, but *de facto* independent'. The package approach could be called 'land for status' formula.<sup>79</sup>

Armenia and Azerbaijan accepted the phased approach as a framework for negotiations, although Armenia agreed 'in principle' to negotiate but 'with reservation'.<sup>80</sup> Ter-Petrosian was convinced that an agreement over the status issue was impossible to attain for the time being and further insistence on it could lead to deadlock again. In a press conference held on 26 September 1997 and in open defense of the phased approach, Ter-Petrosian declared:

Why not to try to settle the conflict step-by-step? Now, first of all, about maintenance of the status quo, how did you think it was possible? I had already spoken about difficulties Armenia was facing currently: the blockades and the

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77 Fuller, 'OSCE Karabakh Peace Proposals Leaked', p. 2. Also, see Elizabeth Fuller, 'How Close is a Settlement of the Karabakh Conflict?' *RFE/RL Caucasus Report*, Vol. 3, No. 48, 15 December 2000, p. 2.

78 Levon Zurabian, 'Politics of Transition in Armenia and Prospects for a Peace Deal with Azerbaijan', paper presented at Columbia University, April 2000, p. 5.

79 Zurabian, 'Politics of Transition', p. 5.

80 Elizabeth Fuller, 'How Close is a Settlement of the Karabakh Conflict?' *RFE/RL Caucasus Report*, Vol. 3, No. 48, 15 December 2000, p. 2.

concerns of the international community. I did not think that the maintenance of the status quo was a real option. We might persist for a year or two, but the international community would become exasperated and lose its patience. It would find means to put political and economic pressure on us so that we might lose all we had gained during these years. It happened in Bosnia. The Serbs lost everything.<sup>81</sup>

Obviously, Ter-Petrosian expressed concern about the economic blockade to Armenia and the tolerance of the international community which could seize in the future as a result of the uncompromising stance of the Karabakh leadership. Ter-Petrosian found the phased plan very opportune to start long-term negotiations with Azerbaijan which would lead to lifting of the economic blockade and enable Armenia to develop economically. An economically strong Armenia probably would have better opportunities to attain a settlement that would be more consistent with the national interests of Armenia. Such interests include good neighbourly and peaceful relations with Turkey and Azerbaijan and economic flourishing.

According to Libaridian, Ter-Petrosian accepted the phased approach as a 'basis of negotiations', because it had tried to 'accommodate the legitimate concern' of the conflict parties and 'provided a venue' for further clarifying and 'adjusting the document' during the negotiations that would follow within the framework of the MG.<sup>82</sup> Libaridian also wrote:

This position was the conventional wisdom not only in Armenia, but also in the Armenian diaspora and in the international press. Of course, Karabakh was the heart of the conflict within the Ter-Petrosian administration, and differences existed between the three important members of the cabinet.<sup>83</sup>

From a conflict resolution perspective, a step-by-step approach would offer the conflict parties the opportunity to test each other's good faith and allow for reciprocation. Small tension-reducing steps, such as partial withdrawals and direct communication, were easier to sustain than one-off solutions in two-party conflicts. Since a comprehensive package agreement was difficult to establish all at once, interim agreements were usually necessary in practice. However, 'interim agreements raised risks that parties might renege, or refuse to reciprocate after obtaining concessions'.<sup>84</sup>

Political debate in Armenia arose as Ter-Petrosian accepted the phased peace plan. The nationalist intellectuals and the political opposition, including the

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81 Nikolay Hovannisyan, *The Foreign Policy of Armenia* (Yerevan: Noyan Tapan, 1998), p. 70. Also, see Richard Giragossian, *Transcaucasus, A Chronology*, Vol. VI, No. 10, October 1997.

82 Libaridian, *The Challenge*, p. 60.

83 Libaridian, *The Challenge*, pp. 48–9.

84 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 164.

Armenian Revolutionary Federation (ARF), appealed to some cabinet members like the Prime Minister Robert Kocharian (also former President of N-K and a war hero) who had not endorsed Ter-Petrosian's view. The opposition refused 'any status of Karabakh within Azerbaijan', and denounced Ter-Petrosian's policies 'of preparing Karabakh's surrender and capitulation to Azerbaijan'.<sup>85</sup> The opposition also accused him of committing treason and selling out N-K to Azerbaijan. But this language was nationalist rhetoric used to impede a potential settlement. Ter-Petrosian responded in a statement reiterating that 'It was unrealistic for N-K to seek outright independence and that the current situation in the region was unacceptable and the pie called for mutual concessions by all sides'.<sup>86</sup> Apparently, Ter-Petrosian's pragmatic outlook collided with the non-pragmatic approach of Kaocharian and Serge Sarkisian, Minister of Interior and Security, who were both from Karabakh.

Still, a sticking point developed because some political elites were unfavourable to the peace process. The main split occurred in Armenia's cabinet. In addition to Kocharian, Vasgen Sargsian, the powerful Defense Minister and one of the most trusted members of Ter-Petrosian, and Serge Sarkisian, Minister of Interior and Security (also former Defense Minister of N-K and another war hero), argued that the phased plan did not guarantee political independence and 'security guarantees' for N-K.<sup>87</sup> Ostensibly, the withdrawal of the Karabakh forces from the occupied territories would not take place before clarifying N-K's status because Azerbaijan might renege or refuse to reciprocate after obtaining concessions. But for Azerbaijan, too, the risk that the Karabakh leadership could renege after obtaining concessions on the status issue was ever present. Kocharian had fought the Karabakh war, having in mind the nationalist aim of independence from Azerbaijan. Once this aim was achieved it seemed that he rejected to accept another status less than independence. Serge Sarkisian also argued that the phased approach was not in the interest of Armenia and N-K<sup>88</sup> particularly because the Karabakh leadership had a superior BATNA. By extension, deadlock also occurred (as per hypothesis 3) because the dissident members of Armenia's cabinet who were from Karabakh considered the phased plan as unfair, illegitimate or unjust. Certainly justice was a crucial element in the search for a formula that would serve as the basis for allocation of details, but as Zartman argues, 'the particular version of justice to be applied' was supposed to be negotiated between the conflict parties 'before they could move on to the disposition of specific issues in dispute'.<sup>89</sup> Yet, the dissident members of the cabinet preferred to incur the costs of deadlock rather than make concessions to achieve a settlement.

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85 Richard Giragossian, *Transcaucasus, A Chronology*, Vol. VI, No. 11, November 1997, pp. 3-4.

86 Giragossian, *Transcaucasus*, p. 4

87 Libaridian, *The Challenge*, p. 48.

88 Libaridian, *The Challenge*, p. 48.

89 Zartman, 'Conflict Resolution', p. 331.

The political deadlock, which resulted from the split in the cabinet, eventually led Ter-Petrosian to submit his resignation on 2 February 1998. Obviously he had no other choice because the ‘ruling team disintegrated’. Kocharian and S. Sarkisian encouraged a large number of parliamentarians to support their approach of a package solution for N-K. Hence, with the defection of a large number of deputies from the coalition majority in parliament, the government lost its legitimacy to rule.<sup>90</sup>

### *The Stance of the Karabakh Leadership*

The Karabakh leadership rejected the phased approach and advocated a package solution. Gukasian, the President of the unrecognised RNK, called for a new peace plan based on a ‘confederative’ relationship with Azerbaijan so that Azerbaijan and N-K would establish horizontal rather than vertical relations.<sup>91</sup> The rationale behind Gukasian’s stance stemmed from uncertainty and lack of trust. Azerbaijan would have no incentive to reciprocate and negotiate the political status of N-K after a unilateral withdrawal of the Karabakh forces from the occupied territories. Still, Melkumian reiterated that the Karabakh leadership would not accept ‘promises of a vague and constrained autonomy’ within Azerbaijan. The phased plan failed to address the security concerns of Karabakh Armenians. The Karabakh leadership, therefore, would accept withdrawals only ‘in return of concrete international security guarantees’.<sup>92</sup> Azerbaijan should also acknowledge an equal responsibility for the conflict in the region and accept ‘the right of Karabakh Armenians to self-determination’.<sup>93</sup> From the Karabakh leadership’s position it is apparent that the conflict would not be resolved and the OSCE mediation would not be successful if the basic human needs of recognition, security and political participation were not addressed. The issues of security and sovereignty were less amenable to mediation.

Another sticking point developed because the Karabakh leadership was at odds with Ter-Petrosian. The leadership did not share Armenia’s ‘super constructive approach’ to resolving the conflict. According to Gukasian, the differences between Armenia’s and the Karabakh leadership’s positions were ‘to a certain extent’ complicating the peace process. The MG had granted much importance to Armenia ‘as the legitimate spokesperson’ of the Karabakh leadership and isolated the Karabakh authorities.<sup>94</sup>

90 Zurabian, ‘Politics of Transition’, p. 7.

91 Giragossian, *Transcaucasus*, Vol. VI, No. 11, p. 10.

92 Melkumian, ‘The Nagorno-Karabakh Conflict’, p. 3.

93 Sonia Winter, ‘Azerbaijan/Armenia: Nagorno-Karabakh Emissary Urges Equal Concessions’, 4 March 1998, p. 2. Posted on <http://www.rferl.org/ncafeatures>. 1998.

94 Giragossian, *Transcaucasus*, Vol. VI, No. 11, p. 11.



### *The Stance of Azerbaijan*

As alluded to above, Azerbaijan accepted the phased approach as a basis of negotiations. Aliiev endorsed the first stage of the plan which called for the withdrawal of the Karabakh forces, the return of the refugees and the establishment of 'various CBMs'. Aliiev stated that a peacekeeping force under the aegis of the OSCE was a necessity to 'enforce the withdrawal of the Karabakh forces'.<sup>95</sup> Azerbaijan's official stance was articulated by FM Tofik Zulfugarov who found the phased approach as more 'realistic' than the package approach. Commenting on the peace plan he said:

I think any problem should be resolved gradually. The attempt to do it by mixing it all together and resolving everything simultaneously did not see to me to be the best or the shortest way to a resolution. For a deal to be struck, confidence had to be built up, and emotions had to be put aside.<sup>96</sup>

Like Zulfugarov, other inner circle government officials argued in favour of a peaceful resolution. For example, Ali Hasanov, the Chairperson of Aliiev's Department of Social Security, supported Aliiev's peaceful approach and endorsement of the phased plan. He stated that 'we did not envision the prospect of war and we did not think that this peace process would take several more years'.<sup>97</sup> Still, Gunduz Tairli, editor in chief of *Azadlig* argued that:

Mutually beneficial compromises would have to be made. Azerbaijan should grant very high autonomous government to the Armenians while preserving their right to their own police accompanied by all the attributes of a national autonomous statehood.<sup>98</sup>

But, Tairli added that the Karabakh Armenians must make concessions and return Shushi and Lachin along other occupied territories to Azerbaijan. With regard the Lachin corridor an international peacekeeping force should supervise it.<sup>99</sup>

However, the Azerbaijani opposition, especially Elchibey, the leader of the APF, criticised the phased plan for 'failing to preserve Azerbaijan's territorial integrity' and advocated a 'limited cultural autonomy' for N-K. Elchibey's proposal contradicted Azerbaijan's official stance on granting N-K a high degree of autonomy. As a negotiated agreement came into sight, spoilers, whose interests were threatened, set up efforts to wreck it. For example, Elchibey would use his

95 Giragossian, *Transcaucasus*, Vol. VI, No. 11, p. 3 and p. 5.

96 Jolyon Naegele, 'Azerbaijan: A Country Committed to Regaining Nagorno-Karabakh', 9 March 1998, p. 3. Posted on <http://www.rferl.org/nca/features/1998>.

97 Naegele, 'Azerbaijan', pp. 2–3.

98 Naegele, 'Azerbaijan', p. 4.

99 Naegele, 'Azerbaijan', p. 4.

proposal of limited autonomy as a means of political mobilisation in the 1998 Azerbaijani presidential elections.<sup>100</sup> Ali Karimov, Deputy Chairperson of the APF, called Kocharian and S. Sarkisian members of the ‘party of war’. Those in power in Yerevan and Stepanakert, said Karimov, ‘were strongly linked with certain circles in Russia which directly participated in the violence committed against the Azerbaijani inhabitants of N-K’.<sup>101</sup>

Within this context, Isa Gambar, Chairperson of the Musavat party, warned that if the international community was unable to persuade the Karabakh forces to withdraw from the occupied territories, then the Azerbaijani nation ‘would liberate those territories by force’. Similarly, Zakir Mamedov, Chairperson of the Liberal party, considered the military solution as an option to restore Azerbaijan’s sovereignty over the occupied territories. Criticising Aliiev, Mamedov stressed that the ‘Karabakh conflict was not the problem of a single party but rather it was the problem of the entire nation’.<sup>102</sup> But unlike the Armenian opposition, the Azerbaijani opposition was weak and unable to enforce Aliiev to resign. Despite Aliiev’s conciliatory approach it was unlikely that he alone would sign a peace agreement with Armenia.

Concerning the phased approach, the views of different interviewees who talked to the author might help to determine whether Armenia and Azerbaijan lost another opportunity to make peace. It is worth mentioning that these interviewees were intellectuals and editors of newspapers who were invited to the presidential palace in Yerevan to listen to Ter-Petrosian’s speech in which he explained the reasons behind his endorsement of the MG phased approach. These interviewees revealed to the author the following views:

- As a nationalist leader, Ter-petrosian was neither selling out nor was deceiving the Karabakh cause by abandoning the demands of the Karabakh Armenian population.
- The phased peace plan included a mysterious solution which was unclear. Each step was to be put into force, experience its consequences, and then followed by a second step. There was no guarantee that the outcome would be acceptable to Armenia for the simple reason that there was no clear idea how things meant to look at the end.
- It was difficult to guess what would happen if the implementation of one of the steps would fail. What would be the outcome of the peace plan? Or during the implementation process if Armenia faced an unacceptable stage, especially by the public, there were no guarantees to reconsider the proposed plan. Actually this was the vague and dangerous feature of the plan.
- Azerbaijan’s promise of autonomy or the political credibility of Baku in meeting its obligations seemed doubtful in such a step-by-step approach,

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100 Giragossian, *Transcaucasus*, Vol. VI, No. 11, p. 9.

101 Naegele, ‘Azerbaijan’, p. 3.

102 Naegele, ‘Azerbaijan’, p. 4.

especially after ceding the territories under the control of the Karabakh forces. Karabakh's bargaining position would be much weaker.

- To avoid future complications, any potential peace plan must include a clear definition of the political status of N-K. However, any prior agreement on the status issue would be difficult for Armenia and Azerbaijan because both nations had to render concessions.<sup>103</sup>

## Conclusion

Chapter 4 examined the renewed dynamics of the OSCE to attain a political settlement but neither the summits nor the phased and package peace plans increased the likelihood of an agreement because the Karabakh leadership wanted nothing short of independence while for Azerbaijan independence was unacceptable. The disagreement between the OSCE and Russia on peacekeeping and deployment did not create security space in order to prepare the ground for conflict resolution. Similarly, the failure to resettle the displaced population on both sides did not create humanitarian space. Thus, the failure to deploy a peacekeeping force and delivering humanitarian aid and resettling refugees became major obstacles to attain peace. The two principles of territorial integrity (Azerbaijan's demand) and self-determination (Karabakh's demand) were clearly incompatible with each other. Related to this, the most contested and unresolved issue was the future status of N-K. Neither side had much of an incentive to find a compromise because they adopted strict distributive strategies for claiming value from each other. In other words the zone of agreement or bargaining space was seemingly empty in the negotiations. This was a situation consistent with hypothesis 1 (deadlock occurs because of superior BATNA or occurs whenever and as long as the disputants believe their alternative to compromise agreement is superior to the peace plan on offer).

The difficult and non-negotiable issues of security, recognition and political participation which were basic human needs, too, made the negotiations deadlock prone. Although the OSCE remained committed to its conflict resolution role but under conditions of mistrust and no CBMs, the conflict parties viewed concessions 'as tricks or ploys aimed at luring their own party into a position of vulnerability'.<sup>104</sup> Deadlock primarily occurred when either one or both conflict parties did not have their important needs meet. This was a situation consistent with hypothesis 3 (deadlock occurs because fairness and justice matter). For the Karabakh leadership, regional autonomy was an unfair solution and for Azerbaijan, losing Karabakh was unfair. The negotiations suffered because each party remained a victim of its own part in the asymmetry. The deadlock did not create a mutually hurting stalemate

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103 Author interviews with Hagop Avedikian, Rafiq Hovannisian and Varoujan Pamboukian, Yerevan July 2000.

104 Bercovitch and Lutmar, 'Beyond Negotiation', p. 241.

and there was no ripe moment for successful negotiations. Official diplomacy did not achieve a breakthrough and the technique of using unofficial channels of communication which could supplement the official negotiation process was not used. The use of unofficial intermediaries to reframe the conflict and suggest new options could have been effective in narrowing the differences between the parties. Apparently, a track two arena was necessary to transform the contested issues and make them more amenable for negotiation.

Notwithstanding the obstacles that prevented a settlement, the OSCE's role of conflict resolution was not exhausted. Negotiation was a process and the next phase would be one of formulation. After the failure of the phased and package approaches to peace the OSCE would formulate the Common State plan as a resolving formula that addressed the status issue. The next chapter will provide more specific illustration of this plan and another plan that was initiated by the Center for European Policy Studies.

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## Chapter 5

# Potential Options for Peace (1998–2000)

### Introduction

The key aim of Chapter 5 is to assess and explore three potentially workable options for peace in N-K. These are, firstly, the OSCE's Common State plan that was formulated and presented to the conflict parties in November 1998 after they rejected the phased and package plans in 1997. This plan proposed some kind of confederative union between Azerbaijan and N-K as a compromise solution. Secondly, the Paul Goble plan that was formulated by Goble himself in 1992 but revealed to the parties in 1999. This plan proposed a territorial swap between Armenia and Azerbaijan as a compromise solution. Thirdly, a Stability Pact for the South Caucasus (SPSC) that was proposed by the Brussels-based Center for European Policy Studies (CEPS) as a consultative document in 2000. Although the second and third plans were not offered by the OSCE it is worth analysing them as potential solutions. Chapter 5 has a specific structure. It starts with an analytic history of the three options and then it examines in detail the three workable options and analyses the position of the conflict parties that hindered peace. In addition, in this chapter we test the three hypotheses related to BATNA, uncertainty and ideas. Chapter 4 with Chapter 5 offer a comprehensive understanding of the peace dynamics and the major domestic and external obstacles and opportunities that arose during the negotiation process.

### The OSCE Common State Plan, November 1998

As alluded to above Ter-Petrosian was compelled to resign on 2 February 1998 under pressure from the powerful nationalist members of the cabinet. Although a victory to local nationalists, Ter-Petrosian's resignation was described in the Western media as 'a disturbing development for peace and ethnic harmony in the South Caucasus, which strengthened most of all a party of war veterans who showed little inclination to compromise'.<sup>1</sup> Prime Minister Kocharian, who was a former President of the unrecognised RNK and a war hero, was elected President of Armenia on 30 March 1998. Kocharian had contributed to his predecessor's

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1 Quoted from *Washington Post*, in Stephan H. Astourian, 'From Ter-Petrosian to Kocharian: Leadership Changes in Armenia', Berkeley Program in Soviet and Post-Soviet Studies (BPS), working paper series, University of California, Berkeley, Winter 2000–01, pp. 1–2.

downfall and suggested a package approach for a political settlement. After being elected, in April he presented a set of new proposals to the MG stipulating the right to self-determination, security guarantees for the Karabakh population and a permanent geographical link between Armenia and N-K.<sup>2</sup> Apparently, Kocharian's new proposals as an approach for peace called the OSCE to discard the Lisbon summit document of 1996 which stated that N-K should remain part of Azerbaijan while enjoying the highest degree of autonomy.

In November 1998, the MG after revising its 1997 three peace plans sent a delegation to the region to present to Armenia, Azerbaijan and the Karabakh leadership a revised plan that was called a Common State. The architect of the plan was Yevgeny Primakov, the Russian Foreign Affairs Minister.<sup>3</sup> By a Common State it was meant that Azerbaijan and N-K would create a virtual confederation. Security guarantees and a land link with Armenia would be discussed in further negotiations between the conflict parties.<sup>4</sup> According to Zartman, in internal conflicts, integrative solutions were especially 'elusive'; nevertheless confederation, autonomy and power-sharing offer ways out of conflict.<sup>5</sup> It was difficult for the MG to follow a certain model and apply it to N-K because it explicitly stated from the start of its mediation in 1992 that it would try to meet the demands of both parties. The plan was designed to overcome the incompatibility between Azerbaijan's desire to preserve its territorial integrity and Armenia's and the Karabakh leadership's objection to vertical subordination of N-K to Azerbaijan. Apparently the Common State solution was 'highly relevant' for the South Caucasus in general and for N-K in particular. A Common State was:

An ill defined model proposed for both N-K and Abkhazia. The Common State might be described as a federal model driven by confederal logic, thus a hybrid compromise which international legal theory did not easily accommodate. Federal features included the no-right-to secession of member states and the single foreign representation of the Common State. Other aspects of the model were effectively confederal and horizontal in nature. Confederal relations implied union by treaty. But a voluntary treaty between sovereign states, which might not be revoked unilaterally and which necessarily included the delegation of foreign representation to the central level, would limit the external sovereignty of the member states. However, as a compromise such a hybrid

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2 Hovannisyan, *The Foreign Policy*, pp. 70–72.

3 Tatul Hagopyan, *Karabakh Diary, Green and Black, Neither War Nor Peace* (Antelias: House of Cilicia, 2010), p. 250.

4 Richard Giragosian, *Transcaucasus, A Chronology*, Vol. VII, No. 12, December 1998, p. 12.

5 See William I. Zartman (ed.), *Elusive Peace, Negotiating an End to Civil Wars* (Washington, DC: The Brookings Institution, 1995).

structure might be useful, for example if supported by regional cooperation or integration structures.<sup>6</sup>

As Bercovitch and Lutmar note, every negotiation process in complex PSC situations 'require imaginative solutions and constant creativity in an attempt to bridge the parties' opposing views on the issues at stake'.<sup>7</sup> Thus, the Common State plan that was formulated on the basis of a confederal relationship between Azerbaijan and N-K aimed to break the strategic deadlock that was related to real and basic incompatibilities between the conflict parties. Considering the unbargainable position of the Karabakh leadership on self-determination and the firm stance of Azerbaijan on territorial integrity, the Common State could be viewed as a compromise solution with no preconditions by either side of the conflict parties. Further, the MG's choice of the strategy of formulation was clearly affected, *inter alia*, by the nature of the relationship between the conflict parties and the context of the conflict. Consistent with the contingency model at this stage, a more intense intervention was needed to affect the content and substance of the bargaining process.

The Co-Chairs (US, Russia, France) of the MG did not favour public discussion of the Common State plan until a final agreement was reached on all details.<sup>8</sup> According to Bercovitch and Lutmar 'openness and publicity of negotiations' might produce deadlock.<sup>9</sup> However, leaked documents by Armenian and Azerbaijani government officials shed light on the plan. The leaks could have been tactical to see what sort of domestic reaction they would provoke in both communities, and whether both Presidents Kocharian and Aliiev could contain a highly skeptical and even hostile public opinion toward a peace settlement. It could be difficult for both Presidents to convince their populace to accept concessions in light of the unfriendly relationship between them. Still, since Armenia was the official negotiator with Azerbaijan, Kocharian would have to keep his tough stance with regard self-determination on the basis of which he came to power in March 1998. Therefore, it was unlikely that Kocharian would venture politically and sign an agreement that would not guarantee self-determination, security guarantees and a geographical link with Armenia. Similarly, Aliiev was unlikely to accept a shameful and humiliating peace that would not guarantee Azerbaijan's territorial integrity and the return of the refugees to their homes. Both Presidents could resort to their peoples in order to lessen the domestic pressure on them and show the

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6 Michael Emmerson, Nathalie Tocci and Elene Prokhorova, 'A Stability Pact for the South Caucasus in Theory and Practice-a supplementary Note', paper presented at an international conference organised by the Armenian Center for National and International Studies (ACNIS), on Prospects for Regional and Trans-regional Cooperation and the Resolution of Conflicts, 26–28 September, Yerevan, 2000, p. 9.

7 Bercovitch and Lutmar, 'Beyond Negotiation', p. 245.

8 'OSCE Offers New Peace Formula for Karabakh', *RFE/RL Armenia Report*, 12 November 1998, p. 1.

9 Bercovitch and Lutmar, 'Beyond Negotiation', p. 238.



international community and the OSCE that they were compelled by their nations to disagree. It was difficult to break the deadlock without some kind of turning point in perceptions. Before further analysis of the stance of the conflict parties we present the provisions of the Common State plan below:

- The peace deal stipulated that Karabakh and Azerbaijan should form a Common State to be governed by a joint commission comprising representatives of the two entities, both of which would bring their constitutions into conformity with the peace agreement. The RNK would form its legislative, executive and judicial branches of government as well as a national guard and police units.
- The Azerbaijani army, security and police forces should not be allowed to enter the territory of N-K without the consent of the N-K authorities. Furthermore, Azerbaijani laws, regulations and executive directives had a legal force in N-K so long as they did not contradict the latter's constitution and laws.
- A dual citizenship would be introduced in the RNK. Karabakh residents would travel abroad with specially marked Azerbaijani passports. Only the government of Stepanakert (Karabakh's Capital) would be empowered to grant such passports and residency permits. Armenian would be the RNK's main language. A dual currency system would also be introduced.
- Azerbaijanis living in N-K before the conflict would get the right to return. Those who return would get special quotas for representation in the central and local authorities of the RNK. The territories of the RNK and the territories of Lachin and Kelbajar districts would be declared an arms-free zone.
- Armenian and Azerbaijani forces would retreat from their current positions north and east of Karabakh to create a buffer zone controlled by a multi-national peacekeeping force acting under the OSCE aegis. Karabakh Armenian forces would then gradually withdraw from six occupied districts in Azerbaijan proper. The strategic Lachin district, which provided the shortest overland link between Karabakh and Armenia, would remain under their control pending further agreement on its future.
- Karabakh Armenians would be able to establish direct relations with foreign states in economic, trade, scientific, sports and humanitarian fields. This also would involve the right to have diplomatic missions, which would nonetheless have to be affiliated with Azerbaijani embassies.
- Armenia and Azerbaijan would open their borders for the movement of people and cargoes through each other's territory parallel to the troops withdrawal.
- The MG plan called for the formation of an Armenian-Azerbaijani intergovernmental commission tasked with normalising bilateral relations. Overall responsibility for peace implementation would rest with a permanent mixed commission headed by a representative of the OSCE Chairperson-in-Office. Russia, the US and France would act as guarantors

of the proposed settlement, while the OSCE or the UN Security Council would have a mandate to take military action to ensure the parties' compliance with their obligations.<sup>10</sup>

By the end of November the Common State was formally accepted by Armenia and the Karabakh leadership but was rejected by Azerbaijan as a basis for further negotiations. Compared to the 1997 peace plans the new plan was different but with no precedence in international practice. From its provisions it is reasonable to assume that N-K, while being under Azerbaijani sovereignty, would nonetheless maintain all attributes of independent statehood such as having executive, legislative and judicial branches of government. N-K would also have its constitution, police units and the ability to establish relations with foreign states. Shortly, the Common State plan aimed to form a union of two states. Potentially the plan seemed workable but from an Azerbaijani perspective evidently it meant two independent states on the territory of Azerbaijan. We turn now to examine the second potential solution known as the Goble plan.

### **The Paul Goble Peace Plan, Revealed in 1999**

This potential peace plan that encompassed a territorial swap between Armenia and Azerbaijan was put forward by Paul Goble himself in 1992. He thought about the plan after he submitted his resignation from the position of special advisor on Soviet nationality problems and Baltic affairs at the US Department of State. Goble found it useful to prepare a 'background paper' on the N-K conflict for Cyrus Vance, former Secretary of State, who intended to visit the South Caucasus in the 1990s.<sup>11</sup> Considering the immense difficulty in resolving the N-K conflict, Goble proposed in his paper that the conflict parties could consider the possibility of a territorial swap based on the following concessions:

- Sending part of the NKAO to Armenia with the area controlling the headwaters of the river flowing to Baku and areas of Azerbaijani population remaining in Azerbaijani hands.
- Transferring the Armenian-controlled land bridge between Azerbaijan and Nakhichevan (the Meghri district) to Azerbaijani control.<sup>12</sup>

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10 See Elizabeth Fuller, 'OSCE Karabakh Peace Proposals Leaked', *RFE/RL Caucasus Report*, Vol. 4, No. 7/8, 23 February 2001. Also, see 'Leaked Documents Shed Light on Karabakh Common State Deal', *RFE/RL Armenia Report*, 21 February 2001. Also, see Ali Ahmadov, 'New Plan for Joint Azeri-Armenian Rule for Karabakh Said Drawn up', *525 Gazet*, 7 June 2000. Also, see *Aravot*, 21 February 2001.

11 Elizabeth Fuller, 'How the Goble Plan was Born and How it Remains a Potential Factor', *RFE/RL Caucasus Report*, Vol. 3, No. 23, 8 June 2000, p. 1.

12 Fuller, 'How the Goble', p. 1.

Goble acknowledged that Armenia and Azerbaijan would have difficulties in accepting the idea of a territorial swap because they had stated in previous talks that they 'would never give up' or trade-off territory. By ceding the Meghri district in southern Armenia to Azerbaijan in return for N-K, Armenia would lose its border with Iran. But Goble added that both parties would gain 'long waited' peace. Still, 'by focusing on the transfer of land, this type of settlement would minimise the need for any shift in population', and could serve as a compromise solution.<sup>13</sup> But Goble failed to recognise that there were no simple remedies for internal conflicts. Indeed, without addressing what Azar called the 'communal content' of the N-K, conflict mediation and negotiation would be unsuccessful.<sup>14</sup> In addition to addressing the issue of sovereignty, it was equally crucial to focus on the relationship between the identity group (Karabakh Armenians) and the state (Azerbaijan) which was at the core of the conflict. Failure to redress the security, identity and recognition needs which were non-negotiable, it was unlikely to reduce the conflict between both communities. Similarly, consistent with the contingency model, the subjective elements of perceptions, attributions and motivations were to be addressed too to de-escalate the conflict and commence successful negotiations.

When Cyrus Vance visited the South Caucasus in 1999 he revealed the Goble plan at a press conference in Stepanakert.<sup>15</sup> The presentation of the plan paved the way for both parties to raise their grievances against each other in an adversarial frame. Both parties viewed the other's intransigence as the main obstacle to a just and lasting solution. But the plan served both parties to rethink their positions and see whether it could be adopted as a basis for further negotiations.

The reaction of Armenia and Azerbaijan against the plan was quick because it touched common borders with regional actors. Indeed, Iran's role suddenly became decisive to attain a settlement based on territorial exchange. Undoubtedly the collapse of the FSU had created a new political status quo in the South Caucasus. This apparently meant that a proposed peace that would alter borders in the region 'would require the restoration of a new balance of power, something that was unlikely if one of the major powers in the region was simply ignored'.<sup>16</sup> Therefore, Iran's border with Armenia could not be altered without its consent. Obviously, Iran would not agree to have common borders with Azerbaijan because, as explained in Chapter 3, that could raise unification hopes among the millions of Azerbaijanis in Iran between southern and northern Azerbaijan.

A peaceful resolution of the conflict required serious commitment by all the internal and external actors who had to acknowledge the structural feature of the conflict that was its asymmetry. The asymmetrical situation that was related to negotiations was about grievances and commitment. Negotiations would be

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13 Fuller, 'How the Goble', pp. 1–2.

14 Azar, *The Management*, p. 10.

15 Fuller, 'How the Goble', p' 2.

16 Fuller, 'How the Goble', p. 2.

possible 'as long as redress of grievances and commitment to the cause were in balance'.<sup>17</sup> Otherwise, the most propitious conditions for resolving the conflict would be difficult to obtain. That said, a comprehensive approach to peace was needed in order to satisfy all the needs of the conflict parties. Certainly, the exchange of the Meghri district with N-K could not guarantee peace without addressing the other contested issues of refugees, withdrawals and status. By focusing only on the exchange of territories without a clear approach and mechanism to solve the other contested issues seemed a vague concept.

Later Goble acknowledged that he had misunderstood certain factors in the conflict. Hence, he adjusted his proposals as follows:

- The flow of water from Karabakh to lowland Azerbaijan was not as important as he had thought at that time, and did not deserve the prominence he gave it.
- The importance of the border with Iran to Armenia and Armenians. He underestimated its psychological meaning. Not only was this border significant for trade but it was a key outlet for Armenia to the non-Turkic world.<sup>18</sup>

Within this context, given the present situation of the economic blockades to Armenia and N-K and with no friendly relations with Turkey it was unlikely that Armenia would accept to alter its border with Iran. Although Armenia had a land access to the world through neighbouring Georgia, this did not present a sufficient guarantee to minimise the security fears of Armenia and Karabakh. As long as Armenian-Turkish relations were not normalised and a degree of trust was not established between the Armenians and Azerbaijanis, border and security issues would remain very sensitive. As discussed in Chapter 3, relations between Armenia and Turkey deteriorated as the conflict over N-K escalated, and in 1993 the border between them was closed and diplomatic relations frozen as a demonstration of Turkish solidarity to Azerbaijan. Turkey also hoped that by keeping the border closed Armenia would be compelled to render concessions to Azerbaijan. But in a situation of continuing uncertainty the conflict parties would not change their estimates of future potentialities.

But keeping the economic blockades might not contribute to the resolution of the conflict. Apparently, opening the border and establishing normal relations with Armenia would contribute to the gradual normalisation of relations between Armenia and Azerbaijan and eventually might establish trust between them. Only then it could be possible for the Armenians in general and Karabakh Armenians in particular to perceive their security in a broader perspective rather than insisting on self-rule.

Goble had not only underestimated the two factors mentioned above but also acknowledged the following with regard a peaceful settlement of the N-K conflict:

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17 Zartman, 'Dynamics and Constraints', p. 9.

18 Fuller, 'How the Goble', pp. 2–3.

Were I asked to update the Goble plan, I would modify it by calling for Azerbaijan to cede a small portion of western Nakhichevan so that Armenia could have a border with Iran and by urging that the international community put pressure on Turkey to open its borders with Armenia as part of the package deal to end this conflict.<sup>19</sup>

However, Azerbaijan would not accept such a revised plan because it would alter borders of the Nakhichevan autonomous republic, which belongs to it. In addition, Turkey could oppose a greater role of Armenian-Iranian influence in the region because that would lessen its role as a regional actor in pursuing cultural and economic interests with the Turkic speaking peoples in the South Caucasus and Central Asia (as discussed in Chapter 3) and limit its desire to expand into new Eastern markets. Ankara's approval to any peace plan was crucial for Azerbaijan given its cultural and strategic relations with Turkey. According to Azerbaijan's National Security Concept (NSC), relations with Turkey play a 'special role in ensuring peace and stability in the region'.<sup>20</sup> Azerbaijan since 1991 has been receiving a considerable amount of military support from Turkey to train and improve the capability of the Azerbaijani Armed Forces and make it achieve NATO standards. Additionally, the two states have cooperated closely on the development of pipeline and other transit infrastructure connecting the Caspian to the Mediterranean.<sup>21</sup>

Irrespective of its possibility, the idea of a territorial swap would become a hot issue in the bilateral negotiations between the governments of Armenia and Azerbaijan. It seems that the idea was raised more than once during the Aliiev-Kocharian summits in 2001 (will be discussed in Chapter 6). We now turn to examine the third potential peace plan that was formulated by CEPS.

### **A Stability Pact for the South Caucasus, May 2000**

The CEPS, a Brussels-based independent think-tank, published in May 2000 a draft Stability Pact for the South Caucasus (SPSC) as a consultative document. Before examining the CEPS plan, it should be stressed that it was neither offered to the conflict parties by the OSCE nor considered seriously by Armenia and Azerbaijan. However, it remained the most ambitious and comprehensive document on an SPSC. Although the pact had no official meaning beyond the Stability Pact for the Balkans, the SPSC included a 'wider and more substantive view'. In the words of its authors, Michael Emerson, Nathalie Tocci and Elena Prokhorova:

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19 Fuller, 'How the Goble', p. 3.

20 Quoted in German, *Regional Cooperation*, p. 46.

21 German, *Regional Cooperation*, pp. 45–6.

This was a process that combined conflict resolution, peacekeeping and security with introduction of new political structures that were designed to handle the problems of ethnic reconciliation, support the transitionally weak state and open perspectives for economic development.<sup>22</sup>

The SPSC as a consultative document presented a number of proposals for conflict resolution in the South Caucasus. The proposals were divided to three internal actions to be initiated in the South Caucasus and another three external actions for wider regional cooperation. We summarise the plan as follows:

Internal actions included: Conflict resolution in N-K, Abkhazia and south Ossetia; Regional security order under the OSCE; initiation of the South Caucasus Community. External actions included: EU and Russia to develop a southern dimension cooperation; enhanced role for Black Sea economic cooperation; improved legal framework for oil and gas (Caspian seabed, pipeline transit protocol).<sup>23</sup>

Thus, the SPSC presented a new thinking in the Caucasus particularly among the internal and external actors to break the deadlock. Therefore, the Stability Pact called for unconventional solutions as an alternative to conventional solutions to internal conflicts, such as the Common State plan. A different approach was necessary because official or track one diplomacy viewed internal violent conflicts ‘as primarily motivated and sustained by substantive interests, historically understood as national interests’.<sup>24</sup> Alternatively, the above summarised plan offered the conflict parties to draw upon the ‘family of modern European solutions’, which identify concepts such as ‘shared sovereignty’, ‘interdependence’, ‘equality between ethnic communities and cultures’, ‘regional integration and multi-tier structures of governance, sometimes asymmetric, i.e. with state and sub-state entities cooperating with certain functions’.<sup>25</sup> Therefore, N-K could choose one of these modern European solutions and reach a compromise on its political status with Azerbaijan.

From the aforementioned, it is reasonable to assume that the deadlock in the negotiations that resulted from the Karabakh leadership’s demand for independence and Azerbaijan’s insistence on its territorial integrity could only be resolved through cooperation based on the gradual development of cross-

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22 See Michael Emerson, Nathalie Tocci and Elena Prokhorova, ‘A Stability Pact for the South Caucasus in Theory and Practice—a Supplementary Note’, paper presented at an international conference organised by the Armenian Center for National and International Studies (ACNIS), on Prospects for Regional and Transregional Cooperation and the Resolution of Conflicts, 26–28 September, Yerevan 2000, p. 11.

23 Emerson, Tocci and Prokhorova, ‘A Stability Pact’, p. 3.

24 Lederach, *Building Peace*, p. 17.

25 Emerson, Tocci and Prokhorova, ‘A Stability Pact’, p. 4.

border contacts between individuals, organisations, institutions and businesses. Perhaps such contacts could contribute to the lessening of the sharpness of the ethnic differences between both communities because their cultural differences had been hindering the negotiations. In order to break the deadlock Karabakh Armenians and Azerbaijanis could re-examine the possibility of utilising their ethnic boundaries to attain political and economic resources. Further, cross-border contacts would lessen the significance of the administrative borders and the various tiers of administration between Azerbaijan and N-K. The aim was also to address the psychological elements, the perception of enmity, and the 'long lasting animosities rooted in a perceived threat to identity and survival'.<sup>26</sup>

Thus, rebuilding of relationships and cooperation could lead to the establishment of over-national political structures, similar to the Nordic countries, in the South Caucasus in general and between Azerbaijan and N-K in particular. In this respect, the EU could present great help in the resolution of the conflicts by passing knowledge to the nations of the region about different models of regional cooperation that might work for the South Caucasus. Evidently, in February 2001, the General Affairs Relations Council declared the EU was willing to play a more active political role in the South Caucasus, stating that it would seek ways of lending its support 'to prevent and resolve conflicts' and assist in post-conflict rehabilitation.<sup>27</sup> Further, the EU's 2003 European Security Strategy (ESS) gave rise to the development of the European Neighbourhood Policy (ENP) that included the South Caucasus with the aim of 'advocating political and economic reform, supporting conflict prevention and resolution, and enhancing intra-regional cooperation'.<sup>28</sup> In 2006, in its resolution on the ENP the European Parliament stated that the EU must help settle conflicts in the South Caucasus and it described the ongoing conflict in N-K as an impediment to 'the development of Armenia and Azerbaijan and regional cooperation as well as the effective implementation of the ENP'.<sup>29</sup> It is beyond the scope of this book to assess the EU policy in the region and examine the problems that hindered regional cooperation.

With regard the different models of regional cooperation that the South Caucasus states might adopt, the experience of the Nordic countries was encouraging. The Nordic countries include five states (Sweden, Denmark, Finland, Norway and Iceland), three autonomous territories (Faeroe, Greenland and Åland Islands) and different forms of trade and security ties. The sovereign states and the autonomous territories work in a framework with a specific structure providing wide cooperation among all. They all share a common labour market, free cross-border movement, a council of ministers and a parliament.<sup>30</sup> These arrangements

26 Lederach, *Building Peace*, p. 17.

27 German, *Regional Cooperation*, pp. 141–2.

28 German, *Regional Cooperation*, p. 142.

29 German, *Regional Cooperation*, p. 142.

30 Johan Galtung, Carl Jacobsen, Brand-Sacobsen and Kai Fritjof, *Searching for Peace: The Road to Transcend* (London: Pluto Press, 2002), p. 268.

contributed to less significant administrative borders and created an informal Nordic citizenship offering all peoples considerable amounts of self-determination. Therefore, the EU's experience in ethno-separatist conflict resolution in Northern Ireland, Belgium and Yugoslavia could contribute to the resolution of the N-K conflict whose conflict parties rejected to reconcile the two incompatible principles of self-determination and territorial integrity. Eventually, by adopting the Nordic model the South Caucasus states could succeed in creating the South Caucasus Community or dual citizenship for the South Caucasian peoples.

The idea of regional cooperation and integration promoted by CEPS found support in the South Caucasus. For example, Souren Zolyan, an Armenian scholar, who participated in the international conference on prospects for regional and trans-regional cooperation and the resolution of conflicts in Yerevan, in September 2000, raised the issue of regional cooperation. Zolyan based his reasoning on a 3+3 formula that included cooperation between the three South Caucasus recognised states (Armenia, Azerbaijan, Georgia), and the three unrecognised states (Abkhazia, N-K, south Ossetia). He believed that South Caucasian cooperation between the three recognised states and the three unrecognised states would contribute to the resolution of the frozen conflicts that were threatening political and economic stability in the region.<sup>31</sup> Zolyan's 3+3 formula was supported by Gia Nodia, a Georgian scholar and staunch supporter of South Caucasian cooperation, and Leila Alieva, an Azerbaijani scholar, who were attending the conference. However, both scholars considered that regional cooperation between the recognised states and the unrecognised states could not be realised in light of 'winners and losers'. Therefore, Azerbaijan and Georgia as military losers would not be motivated to resolve the N-K, Abkhazia and south Ossetia conflicts on the basis of regional cooperation and integration.<sup>32</sup>

Thus, peace could not be based on a win-lose mentality. Building regional cooperation would necessitate that Abkhazians, Karabakh Armenians and south Ossetians should acknowledge that the military winners would not necessarily become political winners. With regard N-K, in seeking a way to break the deadlock and give the negotiations a better chance to succeed 'a hard goal must be met'. That goal, according to Zartman, was the 'replacement of a mentality focused on winning with one that was willing to trade in conflict for lessened goals'. Yet, negotiation would 'offer the way to an alternative somewhere between unattainable triumph and unlikely annihilation, and that was a rather muddy field to

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31 Souren Zolyan, 'Non-Recognized States in the Regional Security System', paper presented at an international conference on Prospects for Regional and Trans-regional Cooperation and the Resolution of Conflicts, 26–28 September, Yerevan 2000.

32 Ghia Nodia, 'Turmoil and Stability in the Caucasus: Internal Developments and External Influences', paper presented at an international conference on Prospects for Regional and Trans-regional Cooperation and the Resolution of Conflicts, 26–28 September, Yerevan 2000.



play on'.<sup>33</sup> This situation is consistent with the three hypotheses on the importance of BATNA, uncertainty and ideas that make the negotiations deadlock prone. As per hypothesis 1, the Karabakh leadership's BATNA (*de facto* independence) was superior to any other alternative. As per hypothesis 2, when the levels of uncertainty and distrust were high between the conflict parties so that one of them or both believed that no deal was better than an alternative solution, and therefore they understandably assume that one of them was bluffing and refusing to make concessions. As per hypothesis 3, rendering concessions was risky because one or both parties saw that the deals on offer were lacking in fairness and justice. Thus, even if they had no BATNA available, 'they would still prefer to incur the costs of deadlock rather than make concessions to achieve a deal they see as deeply unfair'.<sup>34</sup>

We do not deny that it is possible to understand the dynamics and roots of the N-K conflict through a regional perspective. This may be especially true in regions such as the Balkans and the South Caucasus. As Barry Buzan notes that regional integration and regional security arrangements can contribute to the limitation and containment of protracted conflicts, and that cross-border cooperation can reduce the significance of geographic borders.<sup>35</sup> We acknowledge that the proposals of the plan that stemmed from European experience remain relevant and deserve a thorough examination by the conflict parties. Apparently, the SPSC would remain a potential and theoretical plan for peace rather than a particular document mainly because it did not consider the particularities of the N-K conflict, such as the 'communal content' of the state (Azerbaijan) and that the most useful unit of analysis in PSC situations is the identity group – racial, religious, ethnic, cultural and others. Failure to redress these needs by the state would sustain the conflict and make it prone to escalation.<sup>36</sup> We now turn to examine the SPSC in further detail.

### **Analysing the Stability Pact for the South Caucasus (SPSC)**

The SPSC as a potential peace plan presumed that regional integration might contribute to the resolution of the ethnic conflicts in the South Caucasus. This plan stipulated that a form of Trans-Caspian Confederation was worthy of consideration because it offered a different approach to attain peace in the region. We begin analysing the six proposals, or as called by CEPS the six actions of the plan. The first three actions were internal and pertained directly to the South Caucasus and

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33 Zartman, 'Dynamics and Constraints', p. 18.

34 Narlikar, 'Introduction', p. 11.

35 Barry Buzan, *People, States and Fear: An Agenda for International Security Studies in the Post-Cold War Era*, 2nd edition (London: Harvester-Wheatsheaf, 1991).

36 Azar, *The Management*, pp. 7–9.

the next three actions were external and pertained to a wider region including the regional actors which have borders with the South Caucasus states.

With regard the internal actions, each conflict had to be settled in its own way by the conflict parties. However, these individual settlements would constitute part of a wider process of economic and political cooperation among the South Caucasian nations. The proposed Stability Pact could be considered more than just an approach to conflict resolution because it also offered new constitutional aspects as an alternative to overcome the difficulty of the two incompatible principles of self-determination and territorial integrity. The aim was to break the present deadlock in the negotiations. Thus, the Stability Pact offered the formation of 'new structures of governance' and respect of the rights of ethnic communities. Additionally, it offered a leading role for the OSCE 'in a regional security order and preparations to initiate a South Caucasian Community (SCC) to open up new perspectives for economic and political cooperation and in due course integration'. With regard the autonomies of N-K, Abkhazia and south Ossetia, they would establish 'direct relations between them and the SCC as well as the states of the region'.<sup>37</sup>

According to the CEPS plan the OSCE would be the leading organisation for security and peacekeeping operations in the South Caucasus because it had been the only international structure that had tried to accommodate Russia's conflicting interests with the West over the Caucasus. Hence, the OSCE

Would be concerned with all the conflict situations, would sponsor negotiations, would legitimise internationally the resulting agreements or treaties backing them up with suitable mixes of monitoring through to robust peacekeeping and enforcement deployments, and would assure coherence between differentiated solutions.<sup>38</sup>

With regard the SCC, it would be initiated by Armenia, Azerbaijan and Georgia and was expected to solve many economic, political and social problems in the region. The SCC would be modelled on the EU. Undoubtedly, the creation and support of the SCC would need close cooperation of the EU and the US with Russia. The SCC would have its own parliament with 170 deputies and its own executive (Council of Ministers).<sup>39</sup> Further, the creation of the SCC would facilitate a new relationship between the states and the autonomies in the region in the following way:

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37 Emerson, Tocci and Prokhorova, 'A Stability Pact', p. 4 and p. 11.

38 Emerson, Tocci and Prokhorova, 'A Stability Pact', p. 13.

39 Hary Tamrazian, 'Seeking Security for the South Caucasus', *RFE/RL Caucasus*, 9 June 2000, p. 2.

- The SCC would provide a new framework for post-conflict regional cooperation and eventually integration, in which the states would have the lead role, but the autonomies would have also their own voice and role.
- The autonomies would also have direct relationships with co-ethnic communities, either horizontal with other autonomies or asymmetric with other states. Overall the autonomies, while denied outright independence, would obtain important new political opportunities.<sup>40</sup>

With regard the external actions for a wider regional cooperation, according to the CEPS plan they consisted of, firstly, cooperation between the EU and Russia; secondly, a crucial role for the Black Sea Economic Cooperation (BSEC); thirdly, a legal framework to solve the conflict over the Caspian status and a pipeline transit protocol. It is worth stressing that in 1992, 11 states – Albania, Armenia, Azerbaijan, Turkey, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine – founded the BSEC. In 1998 this regional cooperative process was transformed into a regional economic organisation in which Turkey plays a leading role.<sup>41</sup>

We begin with the role of Russia in the South Caucasus region that had been crucial for its security interests. As mentioned above, the South Caucasus is vital for Russia's own security, both in military, economic and political terms. It is important to stress that the South Caucasus region is part of Russia's 'southern underbelly' (*yuzhnaya podbryush'ye*), a term that underscores the sense of vulnerability it feels along its southern border.<sup>42</sup> Russia cannot be indifferent and stay aloof from the unresolved conflicts in the region because those conflicts could threaten its own security and stability. For a comprehensive and applicable SPSC perhaps, Russia had to introduce a new orientation in its policy toward the region and consistent with its political, security and economic interests. For example, Russia could persuade Armenia or the Karabakh leadership to settle the conflict with Azerbaijan rather than 'sit on uncompromising positions because they (Armenia and the Karabakh leadership) think they had a protector'.<sup>43</sup>

With regard borders, Russia could think about developing a 'southern dimension', that is, North and South Caucasus, as a security variant to the 'northern dimension', that is, Black Sea and Barents Sea. Russia's north-west, west and far-east borders had been 'reasonably stable', but the North and South Caucasus and Central Asia posed threats to Russian national security. Thus, it is reasonable to assume that achieving stability in the South Caucasus could help Russia in resolving its problems in the North Caucasus. A stable Caucasus would strengthen Russia and enhance its efforts to control any security threat from Central Asia.

40 Emerson, Tocci and Prokhorova, 'A Stability Pact', pp. 11–12.

41 Oleksandr Pavliuk, 'Introduction', in Oleksandr Pavliuk and Ivanna Klympush-Tsintsadze (eds), *The Black Sea Region, Cooperation and Security Building* (New York and London: M.E. Sharpe, 2004), p. 8.

42 German, *Regional Cooperation*, p. 97.

43 Emerson, Tocci and Prokhorova, 'A Stability Pact', p. 14.

According to the CEPS plan Russia ‘could not do this in its own’ because it had neither ‘adequate resources available for the task’ nor the ‘political legitimacy in the South Caucasus for a dominating role’. There had been increasing anti-Russian popular feelings in Azerbaijan and Georgia in the post-Soviet period. Russia did not have a strategic cooperation with both States. As a matter of fact both states formally expressed NATO membership aspirations in 2000 although membership of the organisation could remain a distant dream.<sup>44</sup> Russia’s strategic cooperation with Armenia (see Chapter 3) was not sufficient to enforce a dominating role in the South Caucasus. Therefore, ‘the EU could be a natural partner, to join with Russia in stabilising not only the northern dimension (north-west Europe) to their borderland relations but also the southern dimension (North and South Caucasus)’.<sup>45</sup>

In addition to the security dimension, the EU could present new perspectives for integration in the South Caucasus in the sphere of transport and communications. There were attempts since 1998 by the regional countries and ‘representatives of thirty three countries (including Italy, the UK, China and Japan) and twelve international organisations’ to restore the Silk Road, in order to build new east-west transport corridors and integrate the transport infrastructure of the CIS republics.<sup>46</sup> Such projects undoubtedly needed support and funding from the EU. Once completed, such projects could boost mutually beneficial regional and international cooperation in trade, transportation and communications.

Within this context, the most ambitious transport project was the interstate Transport Corridor Europe-Caucasus-Asia (TRACECA) program that was supported by the US and launched by the EU in 1993 to provide technical assistance for the development of a transport corridor from Europe, across the Black Sea, South Caucasus and Caspian basin to Central Asia. Since 1993, the EU has financed over 60 technical assistance and 14 investment projects under the aegis of the TRACECA program with the objective of achieving, by 2015, a ‘sustainable and integrated multimodal transport system’.<sup>47</sup> This transport corridor could be an alternative route to the Russian monopoly over the existing transportation routes in the region. This project aimed to cover ‘infrastructure and facilities for transport’ including roads, railways, ports and airports establishing the link between Asia and Europe via the Caucasus. The South Caucasus presented the most important link that would connect Central Asia to Europe.<sup>48</sup> Certainly, TRACECA is a significant

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44 German, *Regional Cooperation*, p. 46 and p. 52. In their attempts to get NATO membership, Georgia became an official aspirant at the Prague Summit held in November 2002, and Azerbaijan became an official aspirant in April 2003.

45 Emerson, Tocci and Prokhorova, ‘A Stability Pact’, p. 14.

46 Elizabeth Fuller, ‘TRACECA: Euphoria and Infighting’, *RFE/RL Caucasus Report*, Vol. 1, No. 29, 15 September 1998, p. 1.

47 Quoted in German, *Regional Cooperation*, p. 149.

48 Michael Kaiser, ‘The Unraveled Caucasus Economies’, paper presented at an international conference on Prospects for Regional and Transregional Cooperation and the Resolution of Conflicts’, 26–28 September, Yerevan 2000.

project in terms of the promotion of regional cooperation and development of economic relations between the South Caucasus states and the wider Black Sea region. Indeed, the project is seeking to boost their security and stability. But the deadlock over N-K has been challenging the project.

In 1999 Russia advocated the north-south route of transportation to be implemented with the east-west (Europe-Caucasus-Asia) corridor. By the north-south route Russia meant a 'rail transit from north through the Caucasus to the south-Helsinki-St. Petersburg-the Caucasus-Iran-Karachi'.<sup>49</sup> The implementation of this route would link Russia's economy not only to the South Caucasus but also to the Turkish and Iranian markets to the south. Again, the accomplishment of this project hinges on the resolution of the Abkhazia and N-K conflicts and the lifting of the economic blockades in the region. Opening the Armenian-Azerbaijani border and the Armenian-Turkish border would boost foreign investment, reconstruction of the infrastructure, roads and railroads. For example, the lifting of Azerbaijan's and Turkey's blockade would reopen the transport links of Kars-Gyumri-Tbilisi, Yerevan-Julfa-Tehran and Yerevan-Nakhichevan-Baku. Therefore, without the resolution of the regional conflicts, neither the TRACECA project nor the Russian proposed north-south corridor could be fully realised. That said, regional security and stability are perceived as fundamental requirements for economic development and regional integration.

A further step to encourage economic integration in the region was to enhance the role of the BSEC organisation formally established in Istanbul on 25 June 1992 to promote security, stability, prosperity and economic cooperation in the Black Sea region. As mentioned above, the 11 nations (Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine) which created the organisation aimed to develop a multidimensional cooperation process dealing with issues such as transportation, communication, trade infrastructure, environment, housing, protection against crime, drugs, education, health and inter-cultural dialogue to contribute to the development and friendly relations between member states.<sup>50</sup> BSEC offers a forum for continued dialogue and informal communication between states that have been in conflict (Armenia and Azerbaijan), do not have diplomatic relations (Armenia and Turkey) or have difficulties in reaching agreement over various bilateral policy issues (Russia and Ukraine, Russia and Georgia).<sup>51</sup>

The Organisation had a number of achievements such as the establishment of a Parliamentary Assembly (PABSEC) an environmental research centre set up in

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49 C.W. Blandy, 'The Caucasus-Caspian Region: Meeting the Challenge of Change', paper presented at an international conference on Prospects for Regional and Transregional Cooperation and the Resolution of Conflicts', 26–28 September, Yerevan 2000.

50 Ivanna Klympush-Tsintsadze, 'Cooperative Efforts in the Black Sea Region', in Oleksandr Pavliuk and Ivanna Klympush-Tsintsadze (eds), *The Black Sea Region, Cooperation and Security Building* (New York and London: M.E. Sharpe, 2004), p. 28.

51 Klympush-Tsintsadze, 'Cooperative Efforts', pp. 28–9.

Kiev, the construction of the Caspian Pipeline Consortium (CPC) giving access to the north Caspian and Kazakh oil to the Black Sea and coastal countries. Other accomplishments were the launching of the Blue Stream seabed gas pipeline in December 1997 from Russia to Turkey, and the establishment of the Black Sea Trade and Development Bank (BSTDB). In 2001 the Bank issued its first loan on the modernisation of Ukraine's oil pumping stations that pump Russian gas to the Balkans and Turkey.<sup>52</sup> Further development of the multi-dimensional process of BSEC could lead to the establishment of the customs union among the countries of the region, encouraging them to more cooperation and productivity. BSEC countries could also develop 'concrete functional projects of mutual benefits' such as regional collaboration to face drought problems in Armenia, Georgia, eastern Turkey and Nakhichevan. Similarly, BSEC could provide a forum for tourism development in the region that could lead to the creation of new job opportunities.<sup>53</sup> Therefore, broadening the dynamics of regional cooperation in the framework of BSEC could provide a more conducive environment to attain political settlements of the regional conflicts, particularly the N-K conflict.

Finally the last external action for a SPSC was an improved legal framework for oil and gas. The Caspian-Caucasus region had a background of interstate competition over who would control pipeline routes. This competition was confronted with the issue of reducing instability and promoting regional cooperation to secure oil exports to the world markets. Therefore, what was required was the formulation of a risk-minimising strategy by the international community and Russia with the participation of the five littoral states of the Caspian region. The two components of such a strategy according to the CEPS plan were a new pipeline transit protocol and an agreement on the disputed Caspian Sea bed among the five littoral states.

A risk-minimising strategy would be the establishment of a legal framework that 'would protect international pipelines from the risk of inter-governmental disputes between transit states'.<sup>54</sup> In 1990 the EU initiated a legal framework known as the European Energy Charter 'in order to integrate the then Soviet Union into a Western-type regime of energy extraction, transportation and consumption'. On 17 December 1991, the EU succeeded in making the Eastern European countries and all the Soviet republics sign the Charter. Further negotiations were carried by the EU to sign a legally binding treaty as part of the Charter. In December

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52 Klympush-Tsintsadz, 'Cooperative Efforts', pp. 29–33. Also, see A. Necdet Pamir, 'Energy and Pipeline Security in the Black Sea and Caspian Sea Regions', in Oleksandr Pavliuk and Ivanna Klympush-Tsintsadze (eds), *The Black Sea Region, Cooperation and Security Building* (New York and London: M.E. Sharpe, 2004), 129–36.

53 Michael Lemmon, 'Fostering Regional Peace and Security Through Regional Cooperation and Development', paper presented at an international conference on Prospects for Regional and Transregional Cooperation and the Resolution of Conflicts, 26–28 September, Yerevan 2000.

54 Emmanuel Karagiannis, *Energy and Security in the Caucasus* (New York and London: Routledge, 2002), p. 171.

1994 the signed treaty would 'regulate international investment and trade in the energy sector according to free market rules, and would prohibit the interruption of energy flow by transit countries'.<sup>55</sup> This was a major accomplishment that tried to guarantee the security of the pipelines over the territories of transit states. However, complete security for oil routes such as the Baku-Novorossisk pipeline, despite the newly built bypass around Chechnya, and the proposed Baku-Ceyhan pipeline (it was constructed and became operational in 2006) remained a matter of concern without the resolution of the regional conflicts.

In addition to the above mentioned legal framework, the CEPS plan envisaged a new pipeline transit protocol to supplement the Energy Charter Treaty 'for which the Caspian-Caucasus-Black Sea region could be a first application'. This approach was justified because it had considered Russia's need to renew and expand its energy sector that had an estimated cost around \$200 billion.<sup>56</sup> In order to meet its rising domestic demand for oil and gas, Russia continued to develop its oil fields and expand its existing pipeline network. For example, Lukoil, the Russia oil giant, had begun to develop the Severnity oil field in the Caspian and Transneft, the Russian pipeline monopoly had built an additional pipeline network in a bypass around Chechnya. Still, Russia tried to raise its margin of exports through the Bosphorus. However, in order not to be surpassed in the next decades by amounts of oil 'coming from Kazakhstan through the CPC pipeline as well as across the Caspian and through Daghestan', Russia should guarantee Turkey's approval to increase oil shipping through the Bosphorus. Apparently, Russia would need to develop more cooperation with Turkey, 'especially given the importance of the Turkish market for Russian energy exports'.<sup>57</sup>

Hence, Russia's aims in renewal and expansion of its oil industry would coincide with the interests of the EU in 'securing expansion of its production given the enormous increase in the oil price, rather than become a member or even associate of the Organization of Petroleum Exporting Countries (OPEC's) system of production quotas'.<sup>58</sup> Therefore, an improved legal framework for oil and gas and construction of new pipelines would not only meet Russia's and EU's future interests but also could facilitate improved relations among the EU, Turkey and the Caspian states. However, the accomplishment of the new pipeline transit protocol without reaching an agreement over the disputed Caspian Sea bed seemed not enough to promote security and regional cooperation. As mentioned above, as long as there was no new agreement between the five littoral states over dividing the Caspian Sea bed, the agreements of 1921 and 1940 between Iran and the Soviet Union would continue to remain in force. Whether the Caspian should

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55 Karagiannis, *Energy and Security*, p. 171.

56 Emerson, Tocci and Prokhorova, 'A Stability Pact', p. 11.

57 Jan Kalicki, 'Caspian Energy at the Crossroads', *Foreign Affairs*, Vol. 80, No. 5, September/October 2001, p. 125.

58 Emerson, Tocci and Prokhorova, 'A Stability Pact', p. 11.

be divided into national zones or all the five littoral states should share the waters of the Caspian had been a major dispute that should be resolved.

To sum up, the SPSC which included three internal and three external actions presented a comprehensive regional and multilateral initiative to bring peace, stability and cooperation to the South Caucasus that was tired of wars. This potential peace plan sought to lay out a certain model of constitutional and political settlements of the ethnic conflicts in the region. Perhaps this unconventional model looks a bit strange. Yet, if economic development and regional cooperation between the internal and external actors was realised the region could be transformed from its present state to new prospects for peace and economic integration. Similarly, economic integration and cooperation should extend to include the regional actors (Russia, Turkey, Iran) which continue to have economic stakes in the Caspian. Evidently, the CEPS plan aimed to resolve the conflicts in the South Caucasus and build simultaneously a regional order with a leading peacekeeping role to the OSCE. This would give more impetus to build peace and security in the region and enable the conflict parties to communicate with each other to progress toward democracy. The next part of this chapter examines the position of the conflict parties with regard the Common State plan.

### **Analysing the Stance of the Conflict Parties with Regard the Common State Plan**

In 1998, the conflict parties as well as various politicians, statesmen, political parties and individuals in Armenia and Azerbaijan expressed different views with regard the Common State plan. The conflict parties viewed the other's intransigence as the main obstacle to a just and lasting solution. Each party interpreted the other's posture and approach to a solution in an adversarial frame and spent a great deal of energy perhaps to get external sympathy and support to its cause. Each party did not refrain from adopting a distributive or value-taking strategy by refusing concessions, exaggerating its minimum needs and insisting on its demands and sought to attain a settlement that was at least partially at the expense of the opponents' concern. Since each party had come to feel that the other side could or would not listen to reason and think on mutual interests, another opportunity for making peace was lost. By examining the posture of the conflict parties we are better able to comprehend the lost opportunity for peace.

#### *The Posture of Armenia*

Armenia accepted the Common State plan because it sounded 'much more realistic and substantially different' from the previous proposals mainly for two reasons. Firstly, it offered a package approach to resolve the conflict including the political status of N-K that was the key problem in the negotiations. The OSCE's previous phased plan left the determination of the status issue until the last phase



of the peace process. Secondly, the plan included 'unconventional ideas' such as ruling out N-K's 'subordination' to Baku and some kind of independence. The plan also stipulated that N-K would establish its national guard or police units, maintain an overland connection with Armenia, run its domestic affairs and enjoy 'international security guarantees'.<sup>59</sup>

From an Armenian perspective, the Common State was a 'non standard approach' in the sense that it had overcome the major obstacle to a peace settlement that was the incompatibility of the principles of self-determination and territorial integrity. The new plan combined these two principles in an overall peace package known as the Common State. According to Vartan Oskanian, the FM of Armenia, 'Yerevan made a key concession by dropping the idea of outright independence or unification of N-K with Armenia, so Azerbaijan should drop its insistence on autonomy' and accept confederation with N-K.<sup>60</sup> Moreover, Kocharian considered that the plan recognised the Karabakh leadership as an official party to the conflict thereby fulfilling the need of recognition. Thus, the Armenian side was optimistic that 'Azerbaijan and Karabakh would agree to live together in areas with distinct borders and with their own laws and principles'. Kocharian also reiterated that Armenia's acceptance of the plan would facilitate further discussion to resolve specific issues and minor differences between both parties.<sup>61</sup>

Nevertheless, Armenia's acceptance of the plan did not rule out cautious optimism. Public opinion in Armenia was divided between those who considered the plan as an achievement of Armenia's new foreign policy and those who criticised it for its 'non-balanced approach' toward the regional actors.<sup>62</sup> The critics considered that the 'new peace agenda questioned the fate of the strategic partnership with Armenia's two natural allies, Russia and Iran', that would entail an unbalanced and 'extremely dangerous strategy'.<sup>63</sup> However, it was unlikely that Russia as a Co-Chair of the MG could have approved a plan that would threaten its strategic partnership with Armenia. As noted above, Primakov was the architect of the plan. With regard Iran, it was excluded from the peace process for not being a member of the MG. But Iran did not distance itself from the negotiation process and had expressed willingness to broker a peace deal between Azerbaijan and N-K. Indeed, in 1998 Armenia favoured involving Iran in negotiations on regional issues. For example, Oskanian advocated the creation of 'an all encompassing regional

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59 'OSCE Offers New Peace Formula for Karabakh', *RFE/RL Armenia Report*, p. 1. Also, see Ara Tadevosian, 'The Ghost of Progress', *Institute for War and Peace Reporting-Caucasus Report Service* (thereafter *IWPR-CRS*), Issue 72, 2 March 2001.

60 Ben Partridge, 'Armenia/Azerbaijan: Armenian Minister Says New Zealand Model Could Resolve Karabakh Issue', *RFE/RL Report*, 19 March 1999.

61 'Armenia, Karabakh Accept OSCE Peace Proposals', *Asbarez*, 30 November 1998.

62 'OSCE Offers New Peace Formula for Karabakh', *RFE/RL Armenia Report*, p. 4. Also, see Hakobian, *Karabakh Diary*, p. 251.

63 'OSCE Offers', p. 4.

organisation that would include all of the countries of the region' to enhance the formation of a consensus on perspectives for peace in the South Caucasus.<sup>64</sup> He stressed that the creation of such a regional organisation 'would certainly help the stability of the region', and would contribute to building trust and eventually establish peace between Azerbaijan and N-K. In his speech delivered in Vienna in October 1998 at the OSCE Permanent Council, Oskanian emphasised that 'in the long run Armenia's national security must be anchored in regional stability'.<sup>65</sup> Still, in support of the OSCE sponsored efforts to resolve the N-K conflict, Oskanian said: 'complex and extraordinary situations necessitated innovative, flexible and unconventional solutions in which new forms of statal configurations would permit the reconciliation of seemingly irreconcilable principles and political interests'.<sup>66</sup>

Armenia's government was also criticised by Ter-Petrosian's camp because it was unable to improve socio-economic conditions and establish peace. While the Azerbaijanis suffered the humiliation of defeat, the Armenians scarcely enjoyed the socio-economic fruits of victory. Ter-Petrosian's camp argued that without a compromise solution with Azerbaijan it would be impossible to achieve effective economic development. It also pinpointed that the package deal that was favoured by the Karabakh leadership and Kocharian himself in 1997 was revived in 1998 and presented in a new formula called the Common State. Similarly, the crucial elements of the package deal, mainly the future status of N-K, did not undergo significant changes except the *de jure* part of the formula which considered N-K a confederative political structure with Azerbaijan.<sup>67</sup> According to Ter-Petrosian's camp, this particular change which created horizontal rather than vertical relations between Azerbaijan and N-K was presented to the public as a great diplomatic achievement. Ter-Petrosian's camp discredited the new achievement on the following grounds:

- The plan would not work because of its continued rejection by Azerbaijan.
- Kocharian's administration only imitated negotiations, but in fact was not interested in a real settlement.
- It did not add anything essential to the *de facto* part of the status of Karabakh comparatively with what was negotiated by the previous administration.<sup>68</sup>

Apparently, Ter-Petrosian's camp criticised the Kocharian administration in order to improve its own position in an eventual settlement but certainly it was not opposed to an agreement. As noted above the Kocharian administration argued

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64 'Armenia/Azerbaijan: Diplomatic Moves Aimed at Ending Karabakh Deadlock', *RFE/RL Report*, 18 March 1999.

65 Vartan Oskanian, *Speaking to be Heard, A Decade of Speeches* (Yerevan: the Civilitas Foundation, 2008), p. 466.

66 Oskanian, *Speaking to be Heard*, p. 467.

67 Zurabian, 'Politics of Transition', p. 12.

68 Zurabian, 'Politics of Transition', p. 13.

that the Common State plan was more acceptable than the phased plan that Ter-Petrosian accepted in 1997. Kocharian wanted to stick to his original position that was a package rather than phased deal as a basis for negotiations but peace would not be achieved without satisfying the Azerbaijani side. This brings us to examine the posture of Azerbaijan.

### *The Posture of Azerbaijan*

Azerbaijan categorically rejected the Common State plan because it did not recognise its territorial integrity and it only addressed Armenian concerns. Aliiev explicitly stated that 'Azerbaijan could not agree to these proposals' because that would mean recognising N-K's independence. Additionally, the term Common State 'was far-fetched and did not exist in international practice'.<sup>69</sup> From an Azerbaijani perspective, the previous 1997 phased plan had at least preserved the territorial integrity of Azerbaijan because it defined the relationship between Azerbaijan and N-K on the basis of 'a single state', whereas the new plan defined the relationship on the basis of a Common State.<sup>70</sup> Aliiev reiterated that Azerbaijan would remain committed to the ceasefire agreement of 12 May 1994 but a lasting peace between the conflict parties should be built on the following basis:

The liberation of the occupied territories; the restoration of Azerbaijan's territorial integrity; the return of the refugees to their homes; and the provision of a high degree of autonomy to N-K within Azerbaijan.<sup>71</sup>

Within this context, Aliiev questioned the reason for changing the fundamental principles adopted by the OSCE in its Lisbon summit in 1996 in which Azerbaijan's territorial integrity was preserved.<sup>72</sup> Moreover, Azerbaijan considered the Common State plan a Russian-Armenian initiative because Andriei Urnov, the Russian ambassador, had hinted prior to the formulation of the plan that any agreement would have to provide security guarantees to the people of N-K, a high degree of self-rule or autonomy and establish a land connection between Armenia and N-K.<sup>73</sup> Russia as one of the Co-Chairs of the MG responded to the Azerbaijani official criticisms and announced that 'if a certain term did not satisfy one of the parties Moscow was ready to search for a new one'. The mediator's task had been to 'find a normal solution acceptable to all parties'. Further, Yeltsin called Aliiev to 'dispel Azerbaijani concerns over growing Russian-Armenian military ties', and assured

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69 *Itar-Tass News Agency*, Foreign Broadcast Information Service-Soviet Union (thereafter FBIS-SOV), 30 December 1998.

70 RFE/RL Armenia Report, 4 December 1998.

71 *Itar-Tass News Agency*, FBIS-SOV, 30 December 1998.

72 *Itar-Tass News Agency*, FBIS-SOV, 30 December 1998.

73 Laitin and Suny, 'Armenia and Azerbaijan', p. 20.

him that Moscow would remain ‘an impartial mediator’ in the conflict.<sup>74</sup> Russia’s response was consistent with the nature of the OSCE mediation that aimed to assist the conflict parties in their search for a mutually acceptable settlement, and that in order to be successful ‘mediation must be above all adaptive and responsive’.<sup>75</sup> The Azerbaijani official stance on the Common State plan was further clarified by Guluzade, a senior foreign policy advisor to Aliiev, when he was asked to comment on the plan. Guluzade explained:

We could not understand why autonomy did not satisfy Karabakh Armenians. Karabakh would have its parliament, police and administration personnel. This was what Baku and the former Armenian authorities had agreed on. Two small points in any peace deal were unacceptable to Azerbaijan, namely independence and armed forces for Karabakh. Why did Karabakh need an army? We were going to live at peace soon. There was no need for two Armenian armies. If something would happen, Armenia’s army would defend Karabakh, wouldn’t it?<sup>76</sup>

Notwithstanding Azerbaijan’s official posture, the Azerbaijani opposition was at odds with the ruling New Azerbaijan Party’s posture on the conflict. For example, Isa Gambar from the Musavat Party and Etibar Mamedov from the Party for National Independence criticised the authorities for their ‘incompetence’ in handling of the N-K conflict and poor economic performance. Both of them noted that ‘the compromise policy of official Baku had led to the fact that the mediators now actually propose that Azerbaijan should admit its defeat’.<sup>77</sup> Although the Aliiev administration was trying to start a dialogue with the opposition on the possible solution of the N-K conflict, the Azerbaijani Social Democratic Party (ASDP) brought the N-K issue to the public’s attention by proposing direct negotiations with the Karabakh leadership to attain peace, otherwise ‘war could be inevitable’.<sup>78</sup> Therefore, to avoid potential war the ASDP called for a political solution based on the following terms:

Granting autonomy to N-K on the basis of self-determination; retaining a corridor between Armenia and Karabakh under the joint control of international peacekeeping forces and the Azerbaijani customs authorities; and declaring Karabakh a free economic zone.<sup>79</sup>

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74 Emil Danielyan, ‘Armenia/Azerbaijan: Russia Supports Changing OSCE’s Karabakh Plan’, *RFE/RL Armenia Report*, 29 March 1999.

75 Bercovitch and Houston, ‘The Study of International’, pp. 12–15.

76 Vatche Sarkissian, *RFE/RL Armenia Report*, 25 May 1999.

77 *Turan News Agency*, FBIS-SOV, 5 January 1999.

78 *BBC World Broadcasting Service*, FBIS-SOV, 23 January 1999.

79 Report by the Azerbaijani daily *Yedi Gun*, FBIS-SOV, 18 January 1999. On the resolution of the N-K conflict, the ASDP co-chairman, Zardusht Alizade, added that ‘official Baku should state that there was no blockade to Armenia but Azerbaijan. Economic links

The Azerbaijani authorities did not deal with these terms seriously. Guluzade stated that in the early 1990s Azerbaijan conducted direct negotiations with the Karabakh leadership within the MG but yielded no results because the leadership insisted on independence.<sup>80</sup> Azerbaijan would not grant N-K independence because other minorities living in Azerbaijan, such as the Lezgins, could demand independence too. With regard to independence, there was no room for trade-off. As long as the deadlock was a 'bearable compromise rather than a constraining burden', negotiating with the Karabakh leadership was a zero-sum outcome for Azerbaijan.<sup>81</sup> Yet deadlock would mean recognition of the current status quo which was in favour of the Karabakh leadership. These implications explain why negotiation in an asymmetric conflict was so difficult.

For Azerbaijan, state security depended on control over N-K. But the political realities after the serious internal conflict between the Armenians and Azerbaijanis were dramatically different. A number of issues such as identity, security and recognition made the conflict escalatory. The internal conflict between both communities 'began with the breakdown of normal politics'.<sup>82</sup> Apparently, Azerbaijan expected from the mediators an outcome 'that returns the conflict to normal politics' that was before Karabakh's secession from Azerbaijan. But as Zartman argues internal conflict could not be resolved 'by some wise judgment on an outstanding issue, such as the location of a boundary, or the terms of peace agreement'. Rather, 'the outcome must provide for the integration of the secessionist group "the Karabakh Armenians" into a new body politic and for mechanisms that allow the conflict to shift from violence back to politics'.<sup>83</sup> Still, Peter Wallensteen argues that conflict resolution, in Zartman's words, might not necessarily lead to the 'restoration of normal politics', as Azerbaijan expected. The negotiated settlement of the conflict on the territory of N-K was not likely to have such an outcome. It was not going to be 'a return to the conditions that prevailed' before Karabakh's separation from Azerbaijan in the late 1980s, but rather, as Wallensteen notes, 'involve different forms of separation, even to the point where a new state was created'.<sup>84</sup> Now we turn to examine the position of the Karabakh leadership.

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should then be restored, people's diplomacy should get under way, scope should be created for visiting relatives' graves on the territory of both states and trust should be restored between both peoples'. See *Turan News Agency*, FBIS-SOV, 13 January 1999.

80 *Turan News Agency*, FBIS-SOV, 13 January 1999.

81 Zartman, 'Dynamics and Constraints', p. 10.

82 Zartman, 'Dynamics and Constraints', p. 5 and p. 11.

83 Zartman, 'Dynamics and Constraints', pp. 21–2.

84 Peter Wallensteen, *Understanding Conflict Resolution: War, Peace and the Global System* (London and New Delhi; SAGE Publications, 2004), p. 74.

*The Posture of the Karabakh Leadership*

The Karabakh leadership considered the Common State plan acceptable to break the strategic deadlock. Melkumian noted that the plan was an indication to the effectiveness of mediators and that Karabakh ‘was ready to reach an agreement with Azerbaijan and establish horizontal relations with it’.<sup>85</sup> Melkumian also reiterated that direct talks with Azerbaijan should start without preconditions and that any peace plan prior to formal acceptance would require conducting a national referendum. The Karabakh leadership asked the MG Co-Chairs for more details on the issues of security and economic development. It also expressed hope that the plan would be discussed further by the conflict parties to abandon their reservations, and that the seventh meeting of the OSCE Ministerial Council in Oslo, in December 1998, could be the best forum to hold further discussions about the Common State to reach a settlement.<sup>86</sup>

From the postures of the conflict parties with regard the Common State plan and the status issue Armenia and Azerbaijan appeared to be as far apart as ever. Neither Azerbaijan nor Armenia and the Karabakh leadership tried to play on the element of cost to make the deadlock hurt and force the other side to change its stance. The Karabakh leadership sought to make the Azerbaijani authorities negotiate with it and recognise it, whereas Azerbaijan sought to deny the Karabakh leadership legitimacy and make it render concessions. Thus, ‘the asymmetries in power and commitment became a trap for their respective parties, preventing the negotiations that the parties sought to end the conflict’.<sup>87</sup> Recognition and dialogue were preconditions for successful negotiations, and for these to take place, for example, Azerbaijan was to recognise the Karabakh leadership as a negotiating partner. A more equal power balance between the parties would be in favour of negotiation. When the asymmetry was reduced, negotiations might become possible.

Apparently, some kind of turning point in perception was needed to turn the deadlock into a search for a mutually acceptable settlement. But there was no shift in perceptions, attitudes and behaviour patterns of the conflict parties. Interactive conflict resolution could have helped in addressing these subjective aspects of the conflict and provided a complementary role to mediation. There was also no pressure by the MG and no stick and carrot used in order to either worsen the current situation or brighten the future possibility of agreement under negotiation. In Zartman’s words, the mediators could have helped in creating the perception of the ripe moment through leverage.<sup>88</sup> In a situation of distrust and continuing

85 *Asbarez Online*, 18 November 1998. Posted on <http://www.asbarez.com>.

86 Richard Giragossian, *The Transcaucasus, A Chronology*, Vol. VII, No. 12, December 1998, p. 12.

87 Zartman, ‘Dynamics and Constraints’, p. 11.

88 See William I. Zartman, *Ripe for Resolution; Conflict and Intervention in Africa* (New York: Oxford University Press, 1989).

uncertainties the conflict parties were less likely to find the appropriate moment to negotiate. Thus, 'to expect a single simultaneous change of heart on the part of the conflict parties for the same reason would be to look for an identity of perceptions that was unrealistic and unattainable under conditions of asymmetry'.<sup>89</sup> Yet, the suggestion of establishing a confederation between the conflict parties was an attempt to make them develop their own change of heart.

The deadlock was a major obstacle to the dynamics and possible success of the negotiation process. It occurred because of the high degree of uncertainty and/or distrust and because the conflict parties were uncertain about the actual effects of certain proposals (as mentioned above). As the negotiation process unfolded both parties were engaged in bluffing and posturing, as per hypothesis 2. Similarly, the deadlock occurred because the Karabakh leadership felt that it had no incentive to make concessions and because it had a superior BATNA or security point available, as per hypothesis 1. It had obtained independence, although *de facto*, without negotiating with Azerbaijan. As long as 'continued conflict was not the disputants' shared security point, the parties in negotiation did not seek to provide a better alternative'.<sup>90</sup> Deadlock also occurred because Azerbaijan saw the deal on offer as lacking in fairness, legitimacy and justice. Thus, Azerbaijan preferred to incur the costs of deadlock rather than make concessions to reach a settlement (in this case the Common State) that it saw as deeply unfair.

By December 1998 two important developments introduced a shift in the OSCE's MG strategy for conflict resolution. Firstly, OSCE FMs who met in Oslo announced that the Common State plan would be further defined in future negotiations. But it seemed that the 'plan was non-starter and eventually the MG quietly abandoned it'.<sup>91</sup> Once again another opportunity to make peace was lost because each party was a victim of its own part in the asymmetry and because the framing of the plan did not reconcile the incompatible principles of territorial integrity and self-determination in a way acceptable to the conflict parties.

Secondly, the format of the negotiations shifted from the MG Co-Chairs' meetings with the conflict parties to bilateral negotiations between both Presidents Aliiev and Kocharian.<sup>92</sup> The Karabakh leadership would not participate in the negotiations. Although both types were subsumed under the label of conflict resolution, the distinction between them became analytically important. The shift of the negotiation format seemed important and necessary because it commenced a hopeful period and it provided the opportunity for both Presidents to talk reasonably together, address the contested issues and try to move towards a common ground. Presumably, the new strategy would give more impetus to the peace process in the hope of achieving a breakthrough. Both Presidents would have the chance to seek alternatives rather than wait and expect solutions from

89 Zartman, 'Dynamics and Constraints', p. 19.

90 Zartman, 'Conflict Resolution', p. 325.

91 Laitin and Suny, 'Armenia and Azerbaijan', p. 20.

92 Elizabeth Fuller, *RFE/RL Caucasus Report*, Vol. 1, No. 41, 8 December 1998, p. 2.

the external actors, particularly the MG. Kocharian, who was elected N-K's first President in 1994 by a vote in the local parliament, and was re-elected by popular vote in November 1996, was eligible to negotiate on Karabakh's behalf.<sup>93</sup> He would articulate the Karabakh leadership's position best and would reduce the problem of the leadership's representation in the talks. What follows next is an examination of the two important developments as mentioned above.

### The OSCE Ministerial Meeting in Oslo, December 1998

During the OSCE Foreign Ministerial meeting in Oslo on 2–3 December, Bronislaw Geremek, the CIO, reported on his talks in Yerevan and Baku, focusing mainly on Azerbaijan's rejection of the Common State Plan.<sup>94</sup> He noted that 'little progress' was made in key trouble spots in the South Caucasus. The FMs called the conflict parties to resume talks 'without any delay' on N-K and Trans-dniester in Moldova.<sup>95</sup> With regard N-K, the CIO 'called on the parties concerned to demonstrate the political will to negotiate and compromise in the interest of achieving a mutually acceptable and mutually advantageous resolution of the conflict'. Within this context, exchange of prisoners was considered an important factor in CBMs. In order to strengthen democratic institutions in the South Caucasus states and prepare its peoples toward a compromise solution, the CIO signed a memoranda of understanding between the OSCE Office for Democratic Institutions and Human Rights (ODIHR) and Armenia, Azerbaijan and Georgia that 'aimed at deepening cooperation in the fields of democracy and human rights'.<sup>96</sup> Unlike before, this was a turning point in the OSCE's new peace strategy because it tried to bring about some form of accommodation between the interests of the identity groups and states. Apparently, the post-Soviet South Caucasus states were transitional societies which lacked the foundations of civil society, human rights standards and had fragile democratic institutions. Certainly, the aim was also to create new human and political capacities to solve problems. Building civil society and enhancing cooperation between the peoples of the South Caucasus could be fruitful 'by involving parties who were not yet ready for negotiations but did not want a destructive relationship to continue'. As Harold Saunders notes a changed relationship would 'create new grounds for mutual respect and collaboration'.<sup>97</sup>

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93 De Waal, *Black Garden*, p. 256.

94 Fuller, *RFE/RL Caucasus Report*, Vol. 1. No. 41, 8 December 1998, p. 2.

95 Lisa McAdams, 'Report Roundup from the Foreign Ministers', *RFE/RL OSCE*, 4 December 1998.

96 'The OSCE Report on Chairman-in-Office's Activity', 7th Ministerial Council Oslo, December 1998. Posted on <http://www.osce.org/docs/english/1990–1999/mcs/7oslo98e.htm>.

97 Saunders, *A Public Peace Process*, p. 85.



Additionally, deepening cooperation between ODHIR and the South Caucasus states in the fields of democracy and human rights could facilitate the practice of more democracy, tolerance and humanitarian solutions to the problems of the refugees in both countries. Addressing refugee problems was crucially important for the creation of humanitarian space and the resolution of the conflict. Since the beginning of the peace process in 1992 humanitarian space was not created in order to empower and resettle displaced populations and rebuild the structures of civil society in Armenia and Azerbaijan. Moreover, ODHIR would encourage both communities to establish contacts across ethnic lines in order to lessen the mutual hatred and eventually create a degree of trust between them. Thus, with the creation of mutual trust both communities would be able to accommodate their mutual needs and interests rather than view the issues of security and status as zero-sum. This is consistent with Ted Robert Gurr's argument that 'it was a mistake to regard ethno-territorial conflicts as intrinsically zero-or negative-sum'.<sup>98</sup> Indeed, the transformation of the Karabakh conflict could occur through autonomy or power-sharing, but Gurr stresses that whether autonomy agreements would lead to transformation 'depended on the political will of leaders on both sides, the resources of the state, and the specifics of the autonomy agreements themselves'.<sup>99</sup>

The Armenian and Azerbaijani FMs, Oskanian and Zulfugarov, who participated in the Oslo Ministerial meeting, did not formally meet. However, both of them addressed the OSCE and expressed their government's view of peace with regard to the conflict and regional developments. Oskanian called the OSCE to acknowledge that each conflict in the Caucasus had its unique features and that they should not 'suffer from the collective paralyzing fear of precedent setting'. This meant that the particularities of each conflict should be acknowledged accordingly without trying to find a similar solution to all of them (N-K, Abkhazia, South Ossetia). According to Oskanian, Azerbaijan's rejection of the Common State had demonstrated 'its unwillingness or inability to reach a negotiated settlement of the conflict on the basis of mutual compromises'.<sup>100</sup> He praised the Organisation's efforts in trying to reconcile the incompatible principles of territorial integrity and self-determination and reiterated that the Common State was 'clear middle road which might lead to a status for Karabakh that the parties could live with'. The Organisation's proposal grew 'out of its concern that the window of opportunity for a negotiated settlement was narrowing, and that ceasefires were inherently unstable'.<sup>101</sup> With regard to the US, Oskanian was critical of the Clinton administration's policy on the Karabakh conflict because the promotion of oil routes in the Caucasus (examined in Chapter 3) 'had made the construction of the Baku-Ceyhan pipeline an end in itself, leaving the administration seemingly oblivious to the tenuous state of affairs in the Caspian'. Still, the US 'having failed to emphasise sufficient economic and

98 Gurr, 'Transforming Ethno-Political', p. 3.

99 Gurr, 'Transforming Ethno-Political', pp. 11–13.

100 Emil Danielyan, *RFE/RL Armenia Report*, 3 December 1998, p. 1.

101 Oskanian, *Speaking to be Heard*, p. 461.

political reform in the region had compromised its core principles of democracy and human rights for the sake of a questionable geopolitical strategy'.<sup>102</sup>

Obviously, Oskanian tried to bring to the attention of the US that the exclusive promotion of the Baku-Ceyhan oil route and bypassing Russia's and Iran's interests in the Caspian would not contribute to regional cooperation and eventually to peace. Resolving the conflict on the status of the Caspian between the five littoral states (examined in Chapter 3) should come prior to pipeline construction. Perhaps Oskanian was calling for greater involvement of the US in the resolution of the N-K conflict because its occasional involvement had been motivated by economic interests in the region. Certainly, the US as a major power and one of the Co-Chairs of the MG used mediation as an appropriate instrument to fulfil its economic interests, mainly oil, and it was not surprising that it tried to avoid, or it was indifferent, to some terms that were being negotiated. Addressing the real causes and needs of the conflict parties were primary to further planning and construction of pipelines. Consistent with the contingency approach, in addition to mediation, different forms of interventions, such as interactive conflict resolution, could have improved the relationship between the parties and addressed the basic needs.

On the other hand, Azerbaijan was optimistic in that the European Ministers at the Oslo meeting would abandon the Common State plan and initiate a new plan to resolve the conflict. In his speech Zulfugarov rejected 'to make Azerbaijan and N-K, the hub of the Caspian oil industry, a Common State'. He described the proposed plan as 'an unsuccessful attempt to create a new form of statehood' in the South Caucasus and called the OSCE to abandon it.<sup>103</sup> Zulfugarov also emphasised that Azerbaijan could only grant N-K a high degree of autonomy rather than independence as new institutional arrangement without clarifying the negotiable specifics of regional autonomy. An independent N-K would threaten the existence of Azerbaijan and inhibit its economic development. An autonomy agreement with N-K could be an effective means for managing the conflict but autonomy might not lead to conflict transformation. As Gurr notes 'whether autonomy agreements lead to transformation' of internal violent conflicts 'would depend on the political will of leaders on both sides, the resources of the state, and the specifics of the autonomy agreements themselves'.<sup>104</sup> Zulfugarov further stressed that the situation in N-K could be described as 'neither peace nor war' and that Azerbaijan would remain 'committed to preserve the ceasefire agreement until the final settlement of the conflict'.<sup>105</sup>

The OSCE FMs in Oslo at the end of the two-days talks pledged to continue and strengthen peacemaking efforts in N-K. They did not cut specific promises to present new peace plans but the CIO with the Co-Chairs of the MG appealed to

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102 Danielyan, *RFE/RL Armenia Report*, 3 December 1998, p. 2.

103 *Reuters*, 3 December 1998.

104 Gurr, 'Transforming Ethno-Political', p. 16.

105 *Reuters*, 3 December 1998.

the conflict parties to start direct negotiations. This is what the next part of this chapter deals with.

### Direct Negotiations Between Aliiev and Kocharian, 1999

As mentioned above, the second shift in the OSCE's strategy to conflict resolution was the change in the format of the negotiations from that of the MG Co-Chairs meetings with the conflict parties to face-to-face diplomacy between Aliiev and Kocharian. On 25 April 1999 both Presidents met in Washington DC while they were attending NATO's 50th anniversary ceremony. The two men had virtually not seen each other since January 1999 when they met in Moscow at the CIS summit. US Secretary of State Madeleine Albright convened Presidents Aliiev, Kocharian and Eduard Shevardnadze of Georgia in her office to discuss issues of regional security and cooperation, as well as a US proposal on a trilateral program of clearing the land mines in the South Caucasus. OSCE officials, EU representatives and the Turkish FM Ismail Cetin also attended the meeting.<sup>106</sup> From a US perspective, cooperation between the South Caucasus states on security issues would encourage the three Presidents to think about a genuine resolution of the conflicts. But Albright left Aliiev and Kocharian to talk face to face. Thomas de Waal notes that 'both were hard, lonely leaders who were more comfortable with the format of confidential top-level talks'.<sup>107</sup> By dialogue both leaders would share differences and commonalities and eventually perhaps take possible action once their relationship had begun to change. The US took the initiative and proposed some principles for the resolution of the N-K conflict. The US initiative stipulated: 'The territorial integrity of the South Caucasus states; Armenian withdrawal from the occupied territories and the return of the displaced people to their homes; deployment of an international peacekeeping force in the zone of conflict; and formulation of the status of N-K'.<sup>108</sup>

The intensification of the US efforts to achieve a breakthrough coincided with the Co-Chairs efforts who were trying to introduce a new dynamics in the peace process. The US prompted the view that economic integration in the region would contribute to the stability and economic prosperity of the impoverished South Caucasus states. It was necessary to encourage political, economic and communal cooperation between the Armenians and Azerbaijanis in order to build trust between them. Improved inter-state relations in the region would contribute to conflict resolution efforts. Further, the US viewed the region as a key strategic

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106 Richard Giragosian, *Transcaucasus, A Chronology*, Vol. 8, No. 5, May 1999, p. 4.

107 De Waal, *Black Garden*, p. 263.

108 Interfax News Agency, FBIS-SOV, 6 May 1999.

location and a vital land bridge between Asia and Europe, physically linking the Caspian Sea and Central Asia with the Black Sea and Western Europe.<sup>109</sup>

The US renewed dynamics and active involvement in the peace process was a signal to reinvigorate the negotiations and help both Presidents to achieve a compromise. But we should acknowledge that the US had also economic stakes in the region and that without the resolution of the ethnic conflicts in Azerbaijan and Georgia the Caspian hydrocarbon reserves could not be exploited. Indeed, it was the US that encouraged American and Western oil companies to invest money and participate in the signing of the so-called Contract of the Century in 1994 (examined in Chapter 3).

Within this context, since the early 1990s Armenia and Azerbaijan had been major recipients of US economic aid despite the fact that in 1992 the American Congress enacted Section 907 of the Freedom Support Act that imposed serious restrictions on direct technical aid to Azerbaijan and military assistance to Armenia at the instigation of the Armenian lobby in the US. Section 907 restricted US assistance to Azerbaijan until such time as it removed its blockades to Armenia and Karabakh. But it is worth noting that in January 2002 President George W. Bush waived Section 907 and the restrictions were lifted as the construction of the BTC pipeline got underway and the US companies were to help Azerbaijan develop its oil reserves.<sup>110</sup> Thus, the US had shown increasing interest in developing Azerbaijan's oil reserves to limit Iranian and Russian influence in the region. Indeed, some American oil companies established a presence in Baku since 1994.<sup>111</sup> In the late 1990s there were hopes that the proposed BTC pipeline would advance stability in the region, with initial plans routing it across Armenian territory therefore necessitating ending the N-K conflict and improving relations between Armenia and its two adversaries, Azerbaijan and Turkey.<sup>112</sup> But due to the uncompromising attitude of the Karabakh leadership and visible attempts to move away from the Russian zone of influence the pipeline infrastructure was diverted, with Armenia being excluded from any economic benefits.

To follow up the principles that were introduced by Albright during the talks in Washington, Steven Sestanovich, the advisor to the US Secretary of State for the newly independent states of the FSU, was sent to the region. Sestanovich after having met with Aliiev and Kocharian emphasised US support for further negotiations on the settlement of the conflict in two formats: within the framework of the OSCE MG and through direct negotiations between the two Presidents.<sup>113</sup>

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109 Emil Danielyan, 'New Efforts to Solve the Nagorno-Karabakh Dispute', *RFE/RL Armenia/Azerbaijan*, 24 May 1999.

110 German, *Regional Cooperation*, pp. 47–8.

111 Danielyan, 'New Efforts', 24 May 1999.

112 Maresca, 'A Peace Pipeline', pp. 17–18.

113 *Itar-Tass News Agency*, 'Azerbaijan Hails Invigoration of US Efforts in Transcaucasia', FBIS-SOV, 22 May 1999.

Since mid-July 1999 four rounds of direct talks between the two Presidents and active US support of that endeavour to settle the N-K conflict engendered optimistic speculation that either a formal peace agreement or a framework document could be signed at the OSCE summit in Istanbul in late November 1999.<sup>114</sup> It seemed that Aliiev and Kocharian were serious in their efforts to achieve a breakthrough. Apparently both Presidents revived what had been called the Goble plan that assumed a territorial exchange between Armenia and Azerbaijan to resolve the N-K conflict. Basically Armenia would be given the Lachin corridor linking it to N-K, while Azerbaijan would receive a land corridor across Armenia's southern Meghri region connecting it with Nakhichevan. Etibar Mamedov, Chairperson of the Azerbaijani National Independence Party, leaked the proposed draft settlement and stressed that the plan did not mention Azerbaijan's territorial integrity. The second leak appeared in the 29 October issue of Moscow's *Nezavisimaya gazeta* claiming that the agreement was nominally based on the package rather than the step-by-step approach.<sup>115</sup>

It is difficult to corroborate how much the leaked reports were true. Apparently, they intended to test the opposition within both countries to a settlement based on territorial exchange. Many Azerbaijani politicians rejected the plan because it meant surrendering N-K to Armenia. In October 1999, three of Aliiev's top aides resigned apparently over this issue, weakening the country's central leadership. These were Vafa Guluzade, Foreign Policy Advisor; Tofik Zulfugarov, Foreign Minister; and Eldar Namazov, Head of his Secretariat.<sup>116</sup> In Armenia, too, territorial exchange was unacceptable to hard-line nationalists who warned Kocharian not to sign a peace deal that would not guarantee either independence of N-K or its unity with Armenia.<sup>117</sup>

On 27 October 1999, Strobe Talbott, US Deputy Secretary of State, visited Armenia en route to Istanbul and held talks with Kocharian, Oskanian and the Prime Minister Vazgen Sarkisian on the Karabakh negotiation process. On 26 October Talbott had talks with Aliiev. On the morning of October 27, Kocharian had also a telephone conversation with Yeltsin. Sarkisian then crossed to the Armenian parliament to answer government questions. After a short time, as the session was closing, a man wearing a long raincoat and carrying a machine gun burst into the house and immediately opened fire on the front row of the seats. Another assailant entered and fired at the podium where Speaker Karen Demirchian laid. Within a few minutes eight deputies including Sarkisian and Demirchian were dead and a number of other deputies were wounded.<sup>118</sup> Whatever the aim of the attackers, among them a former journalist Nairi Hunanian, the parliament shootings

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114 Elizabeth Fuller, 'Tactical Leaks', *RFE/RL Caucasus Report*, Vol. 2, No. 45, 11 November 1999, p. 3.

115 Fuller, 'Tactical Leaks', pp. 3–4.

116 Fuller, 'Tactical Leaks', p. 3. Also, see de Waal, *Black Garden*, p. 264.

117 Fuller, 'Tactical Leaks', p. 3.

118 De Waal, *Black Garden*, p. 265.

devastated the Armenian political landscape. The Yerkrpah Union of veterans of the Karabakh war called for new presidential elections as a way to extricate Armenia from the political crisis.<sup>119</sup> Kocharian did not resign but certainly the killings slowed down the US supported bilateral talks.

It was unclear who might have stood behind the killings. One line of speculation was that the attackers had been instructed to prevent a possible breakthrough on N-K by eliminating Sarkisian, who was not sure whether Armenia should exchange Meghri with Lachin.<sup>120</sup> Kocharian and Oskanian categorically denied any relation between the parliament shootings and the ongoing efforts to resolve the Karabakh conflict.<sup>121</sup> Yet, 'the timing of the killings, just after Talbott had met Sarkisian, was certainly very striking'. Talbott was later quoted as saying that the conflict parties were 'very, very close' to an agreement and called the massacre 'a human, political, and geopolitical catastrophe'.<sup>122</sup> Another line of speculation was that the killings had a domestic political motive that stemmed from the 30 May parliamentary elections when Sarkisian and Demirchian formed the Unity alliance against Kocharian. But describing his relations with Kocharian, Sarkisian said: 'We were close friends; we were comrades in arms and we were also linked by fate'.<sup>123</sup> It is difficult to know the motive behind the killings and find out whether Sarkisian was really hesitant to sign the peace deal or not. But it seemed that 'Sarkisian was a close ally of the Russian security establishment, the most likely suspect for wanting to sabotage a US-led peace deal' writes de Waal.<sup>124</sup> Kocharian was able to re-establish his authority and the Armenian-Azerbaijani bilateral negotiations resumed in 2000 (see Chapter 6).

## Conclusion

Chapter 5 examined three potential solutions to the N-K conflict that aimed to break the deadlock and establish peace. The Common State plan that envisaged two state arrangements with possible confederation was unacceptable for Azerbaijan because it threatened its security and resources. Negotiations over territorial compromises or exchange were fruitless because such compromises did not enhance each party's sense of safety and identity. The Stability Pact that offered an alternative paradigm for political and territorial arrangements in the South Caucasus in opposition to the Westphalian concept of nation-states did not appear to be able to bring peace to the region because it emphasised economic

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119 Elizabeth Fuller, 'Yerkrpah Leaders Throw Down the Gauntlet', *RFE/RL Caucasus Report*, Vol. 2, No. 49, 10 December 1999, p. 1.

120 Hakobyan, *Karabakh Diary*, p. 261.

121 Fuller, 'Tactical Leaks', p. 3.

122 Quoted in de Waal, *Black Garden*, p. 266.

123 Hakobyan, *Karabakh Diary*, p. 256.

124 De Waal, *Black Garden*, p. 266.

development and integration and ignored the communal content of the conflict. Perhaps establishing a Common State between Azerbaijan and Karabakh was a lost opportunity to make peace because Azerbaijan's desire to return to normal politics was unattainable after N-K's *de facto* independence. Time and again, however, the conflict parties had been getting stuck on their mutually exclusive positions of the sought-for return to territorial integrity, desired by the Azerbaijani side, and the acceptance of a new status not subordinate to Azerbaijan, desired by the Armenian side and the Karabakh leadership. It should be noted that in the protracted internal conflict of N-K, negotiating a settlement to the mutual satisfaction of the conflict parties was very difficult which is to say nearly impossible because the issues of security, status and identity are often the least negotiable. For the Karabakh leadership an independent status is the only guarantee to preserve Armenian identity, and for Azerbaijan an independent Karabakh will threaten its territorial integrity and security. Shortly, a track one process was ineffective in resolving the conflict because it did not provide security and humanitarian space in that the conflict parties would be able to build trust within and across their communities while at the same time establishing new relationships between them.

The shift in the OSCE conflict resolution strategy from third-party mediation to bilateral negotiations between the Armenian and Azerbaijani Presidents was a positive factor in the peace process. The two men had a real opportunity to establish a relationship of trust but their constituencies remained skeptical and hostile toward each other. They were unable to diffuse their anger, fears and suspicions. Unofficial channels of communication, which could supplement the official negotiation process, were not used to overcome the deadlock. A breakthrough was not achieved because the politicians surrounding both Presidents considered 'cooperation or concession as tricks or ploys aimed at luring their own party into a position of vulnerability'.<sup>125</sup> Thus, the deadlock was a major obstacle to the success of the negotiation process. It occurred because of the high degree of uncertainty and/or distrust and because both sides were uncertain about the actual effect of the potential peace plans. Both parties were engaged in bluffing and posturing, as per hypothesis 2. Similarly, the deadlock was not overcome because the Karabakh leadership had no incentive to make concessions and because it had a superior BATNA or security point available, as per hypothesis 1. It was unready to bargain its *de facto* independence that it obtained without negotiating with Azerbaijan. If the status of N-K was to be discussed, the Karabakh leadership must be present and the Karabakh people must be amply consulted. Deadlock was also not overcome because Azerbaijan saw the deal on offer as lacking in fairness, legitimacy and justice. Thus, Azerbaijan preferred to incur the costs of deadlock rather than make concessions and accept the Common State plan that it saw as deeply unfair.

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125 Bercovitch and Lutmar, 'Beyond Negotiation', p. 241.

## Chapter 6

# Bilateral Negotiations Between Armenia and Azerbaijan (2001–06)

### Introduction

Chapter 6 examines and analyses new opportunities for negotiating Armenian-Azerbaijani peace in light of the Paris and Key West summits in 2001 and the role of the external actors who tried to break the strategic deadlock. It also addresses the Prague process that commenced in the summer of 2004 and continued in 2005 between the Armenian and Azerbaijani Foreign Ministers that aimed to formulate general principles that could be further negotiated to achieve peace. Consequently, this chapter examines the Rambouillet and Bucharest summits that tried to bridge the previously formulated package and phased peace plans in 1997 to resolve the conflict. For the first time since 1997 the Co-Chairs of the MG articulated the necessity of a referendum to determine the final status of N-K. The Co-Chairs, as the mediators in the conflict, would use any stick or carrot at their disposal to nudge the parties toward a zone of agreement. Still, Chapter 6 pinpoints the obstacles that hindered progress in the negotiations and tests hypotheses 1 and 2 because uncertainty discouraged the parties to render the necessary concessions and utilise the new window of opportunity for reaching an agreement.

### The Paris Summit on 4–5 March 2001

In 2001 the three Co-Chairs of the MG demonstrated further cooperation and harmonised their efforts to achieve peace. The months of March and April were marked by a flurry of diplomatic activity over N-K. Indeed, bilateral negotiations between Aliiev and Kocharian resumed in Paris on 4–5 March chaired by President Jacques Chirac, who encouraged both Presidents to reach general principles upon which a final agreement would be negotiated. It seemed that the participation of the Karabakh leadership in the talks was somehow solved since Kocharian came from N-K. According to the *New York Times* Chirac was ‘guardedly optimistic about a possible settlement’. Chirac in a phone conversation with President Bush discussed that an international ‘multibillion-dollar aid package’ should be offered to both sides to facilitate economic development in the war torn region of the



South Caucasus.<sup>1</sup> Chirac's proposal reflected power in mediation as the US and France apparently wanted to use leverage which came in the form of gratification. Power mediation is consistent with the contingency approach to conflict resolution articulated by Fisher and Keashly.<sup>2</sup> Side payments that require considerable resources and engagement might be needed to augment or enhance the outcome to one or both parties and turn the zero game positive. Indeed, as Zartman and Touval note, 'side payments might be attached to the outcome itself, such as third-party guarantees of financial aid for accomplishing changes required by the agreement, or it might be unrelated to the outcome itself, simply additional benefits that would make agreement more attractive'.<sup>3</sup> Perhaps Chirac tried to persuade both Presidents and point out the attractiveness of conciliation on available terms and the unattractiveness of continued conflict in that peace would boost trade relations between the three South Caucasus states.

Apparently, there was a coordinated move when newspapers in Armenia and Azerbaijan printed leaked copies of the 1997 and 1998 peace plans. Additionally, the press in both countries referred to the so-called Paris Principles that envisaged a territorial swap between Armenia and Azerbaijan. Thus, Armenia would cede its southeastern Meghri district (a remote area that borders Iran) to Azerbaijan in return for N-K. This arrangement would give Azerbaijan direct access to its exclave of Nakhichevan Autonomous Republic that was land-locked by Armenia.<sup>4</sup> Probably the leaks intended to test public opinion on a possible territorial swap and prepare for an entirely different plan. We refer below to the leaked so-called Paris Principles that were allegedly discussed by Aliiev and Kocharian:

- All the occupied territories under the control of the Karabakh Armenian forces, except the Lachin corridor should be given back to Azerbaijan.
- The Lachin corridor should remain under the control of the Karabakh Armenian forces for five years after which its status should be decided.
- Transport communication should be restored between Azerbaijan and its exclave Nakhichevan through the Armenian Meghri district.
- N-K would get the status that was stipulated by the proposal about a Common State, but this name would not be used. Karabakh would get the right to conduct independent foreign and domestic policies and keep self-defense forces. The status of Shushi and conditions of the return of the refugees would be coordinated separately.

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1 Fuller, 'OSCE Karabakh Peace Proposals Leaked', pp. 3–4.

2 Fisher, *Interactive Conflict Resolution*, p. 165.

3 Zartman and Touval, 'International Mediation', p. 449.

4 See Elizabeth Fuller, 'How the Goble Plan was Born and How it Remains a Political Factor', *RFE/RL Caucasus Report*, Vol. 3, No. 23, 8 June 2000.

- At least one thousand Azerbaijanis should be allowed to return to the town of Shushi which should receive a special self-governing status and safe land connection with Azerbaijani Fizuli district.<sup>5</sup>

Armenia and Azerbaijan did not explain explicitly the so-called Paris Principles. However, what Oskanian and Vilayet Quliyev, FM of Azerbaijan, announced in July 2002 hinted to a framework agreement discussed by both Presidents. Indeed, on 16 July 2002 Oskanian said that ‘we had frequently stated that we believe the Paris Principles constituted a real and sufficiently firm base for continuing negotiations on a resolution of the conflict’.<sup>6</sup> Similarly, Quliyev stated that exchange of territories ‘was probably one of the options for the settlement of the conflict which was discussed by the sides during the talks’ in Paris. As before, Azerbaijan favoured a resolution that would preserve its territorial integrity and would be implemented on step-by-step basis to create trust between the conflict parties. Quliyev did not rule out the option of a territorial swap but he reiterated that exchanging territories was ‘a constitutional issue that should be debated between high-ranking officials. However, the entire nation should express its willingness toward it’.<sup>7</sup> It seemed that the proposal of a territorial swap was not new. According to Oskanian it existed before March 2001 (the Goble plan) and was raised more than once during the negotiation process. He reiterated that:

The proposal was that Meghri with its Soviet borders should be exchanged with the RNK and Lachin with their Soviet borders. Karabakh with Lachin should become Armenian territory and Meghri Azerbaijani territory. Armenia would have uninterrupted ties with Iran through Meghri without having to cross Azerbaijan’s customs point. There had been such a proposal, but I repeat it was not submitted by Armenia and was not considered an official proposal.<sup>8</sup>

From an Armenian perspective, Armenia was asked to cede its most strategic part of its territory in exchange for N-K. Swapping territories meant ‘exchanging one

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5 Asbarez, ‘Kocharian Lists Paris Principles Refutes Azeris’, 7 October 2002. Also, see Tatul Hakobyan, ‘Edward Simonians Reveals Paris Principles’, *AZG*, No. 179, 4 October 2002. Also, see R. Mirkadyrov, ‘Has Azerbaijan Agreed to Nagorno-Karabakh’s Unification with Armenia?’ *Zerkalo*, 20 June 2002.

6 Lilit Grigorian, ‘Armenian Foreign Minister Vartan Oskanian’s Interview to AZG’, *AZG*, 16 July 2002.

7 M. Bagirov, ‘Azeri Foreign Minister Says Paris Principles no More than Exchange of Views’, *EKHO*, 10 July 2002. Also, see *RFE/RL Newsline*, Vol. 6, No. 128, part I, 11 July 2002. Also, see Elizabeth Fuller, ‘Baku Ignores Minsk Group Caution Against Saber-Rattling’, *RFE/RL Caucasus Report*, Vol. 4, No. 28, 6 August 2001.

8 ‘Foreign Minister Oskanian Says No One Intends to Resume War Over Karabakh’, *Hayots Ashkar*, 15 April 2000.

Armenian territory with another'.<sup>9</sup> Such an exchange not only would cut Armenia from Iran, which had strategically provided crucial unblocked access to the outside world, but also it would establish a common border between Azerbaijan and Turkey. Hence, 'in five to ten years Azerbaijan's cherished dream of unification with Turkey would become true'.<sup>10</sup> Undoubtedly, this perception revealed Armenian fears and security concerns that had predominantly a psychological character that stemmed from the unresolved conflict of the 1915 Armenian genocide.

From an Azerbaijani perspective, as mentioned above, Quliyev did not categorically deny the idea of a territorial exchange to resolve the conflict. Azerbaijan was more ambivalent on the idea of territorial swap. On 24 February 2000, Quliyev stated that 'Azerbaijan would consider as a great success the reaching of an agreement or resolving the Karabakh conflict that would grant the country a corridor to Nakhichevan in exchange of the Lachin corridor uniting Armenia with N-K'.<sup>11</sup> It seemed that this arrangement was a unilateral concession by Armenia since N-K was already under Armenian control. Perhaps, Azerbaijan could declare it nationwide as a 'tactical victory' and hence 'mitigate the feared outrage' of the nation which had been against ceding Azerbaijani territories to Armenia.<sup>12</sup> But given the conditions of mistrust, suspicion and long-standing hostile relationship between the two peoples it was unlikely to sell such a tactical victory to the Azerbaijanis.

With regard to Azerbaijani losses in the case of exchanging Meghri with N-K, three negative factors could arise. Firstly, Azerbaijan would give up insisting on its territorial integrity, a policy that it pursued since the early 1990s when the Karabakh Armenians seceded from Azerbaijan and declared independence. Secondly, Azerbaijan would cede the territory of N-K with the Lachin district an estimated area of 4,800 sq. km to the Karabakh Armenians in return for the Meghri region that was estimated around 500 sq. km. Thirdly, if the swapping of territories became true then the issue of refugees could be difficult to solve. The Karabakh authorities could not facilitate the return to their homes of the displaced persons from Lachin and Shushi and other villages during the war.<sup>13</sup> The issue of the refugees is complex and very sensitive because it is related to demography. From the author's interviews it appears that there are various ways to address it. For example:

Joint Armenian-Azerbaijani committees should be established to address the issue of the refugees. The Karabakh authorities need to have clear statistics from the Soviet period on the Azerbaijani inhabitants of N-K before the war. It is also

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9 Harout Sassounian, 'Exchanging Meghri with Karabakh: Good Idea or Political Suicide', *California Courier Online*, 25 May 2000.

10 *Snark News Agency*, 6 June 2000.

11 Fuller, 'How the Goble Plan', p. 3.

12 Fuller, 'How the Goble Plan', p. 3.

13 M. Sirvanli, 'On the Swap of Territories', *Zerkalo*, 12 April 2001.

important to discover how many Azerbaijani families left the region and went to live elsewhere as a result of Soviet discriminatory policy. Those families who left in the Soviet period cannot be considered refugees. Azerbaijan should not exploit the humanitarian issue of the refugees in order to increase the number of the Azerbaijani inhabitants of N-K.<sup>14</sup>

It has been argued that a territorial swap would break the deadlock and minimise dependence on Moscow's approval to any proposed solution. But breaking the deadlock primarily would occur when one or both of the parties were having their important needs meet. Resolving the conflict by swapping territories could prevent Moscow from using its leverage in the South Caucasus states and stop manipulating both Armenia and Azerbaijan. Yet, such an argument seems premature. It is difficult to eliminate Moscow's influence because Russia has been one of the Co-Chairs of the MG. Still, the South Caucasus is vital for Russia's own security, in military, economic and political terms (see Chapter 3). Russia has also sought to counterbalance the growing involvement of other actors in the region. Thus, the resolution of the conflict should preserve the interests of the regional actors too.

With regard to the issue of the refugees, those who supported the quick return of the Azerbaijani refugees to their homes 'at any price' believed that their return could only be realised if Azerbaijan 'would grant N-K an independent status'.<sup>15</sup> Getting the Meghri district was better than keeping the refugees under tents and blaming the Azerbaijani government of indifference. But even the supporters of this view could raise the question whether a territorial swap was the best alternative for a peaceful settlement of the conflict. Could it be possible to have a better alternative? The response to this question was that 'Baku's stance in the bilateral talks after December 1998 was the stance of a weak side which agreed to everything provided that the problem was in the past and it was not seen as capitulating completely'.<sup>16</sup> But this did not necessarily mean that Aliiev could sign a defeatist peace agreement surrendering Azerbaijan's territorial integrity. Given the particularly difficult issues of the refugees, status and security both disputants were concerned with saving face to be able to move forward towards agreement. On 24 February 2001, the leaders of more than 50 political parties and social organisations announced that they would organise 'mass protests if it appeared that the Azerbaijani authorities favoured signing a capitulatory peace agreement with Armenia'.<sup>17</sup>

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14 Author Interview with Karen Bekaryan, Chairperson of the European Integration NGO, Karabakh October 2013.

15 Sirvanli, 'On the Swap of Territories', *Zerkalo*, 12 April 2001.

16 Sirvanli, 'On the Swap of Territories', *Zerkalo*, 12 April 2001.

17 Ara Tadevosian, 'A Summit Meeting on Nagorno-Karabakh in Paris this Month is Being Hailed as the Region's Camp David', *Institute for War and Peace Reporting (IWPR), Caucasus Reporting Service* (thereafter *IWPR CRS*), Issue 72, 2 March 2001, p. 2.

From the aforementioned, it is reasonable to assume that Aliiev could have negotiated on the so-called Paris Principles. Although it might seem a defeatist peace by the Azerbaijani public, the option of swapping territories presented one of the very limited range of possibilities for a new status for N-K that could be satisfactory to both parties. Perhaps Aliiev was convinced that Azerbaijan would be unable to practice direct rule over N-K after 12 years of its secession and self-rule. However, Aliiev needed some sort of diplomatic victory to save face and convince his people that getting the Armenian Meghri district undoubtedly would be crucial for linking Nakhichevan with Azerbaijan. Meghri would compensate the loss of N-K. By using diplomacy, Aliiev should guarantee the return of the six Azerbaijani occupied districts, except Lachin, in order to resolve his internal problem of the refugees and IDPs. There could be no complete return of the refugees but at least a large number of them would return. According to the Geneva-based Internal Displacement Monitoring Center many of the IDPs had been rehoused in or around Baku. For example, in 2012 more than 10,000 refugees moved into new housing but the government kept 'ownership of the properties so that it could evict the refugees if they were ever able to return to N-K'.<sup>18</sup> Therefore, by leaving Lachin under Karabakh Armenians' control as a safe land link with Armenia and by getting the Meghri district to connect Nakhichevan with Azerbaijan Aliiev could grant N-K some form of self-rule but not outright independence because Azerbaijan's claim of sovereignty over the region. However, had Armenia and Azerbaijan agreed to a territorial swap its implementation would have been difficult without the consent of Russia, Turkey and Iran. As discussed above, any resolution should satisfy both the internal and external actors to the conflict. What follows next is an analysis of the posture of the Karabakh leadership with regard a territorial swap.

### *The Posture of the Karabakh Leadership*

The Karabakh leadership ruled out the idea of swapping territories to resolve the conflict. Its official stance was articulated by Manuel Sarkisian, political advisor to President Gukasyan, who described the idea as being extremely sensitive because it hinged on the approval of Russia and Iran. According to M. Sarkisian, the issue of the status was the most crucial issue at stake and it should not be determined by swapping territories.<sup>19</sup> On 26 October 2001, Gukasyan initially took a conciliatory stance when he announced that the 'idea had the right to exist'. However, only the Karabakh leadership and Azerbaijan could discuss territorial problems because Armenia's government was not responsible to do so. Gukasyan did not specify which occupied territories could be discussed with Azerbaijan and criticised the

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18 'Karabakh Refugees: A Bilateral Problem with no Solution in Sight', *Transition Online*, 20 November 2013, posted on <http://www.tol.org/client/article/24055-big-corrup-tion-bust-in-poland-suspicious-activity-closes-a-russian-bank.html>.

19 'The Problem of Territorial Demarcation is the Monopoly of the NKR and Azerbaijan', *Aravot*, 9 June 2001.

Armenian-Azerbaijani talks on the issue of status because the negotiations had been taking place without the participation of the Karabakh leadership. For the Karabakh leadership the need for recognition was both the top and bottom line. In order to foster a settlement, recognition and dialogue were preconditions, and for these to take place both parties have to be accepted as legitimate. Obviously, since Karabakh's secession, the leadership sought recognition and had it been achieved, 'only operational details would remain to be negotiated'. Additionally, 'there was no room for trade-offs, which were the components of bargains. Recognition and commitment were integral and indivisible and the secessionists had little to give up but their rebellion'.<sup>20</sup> Moreover, Gukasyan explicitly stressed that the Karabakh leadership would not accept an autonomous status within Azerbaijan.<sup>21</sup> In 2013, after 25 years of self-rule the current leadership is still committed and determined to achieve recognition. On 5 October 2013, Karen Mirzoyan, Karabakh's FM reiterated that:

The RNK's status had been determined by the people of Karabakh through free and legitimate expression of will in the referendum on independence in 1991. There could not be backward journey to the past. The RNKs independence and security could not be bargained and we had repeatedly stated this position.

In 2006 the constitution of the RNK was adopted through a national referendum. The people of Karabakh once again expressed their commitment to the chosen path and confirmed the inevitability of that process. Today, the RNK is an established independent state with all the requirements and institutions of statehood, with its own constitution, active civil society and a dynamically developing economy.<sup>22</sup>

Within this context, apparently the Karabakh Leadership tended to have a considerable degree of political autonomy from Yerevan. This was contrary to the expectations of the MG Co-Chairs in that since Kocharian was from Karabakh he could negotiate on the RNK's behalf. But it is reasonable to assume that Gukasyan's stance could have been tactical in either strengthening Kocharian's position on N-K's independence or not agreeing to territorial concessions since N-K had won the war militarily. In 2001, Gukasyan considered the occupied territories as a resource 'that could be used for looking for ways of settling the conflict'. Moreover, he expressed desire to meet Aliiev in Baku to discuss the fate of the territories controlled by the Karabakh army because the issue of withdrawal

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20 Zartman, 'Dynamics and Constraints', p. 10.

21 'Karabakh Leader Talks of Land Exchange to Settle Conflicts', *Interfax News Agency*, FBIS-SOV, 26 October 2001.

22 Author interview with Karen Mirzoyan, Karabakh's Foreign Minister, Karabakh October 2013.

was directly related with the security of N-K.<sup>23</sup> As before, the Karabakh leadership was trying to use the issue of the occupied territories as a bargaining chip with Azerbaijan. Gukasyan also argued that the Karabakh Leadership was not 'actively lobbying' to be recognised as an independent state by Armenia because it still hoped to find a 'common language with Azerbaijan' to resolve the conflict.<sup>24</sup>

The stance of the military establishment of the RNK was unbargainable. Four military commanders who were interviewed by the author categorically rejected the idea of a territorial swap and refused to label the Azerbaijani territories under their control as occupied territories. They insisted that:

Some of these were liberated territories and could not be exchanged with other Armenian territories. Are we going to exchange Armenian territories in return of Karabakh? This approach to peace was rejected. Concessions could not include surrendering Armenian territories, such as Meghri, to Azerbaijan. If Armenia would commit such a mistake in the future then the Armenians would be unable to raise territorial rights in Javakheti, Georgia, and Kars in Turkey. Karabakh's President must not accept what Armenia's authorities dictate.<sup>25</sup>

A similar view was expressed by Mirzoyan:

If we talk about liberated Armenian territories during the war that was imposed on Karabakh then they would not be returned because they are inseparable part of the RNK and are crucial for its security. One should also not forget the issue of some territories that were captured by Azerbaijan during the war and are still under its control. What about those territories?<sup>26</sup>

At the bilateral level of the talks the explanation of the failure to reach agreement appears straightforward. The minimum goals of the Karabakh Leadership and Azerbaijan were irreconcilable. The Karabakh Leadership wanted nothing short of independence, while for Azerbaijan independence was unacceptable. Apparently, deadlock was 'a stable, viable, bearable compromise rather than a constraining burden that would force both sides to negotiation'. Particularly, in an identity/secessionist conflict deadlock 'often meant unrecognised partition of the country'. The Karabakh leadership's commitment to recognition was formalised in the extreme as it insisted that the occupied territories were liberated territories and it consolidated its demand for independence. Azerbaijan maintained its claim

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23 'Karabakh Leader Talks of Land Exchange to Settle Conflicts', *Interfax News Agency*, FBIS-SOV, 26 October 2001.

24 'Karabakh Leader Talks of Land Exchange to Settle Conflicts', *Interfax News Agency*, FBIS-SOV, 26 October 2001.

25 Author interview with anonymous, Karabakh, August 2000.

26 Author interview with Karen Mirzoyan, Karabakh's Foreign Minister, Karabakh, October 2013.

of sovereignty over the region. Thus, in a reverse of the usual situation, non-negotiation with the Karabakh Leadership 'was compromise and negotiation was a zero-sum victory for one side'. These implications explain why negotiation in the Karabakh asymmetrical internal conflict was so difficult.<sup>27</sup>

Perhaps, the only way to overcome the vicious circle and the deadlock in the negotiations is to use the de-escalation strategy of graduated reciprocation in tension reduction (GRIT). The Karabakh forces could withdraw unconditionally from some of the occupied territories as a cooperative move and invite reciprocity, but this conciliatory move continues, whether or not there is immediate reciprocity. However, as Mirzoyan stresses:

Restoration of trust between the parties is crucial for setting the basis for the establishment of lasting peace and stability in the region. The deadlock could be broken and progress in the settlement of the conflict could occur by restoring the full-fledged negotiation format with immediate and direct participation of the RNK in all the phases of the talks.<sup>28</sup>

To sum up, although the Paris summit in March 2001 did not break the deadlock it could be considered one step further in narrowing the gap between the conflict parties. Presumably, with Chirac, Aliiev and Kocharian made some progress in trying to find some common principles that could form a framework for further negotiations. Hence, the so-called Paris Principles were examined as a possible option for making peace. Yet, from the postures of the conflict parties it appears that the so-called Paris Principles could not be taken for granted because the issues of the corridors, refugees and the status of N-K needed conciliatory moves before a final agreement. The difficulty in Paris, and perhaps before, was that both Presidents were undecided on what kind of concessions their nations would accept. It seemed that the entire responsibility was thrown on their shoulders. Thus, one could ask was this a manifestation of complete confidence in both Presidents by their nations or just a reason to avoid peace? We will try to seek answers in the next section of this chapter and find out if the negotiators were really interested in peace or they were bluffing and lying. For a fuller explanation we also need to ask which factors influenced the bargaining postures of both Presidents. Certainly, domestic political factors and external actors combined to shape the bargaining positions of the negotiators. The role of the external actors could be conceptualised as influencing the BATNA of the negotiators.

Irrespective of the domestic criticisms in Armenia and Azerbaijan, the American, French and Russian Co-Chairs of the MG and both Presidents made an additional effort to advance the peace talks. It seemed that the competition between the Co-Chairs, particularly the US and Russia, was less than the previous periods

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27 Zartman, 'Dynamics and Constraints', p. 10.

28 Author interview with Karen Mirzoyan, Karabakh's Foreign Minister, Karabakh, October 2013.



when opportunities to make peace were lost. Their cooperation was explicit in the Key West talks on 3–6 April 2001 that took place after a month from the Paris talks. We examine below the new prospects for making peace in N-K.

### The Key West Summit on 3–6 April 2001

After Paris, the second and the most high-profile meeting between Aliiev and Kocharian to make considerable progress toward the resolution of the conflict took place in Key West, Florida, from 3 to 6 April 2001. It was the 16th face-to-face meeting between them since 1999. The Key West meeting was particularly important because of the high level interest of the US administration in resolving the conflict.<sup>29</sup> In the words of Secretary of State Colin Powell:

The United States working with the other Co-Chairs and European and multilateral institutions would do all it can to help reach a compromise resolution to the N-K conflict. A settlement would allow these countries to avoid the threat of renewed war. It would make them able to address the humanitarian plight of hundreds of thousands of displaced persons and would allow them to pursue their long term goals of security and economic development.<sup>30</sup>

Apparently, the increased involvement of the Bush administration since 1999 was attributed to the US oil industry and companies. The US was interested in building the '\$2.7 billion pipeline that would pass to the north of N-K' connecting Baku to the Turkish port of Ceyhan on the Mediterranean. As discussed in Chapters 3, 4 and 5 the BTC pipeline construction was crucial for US economic and geostrategic interests because the new oil export route would bypass Russia and Iran (the BTC came into operation in 2006). 'The Caspian region was estimated to contain a 10th of the world's oil reserves, five times as much as those of the US'.<sup>31</sup> According to Carey Cavanaugh, the US Co-Chair of the MG, 'the US was also interested in the use of multiple pipelines and the development of the east-west corridor had been an economic benefit by providing a variety of sources and options to get the energy

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29 Ara Tadevosian, 'Good Will at Key West', *IWPR CRS*, Issue 77, 6 April 2001, p. 1.

30 'Peace Talks Begin in Key West', *Asbarez*, 3 April 2001, posted on <http://www.asbarez.com>.

31 'Bush Makes Peace Talks in Caucasus Priority', *Asbarez*, 4 April 2001, posted on <http://www.asbarez.com>. As a further reason for US increased involvement in the South Caucasus, it was stated that several senior administration foreign policy officials, including Vice President Dick Cheney and National Security Advisor Condoleezza Rice, until recently worked for companies with major interests in Azerbaijan and significant stakes in the success of the proposed pipeline. See, Editorial, 'Mr. Bush's Caspian Diplomacy', *The New York Times*, 16 April 2001.

to market'.<sup>32</sup> Hence, the resolution of the N-K conflict with Azerbaijan became a top priority on the US political agenda to avoid any potential security threat to the BTC oil route. In addition to the oil factor, the US renewed engagement in the Key West talks is worth pinpointing because the region has been a crossroads between Europe and Asia. Peace and stability in the strategic South Caucasus would enable the three South Caucasus states to foster cross-border trade and develop their economies. Still, the investments of the Western oil companies in the Caspian region would contribute to economic development and cooperation between the South Caucasus states and Europe. But, as Vasquez and Valeriano argue, 'when boundaries were not accepted' in the South Caucasus 'it was difficult to engage in extensive economic interaction because uncertainty was so high. Uncertainty would undermine the normal stability of expectations about the future on which contracts were based'.<sup>33</sup>

The increased US involvement in the region could not be attributed only to oil interests. Michael Lemon, the US Ambassador to Armenia in 2000, noted that the US policy objectives in the region also included:

- Preserve and enhance the sovereignty and independence of Armenia, Azerbaijan and Georgia.
- Foster the development of free market democracies through economic development, supporting democratic processes and institutions and respect for human rights.
- Achieve the peaceful resolution of regional conflicts in order to establish a durable regional security and stability which was the prerequisite for both national as well as regional development through encouragement of foreign and domestic investment.<sup>34</sup>

In Key West, the three Co-Chairs of the MG conducted shuttle talks with Aliiev and Kocharian to enable them to achieve progress. The discussions focused on the withdrawal of the Karabakh forces from the occupied Azerbaijani territories, the lifting of the economic blockade of Armenia, the returning of the refugees and the IDPs to their homes and the status of N-K.<sup>35</sup> Moreover, the 'real trust of the

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32 'First Track Negotiations, Minsk Group US Co-Chair Carey Cavanaugh Talks Karabakh and Peace', *Armenian International Magazine* (August/September 2000), p. 72.

33 Vasquez and Valeriano, 'Territory as Source', p. 199.

34 Michael Lemon, 'Fostering Regional Peace and Security through Regional Cooperation and Development', paper presented at an international conference on Regional and Trans-Regional Cooperation and Resolution of Conflicts, 26–28 September, Yerevan 2000. Also, see Ian Bremmer, 'America and the Riches of the Caspian Basin', *World Policy Journal*, Vol. XV, No. 1, Spring 1998.

35 Elizabeth Fuller, 'Key West Leaves Questions Unanswered', *RFE/RL Caucasus Report*, Vol. 4, No. 14, 10 April 2001, p. 1.

discussion was a territorial exchange between Armenia and Azerbaijan'.<sup>36</sup> This option was raised a month ago in the Paris talks without achieving a breakthrough. Given the symbolic and transcendent quality of the territory it was very difficult to reach a compromise agreement on the status of N-K. With the norm of self-determination territory had become a way to ground identity. Therefore, the loss of territory would lead to loss of identity. Certainly, the issues of the Lachin corridor, refugees and withdrawals were additional obstacles to make peace.

However, optimism of those who were following the talks at Key West rose when Oskanian announced that 'we and the Co-Chairs worked very intensively with maps today' and that the Co-Chairs had set up a group of 'border experts'. He also added that 'if similar progress was made in the talks between the Co-Chairs and the Azerbaijani representatives' the deadlock could be broken.<sup>37</sup> Apparently, the issue of permanent land corridors (Lachin and Meghri) could have been discussed between the Co-Chairs and the Armenian side but no final agreement would be reached without Azerbaijan's consent.

Cavanaugh, the US Co-Chair, stressed that the MG was trying to bring a mutually satisfactory and lasting peace 'for all the population in the region'. The Karabakh Leadership 'at an appropriate point' would be included in the negotiations, Cavanaugh added.<sup>38</sup> The Karabakh Leadership welcomed Cavanaugh's statement and considered it important because without hearing the 'position of the people of Karabakh the mediators could not envision a final settlement of the conflict'.<sup>39</sup> However, Quliyev categorically rejected Cavanaugh's statement on the Karabakh Leadership's participation in the talks even if that would contribute to the participation of representatives of the former Azerbaijani inhabitants of Karabakh in the talks.<sup>40</sup> As discussed above, Azerbaijan had refused to negotiate with the Karabakh Leadership because that would imply recognition.

From the published literature it appears that the plan presented to both Presidents in Key West envisaged that N-K with the Lachin corridor would establish a form of 'self-government' with wider powers than those envisioned in the Common State plan provided that the Karabakh forces withdraw immediately from the occupied territories. Still, the Co-Chairs suggested opening a corridor through Armenia's southern region of Meghri for the restoration of the railway connection between Azerbaijan and Nakhichevan. The Co-Chairs considered this railway connection crucial for the economic development of Armenia. To insure the proposed corridor's safety, an international peacekeeping force would be deployed in the region. It was unclear whether Russian troops would participate in

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36 Tadevosian, 'Good Will at Key West', p. 1.

37 Fuller, 'Key West Leaves', p. 2.

38 'Record Briefing by the Three Co-Chairs on Key West Peace Talks', US Department of State, 4 April 2001.

39 'The International Community Regards Karabakh's Participation More Seriously', *Asbarez*, 9 April 2001, posted on <http://www.asbarez.com>.

40 Fuller, 'Key Wet Leaves', p. 2.

the peacekeeping force or not.<sup>41</sup> But as formulators, certainly the Co-Chairs tried to ‘unblock the thinking of the conflict parties and to work out imaginative ways to skirt those commitments that constrained the parties’. As manipulators too, they tried to persuade the parties to their vision of a solution.<sup>42</sup> Indeed, in Key West they tried to persuade both parties that a territorial exchange was the best way to attain peace. According to the chief US negotiator on Karabakh, Rudolf Perina, the parties were ‘incredibly close’ to a deal. ‘The issues of principle had been decided, and what were left were technical differences’.<sup>43</sup> The follow-up meeting was scheduled for Geneva in June. Both Presidents were given time to consult their constituencies at home, hoping that by presenting options to their constituents the deadlock might be broken.

### *The Situation in Armenia*

From an Armenian perspective, the proposed status for N-K in Key West might be ‘close to *de facto* independence and not autonomy’. Kocharian noted that the final peace agreement must be comprehensive and include the basic principles that Armenia had considered crucial for achieving peace. These principles were:

No vertical subordination of the RNK to the Azerbaijani government; the need for a common border between the RNK and Armenia, which presupposed continued Armenian control of the Lachin corridor; security guarantees for the RNK.<sup>44</sup>

Kocharian’s commitment to the above mentioned principles presupposed that Armenia would reject any arrangement that would leave N-K under Azerbaijani jurisdiction. Certainly, an autonomous status for N-K was ruled out because considering autonomy was a potential defection from the Karabakh’s population demands. Armenia’s tough stance was articulated by Kocharian on 11 May 2001 when he declared that ‘the current situation was irreversible and we could not ignore it. The new generation and the young people did not perceive Karabakh as part of Azerbaijan. Time was doing its business’.<sup>45</sup> Karabakh’s recognition was not negotiable and any leader who ‘sells out’ by accepting autonomy ‘could then

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41 ‘New Proposals on the Karabakh Conflict Settlement will be Based on the Concept of the Common State’, *Aravot*, 13 April 2001.

42 Zartman and Touval, ‘International Mediation’, p. 446.

43 Emil Danielyan, ‘Hopes Fading in Yerevan for Rapid Progress on Karabakh Settlement’, *Eurasia Insight*, 2 March 2004, p. 1.

44 Elizabeth Fuller, ‘Is a Karabakh Accord Likely to be Signed in Geneva’, *RFE/RL Caucasus Report*, Vol. 4, No. 18., 14 May 2001, p. 2.

45 Fuller, ‘Is a Karabakh Accord Likely’, p. 2. Also, see *The Associated Press*, 12 May 2001.

deal with hardliner's defection, attempts to sabotage agreements, and potential assassination'.<sup>46</sup>

According to Oskanian, the new plan presented to the parties at Key West envisaged the following:

- N-K would remain nominally within Azerbaijan but would have all attributes of statehood. N-K would have its anthem, coat of arms and flag.
- N-K would preserve all the branches of power, i.e. executive, legislative and judicial.
- All economic and foreign policy problems would be Karabakh's prerogative.
- Lachin, together with a corridor, would come under the control of the Armenians in exchange for a corridor linking Azerbaijan with Nakhichevan, which would remain under Armenia's full control.
- Security issues also would remain under the jurisdiction of Karabakh's power-wielding structures. However, citizens of Karabakh, who were not considered foreigners in Armenia, could participate in parliamentary and presidential elections in Azerbaijan.<sup>47</sup>

On 5 May 2001, Oskanian also noted that in Key West 'we "Armenia and Azerbaijan" were negotiating on providing free connection between Karabakh and Armenia and between Nakhichevan and Azerbaijan'.<sup>48</sup> From Kocharian's noted principles and Oskanian's explanation it seemed that there was no disagreement between the President and the cabinet on Armenia's approach to peace that was crucial to avoid defections in the cabinet. This was not the case in 1997 when there was serious opposition from some members of the cabinet to Ter-Petrosian's pragmatic approach to peace. But to win the support of the public and parliament remained a major obstacle.

Kocharian's tough stance toward a negotiated peace could have been the outcome of two internal causes. Firstly, Armenia's government needed time for preparing public opinion to get approval for its potential actions. Secondly, Kocharian's announcement that the current situation in Karabakh was irreversible came after Armenia's parliamentary session on 27 April, when the political parties agreed that 'in the course of the negotiations no piece of Armenian territory must be at issue, and that possible routes of communication must not be at the expense of Armenia's territorial integrity and sovereignty'. Further, the parliament decided that any acceptable peace accord should refer to 'Karabakh's reunification with Armenia or international recognition of its independent status'.<sup>49</sup> Therefore, with an internal

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46 Gurr, 'Transforming Ethno-Political Conflicts', p. 13.

47 E. Abulfatov, 'The Minsk Group is Probably Going to Get into a Mess Again', *Zerkalo*, 12 May 2001.

48 'Iran's Factor Becoming Important', *AZG*, 5 May 2001.

49 Elizabeth Fuller, 'Armenian Political Parties List Their Preconditions for Karabakh Peace', *RFE/RL Caucasus Report*, Vol. 4, No. 17, 6 May 2001, p. 2.

rejectionist approach it was very unlikely that Kocharian could have ventured politically by favouring the option of a territorial swap. Perhaps, had he opposed the parliamentary majority's decision he could have endangered his post. Hence, his tough stance would enable him to win more domestic support and strengthen his stance in the negotiations. He would further insist on N-K's horizontal relations with Azerbaijan and security guarantees for Karabakh Armenians.

### *The Situation in Azerbaijan*

From an Azerbaijani perspective, Ali Ahmadov, the secretary of the ruling New Azerbaijan Party, signalled that the issue of corridors was discussed in Key West and there was the possibility of exchanging territories with Armenia.<sup>50</sup> Iqbal Agazada, the leader of the Civic Unity Party, referred to an oral agreement between Aliiev and Kocharian in Key West. Apparently, the deal under discussion envisaged Aliiev agreeing to N-K being politically linked to Armenia, rather than Azerbaijan. As a reward, the Armenian side promised to return the occupied territories to Azerbaijan; the return of the Azerbaijani refugees to Shushi; and a land link from the Armenian Meghri district to the Azerbaijani exclave of Nakhichevan. The land link would be guarded by international monitors.<sup>51</sup> Aliiev clarified that this agreement was among others that constituted the so-called Paris Principles. But in Key West, 'Armenia backtracked on them'.<sup>52</sup> On the other hand, the Armenian Foreign Ministry reported that Aliiev 'misrepresented the agreement'.<sup>53</sup> It is noteworthy that when the Key West talks were to start Aliiev held a series of high-level meetings with members of the Turkish government and military to coordinate and discuss with them possible solutions. Turkey ensured Aliiev that it would not establish diplomatic links with Armenia until it withdrew the Karabakh forces from the occupied Azerbaijani lands. Further, in March, Azerbaijan had signed a key agreement with Turkey for the sale of several billion cubic metres of gas from the Shah Deniz gas oilfield.<sup>54</sup>

After his return to Baku from Key West, Aliiev consulted with his officials and he was told that the Azerbaijani people would never accept the framework deal. Azerbaijani officials continued to say that any final peace deal had to be based on Azerbaijan's territorial integrity and the right of all refugees to return home. Still, Azerbaijani opposition leaders were prepared to mobilise the people

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50 'Azeri Ruling Party Spokesman Says Karabakh Talks Might Consider Corridors', *Zerkalo*, 14 April 2001.

51 Thomas de Waal, 'Karabakh: One Last Push?' *IWPR CRS*, Issue 126, 25 April 2002, p. 1.

52 Elizabeth Fuller, 'Azerbaijani President Says Armenia Retreated from Paris Principles', *RFE/RL Newslines*, Vol. 6, No. 112, part I, 17 June 2002, p. 1.

53 Fuller, 'Azerbaijani President', p. 1.

54 Nair Aliiev and Mamed Bagirov, 'Azerbaijan Flexes Muscles Over Karabakh', *IWPR CRS*, Issue 97, 7 September 2001, p. 1.

against a 'capitulatory agreement with Armenia over Karabakh'.<sup>55</sup> Obviously a sticking point developed because Azerbaijani elites were unfavourable to the peace process. The Azerbaijani parliament too was not sympathetic to the idea of exchanging land links with Armenia. Mutruz Alesgerov, the Speaker of the Mili Majlis (parliament), warned Aliiev that 'major concessions on the Karabakh issue would cause widespread discontent among the Azerbaijani political forces'.<sup>56</sup> Similarly, Zulfugarov, the former Foreign Minister and Namazov, the former head of Aliiev's secretariat, argued that the N-K conflict could be solved by other means. Perhaps, the military option might be necessary to return the refugees to their homes. Both politicians called this potential military means 'a humanitarian operation' that would enable Azerbaijan to re-control its seven occupied districts and return the refugees. Aliiev should think about this plan and should 'toughen his negotiating stance' by not even thinking about a high degree of autonomy to N-K. Instead, Baku should insist on 'the creation of an Azerbaijani administration in N-K that would ensure security and the constitutional rights and freedoms of the citizens of the Azerbaijani republic regardless of their nationality'.<sup>57</sup>

Several opposition leaders endorsed the Zulfugarov-Namazov alternative plan to Aliiev's pragmatic approach to peace. For example, Araz Alizade, Co-Chairperson of the Social Democratic Party and Lala Shovkat Gadzhieva, Chairperson of the Liberal Party, addressed Aliiev to declare a 'patriotic war imposing martial law in Azerbaijan and uniting the people in all-out drive for victory'. Similarly, Etibar Mamedov, Chairperson of the National Independence Party, addressed Aliiev to declare an 'anti-terrorist operation' in N-K. 'This was our internal affair' he said. 'There was no need to even have it discussed by parliament'. Moreover, Mamedov proposed that if Aliiev was unable to solve the N-K conflict he better submit his resignation as the Armenian President Ter-Petrosian did in 1998.<sup>58</sup> Most opposition leaders considered that any negotiations with Armenia should be 'frozen' until Azerbaijan would be in a stronger bargaining position.<sup>59</sup> Apparently, the call for a patriotic war to return Karabakh to Azerbaijani control aimed ethno-political mobilisation to attain political goals rather than a genuine call for war. It is worth mentioning that as an agreement had been negotiated in Key West, spoilers, whose interests were threatened or who were totally opposed to an agreement, stepped up efforts to wreck it. The utilisation of ethnic identity by the opposition leaders certainly

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55 Irada Akhmetova, 'Tensions Rise in Baku', *IWPR CRS*, Issue 82, 14 May 2001, p. 1.

56 Kamran Hasenli, 'Aliiev is Changing his Karabakh Tactics', 525 *Qazet*, 19 April 2001.

57 Elizabeth Fuller, 'Azerbaijani President, Foreign Minister at Odds over Karabakh Settlement?' *RFE/RL Caucasus Report*, Vol. 4, No. 11, 16 March 2001, p. 1.

58 Mark Grigorian and Shahin Rzaev, 'War-Mongers Blight Peace Talks', *IWPR CRS*, Issue 76, 30 March 2001, pp. 1-2.

59 Grigorian and Rzaev, 'War-Mongers', p. 2,

would cause more polarisation and conflict with the Armenians rather than attain reconciliation. President Kocharian's reaction was unequivocal. He said that Armenia had no intention of throwing down the gauntlet and that 'whoever started a war would lose'.<sup>60</sup>

Notwithstanding the opposition's posture, Aliiev had chosen the MG peace process to resolve the conflict and it was unlikely that he would resume ethnic war. Nevertheless, in his speech on 21 March 2001 Aliiev claimed that the option of 'war could not be excluded'.<sup>61</sup> Aliiev's stance seemed more tactical rather than supporting war for two reasons. Firstly, Aliiev needed popular support in any peace agreement. His war remark was a reflection of the popular frustration that the Azerbaijanis were experiencing because of military defeat and internal humanitarian and economic difficulties. Therefore, Aliiev intended to tell his people that there was no third option to resolve the conflict other than peace and/or war. Either path was uneasy and required popular support. A second war could lead to victory and the return of the refugees but it could also lead to a second defeat. With regard peace, it could not be attained without mutual concessions, and perhaps without surrendering part of Azerbaijani sovereignty over N-K. Hence, Aliiev intended to prepare his people for tough concessions. Within this context, apparently, Aliiev during his talks in Key West adopted an integrative (or positive-sum) approach to conflict resolution to change the zero-sum game to broaden the bargaining space. The bargaining at Key West tried to divide 'a fixed cake' by trading concessions on territorial basis.<sup>62</sup>

Secondly, Aliiev's remark on war was a signal to the Co-Chairs to exert more pressure on Armenia and extract more concessions on the status issue. As mentioned above, Karabakh would be politically related to Armenia but not enjoy outright independence. Aliiev could not sell his people an agreement that would surrender Karabakh to Armenian sovereignty. Presumably, the agreement was more favourable to Armenia but a turning point did not happen because in both countries a new political space did not open and the conjunction of political elites and circumstances was not favourable.

Within this context, Leila Alieva, then a research fellow at Johns Hopkins University, argued that a resolution based on territorial exchange should be a 'mutually satisfactory solution' or a win-win solution. According to Alieva, the territorial aspect of the conflict 'made the stakes extremely high'. Azerbaijan would not accept a win-lose solution which would give Armenia N-K and give Azerbaijan only a link or road to Nakhichevan through Meghri. If Armenia could

60 Grogorian and Rzaev, 'War-Mongers', p. 2.

61 Haroutiun Khachaterian, 'Kocharian Confident and Firm Heading into Key West Karabakh Meeting', *Eurasia Insight*, 3 September 2001, p. 1.

62 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 167.



not cede Meghri to Azerbaijan for strategic and security considerations, mainly losing its border with Iran, then it should offer to Azerbaijan a less strategic region.<sup>63</sup>

### *In the Aftermath of the Key West Talks*

The Geneva meeting in mid-June 2001 that was expected to seal the Key West agreement would not convene because public opinion in Armenia and Azerbaijan was not prepared for a compromise. In Key West nothing was ever written down on paper. On 13 June, Oskanian commented that 'it was not Armenia's fault that the negotiations were postponed. Armenia was ready to continue talks on the basis of the agreements that were reached', and not start from scratch.<sup>64</sup> Oskanian declined to blame Baku but it seemed that Aliiev had changed his mind about the deal. The Azerbaijani officials blamed Armenia for the lack of progress since Key West and in public they continued to say that a peace deal had to be based on Azerbaijan's territorial integrity and the right of the refugees to return home. A clear sign that the breakthrough was not as promising as had appeared in Key West came with a statement by Aliiev that 'the mediators prepared a shameful peace for Baku'.<sup>65</sup> The Co-Chairs took the blame of the stalled talks. Probably the last thing Aliiev wanted was a sovereign Karabakh inside Azerbaijan.

On 21 March 2002, in a traditional address marking the Novruz New Year ceremonies, Aliiev told the nation that the 'occupied Azerbaijani lands would be liberated, Azerbaijan's state independence would be restored, and the refugees would return to their permanent places of residence'.<sup>66</sup> Apparently, Aliiev sought to turn the asymmetry between both sides to escalate and weaken the Karabakh Leadership and break its commitment. But Philippe de Suremain, the French Co-Chair of the MG, said that the Co-Chairs were still working on the framework of Paris and Key West and that the parties were still close to a deal. Both sides did not want to withdraw from the negotiations. 'If there was a real political will, it could be done. We were not so far from a result'.<sup>67</sup>

From the complicated and lengthy set of negotiations, the analysis of the bilateral negotiations on Karabakh provides support for the hypotheses on deadlock: especially, hypothesis 1 on the role of BATNA of the key actors in the negotiations and hypothesis 2 on the bluffing and lying. Certainly, domestic politics and BATNA were related, as domestic political developments in Armenia and Azerbaijan influenced their BATNA. For example, public opinion in Armenia was

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63 Leila Alieva, 'Prospects and Problems of Integration in the Caucasus', paper presented at an international conference on Prospects for Regional and Trans-Regional Cooperation and the Resolution of Conflicts, 26–28 September, Yerevan, 2000.

64 Ara Tadevosian, 'Karabakh Peace Deal in Jeopardy', *IWPR CRS*, Issue 89, 6 July 2001, p. 1.

65 Tadevosian, 'Karabakh Peace', p. 1.

66 De Waal, 'Karabakh: One Last Push?' p. 1.

67 De Waal, 'Karabakh: 'One Last Push?' p. 2.

such that any government that supported Karabakh's independence could maintain power, making its BATNA superior to the deal on offer. Similarly, domestic politics in Azerbaijan was such that any government maintaining the territorial integrity of the country could stay in power. That was why Aliiev changed his mind and chose to insist on territorial integrity and the return of the refugees because his BATNA was superior to the deal on offer. Thus, this looked like a zero-sum game. In other words, the 'zone of agreement' or 'bargaining space' was seemingly empty in these bilateral negotiations.<sup>68</sup> As alluded to above, the better the BATNA the smaller the zone of agreement. Still, the deadlock was not broken and the idea of exchanging land corridors between Armenia and Azerbaijan lost attraction because the levels of uncertainty and/or distrust were high and both parties had a superior BATNA. Trust and confidence were the principal elements in short supply. Although both Presidents negotiated in Paris and Key West, it appeared from the above discussion that they had no incentive to make concessions because they had a superior BATNA available. From their previous behaviour both parties understandably assumed that the other was bluffing and did not intend to make any concessions.

In June 2002 Azerbaijan offered a new phased approach to peace. According to Libaridian, Azerbaijan proposed that it would open its border with Armenia if the Karabakh forces withdrew from four of the seven Azerbaijani occupied districts. The four districts were Fizuli, Jebrail, Zangelan and Kubatly. The other three districts Agdam, Lachin and Kelbajar, would remain under the control of the Karabakh forces until a final settlement was reached.<sup>69</sup> This plan left the discussion of the sensitive political issue of status to a later stage. According to Vahe Gabrielian, Kocharian's press secretary, the new plan was a modified version of the 1997 phased approach that the Karabakh Leadership refused and Armenia was unable to sell it to the public.<sup>70</sup> Therefore, the likelihood of achieving a breakthrough was remote. On 15 October 2003 Ilham Aliiev, who succeeded his father Heidar Aliiev, became President and adopted his predecessor's foreign policy with regard Karabakh.<sup>71</sup> It is noteworthy that 'not all leadership changes were propitious for negotiations, but those that were', as Zartman argues, 'should be seized upon with vigor by the secessionist group or the government, because the window of opportunity was usually narrow'.<sup>72</sup> Indeed, Aliiev remained committed to his country's sovereignty and the withdrawal of the Karabakh forces from the

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68 Pieter Van Houten, 'Negotiating International Policies on Kosovo', in Amrita Narlikar (ed.), *Deadlocks in Multilateral Negotiations, Causes and Solutions* (Cambridge: Cambridge University Press, 2010), p. 223.

69 Elizabeth Fuller, 'Has the Focus of the Karabakh Talks Shifted?' *RFE/RL Caucasus Report*, Vol. 5, No. 28, 26 August 2002, p. 1.

70 Elizabeth Fuller, 'Armenia Denies Rejecting Aliiev's Karabakh Settlement Proposal', *RFE/RL Caucasus Report*, Vol. 5, No. 33, 3 October 2002, p. 1.

71 Elizabeth Fuller, *RFE/RL Newslines*, Vol. 7, No. 196, part 1, 15 October 2003.

72 Zartman, 'Dynamics and Constraints', pp. 10–11.

occupied lands showing no flexibility on these issues. However, the significant change concerning how much autonomy Azerbaijan was willing to grant N-K became clear in his statement on the status of Tatarstan in the Russian Federation as a potential model for N-K. Thus, Aliiev reiterated:

This would mean not just the exclusion of the Azerbaijani army from Karabakh, but that the region could create its own currency, legislative body, flag and emblem, and even its own military forces. If it would follow Tatarstan's model exactly, the region would even have a right to maintain its permanent representatives in other countries and participate in international and foreign economic relations.<sup>73</sup>

On 11 December 2003, Aliiev and Kocharian met in Geneva to discuss the Karabakh peace process. They met to 'exchange opinions' on how they could proceed with the peace process that started since 1992.<sup>74</sup> In January 2004, in an interview with the French *Figaro* newspaper Aliiev, like his father, categorically rejected the independence of Karabakh or its unification with Armenia. The Armenian reaction came from Ashot Ghoulian, the Speaker of the Karabakh parliament, who stressed that 'the independent status of N-K was lawfully affirmed during the December 1991 national referendum'. Hence, the will of the Karabakh Armenians 'should be the basis for defining N-K's legal status in any peace agreement'.<sup>75</sup> In an interview with the author Ghoulian further stressed that:

Karabakh's independence was consolidated by the constitution. The people of Karabakh had rendered ample sacrifices to achieve independent statehood. The Karabakh Leadership in different occasions declared that democratic values, freedom and independence were non-negotiable. Therefore, our strategy continues to be international recognition of Karabakh's independence, and the Karabakh Leadership is trying to achieve this goal through the negotiations.<sup>76</sup>

The outlook in 2004 seemed bleak. Almost no voices were heard from either side calling for dialogue and compromise. Due to domestic opposition to peace and outbidding dynamics, it became essentially impossible for more moderate views to come to the fore. Azerbaijan insisted on its sacred right of territorial integrity and the Karabakh Leadership wanted nothing short of independence and it had no desire for a compromise that would curb its prerogative of sovereignty. Both sides

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73 Brown S. Cameron, 'Wanting to Have Their Cake and Their Neighbour's Too: Azerbaijani Attitudes Towards Karabakh and Iranian Azerbaijan', *The Middle East Journal*, Vol. 58, No. 4, autumn 2004, p. 586.

74 See *Artsakh Newsletter*, Vol. 6, No. 1, September 2003–January 2004.

75 See *Artsakh Newsletter*, Vol. 6, No. 1, September 2003–January 2004.

76 Author interview with Ashot Ghoulian, Speaker of Karabakh's parliament, Karabakh, October 2013.

were more entrenched and more inflexible in their positions which meant that the deadlock would not be broken. Once again both demands were non-negotiable. It is noteworthy that even broad autonomy was unlikely to satisfy the Karabakh Leadership. As discussed above, this looked like a zero-sum game because each side was a victim of its own part in the asymmetry.

Given the unbroken deadlock, the Co-Chairs of the MG could have threatened the conflict parties to withdraw from the peace process but they did not because they needed a solution more than the parties. The situation necessitated the articulation of a new peace plan that could 'bridge the parties' opposing views on the issues at stake, and a willingness to take some calculated risks when offering concessions followed by a commitment to sell it to their constituents'.<sup>77</sup> Thus, the Co-Chairs tried to bridge the phased and package approaches and create room for compromise and peace. A new plan might increase the likelihood of an agreement. The aim was to alter the strategic calculations of the parties, and create new incentives to break the deadlock. Indeed, the aim after the failure of the Key West talks in 2001 and the 2003 elections in both countries was to 'explore new possibilities through preliminary contacts at the ministerial level'.<sup>78</sup> The aim was also to improve the BATNAs of the negotiating sides. We turn now to discuss the Rambouillet and Bucharest talks in 2006 which provided a window of opportunity to reach a settlement.

### **New Diplomacy at the Rambouillet Talks, February 2006**

Despite the failures of the talks from 1997 to 2001, the Co-Chairs continued their unrelenting commitment to reach a negotiated solution. Aliiev and Kocharian would be invited to negotiate only after their FMs, Vartan Oskanian and Elmar Mammadyarov, had established a relationship of trust and examined many aspects of a potential agreement. From May 2004 until September 2005 Oskanian and Mamadyarov met 11 times in what had been called the 'Prague process'.<sup>79</sup> The negotiation process was confidential and the Co-Chairs tried to bridge the phased and package approaches so that the final peace deal would not be easily derailed by the conflict parties. These meetings provided a window of opportunity to reach a settlement.<sup>80</sup> On 15 September 2004 at a meeting of the CIS, the Co-Chairs informed Aliiev and Kocharian that they were ready to submit a framework as a basis for a settlement but both Presidents said they needed 'time for reflection'.<sup>81</sup>

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77 Bercovitch and Lutmar, 'Beyond Negotiation', p. 245.

78 International Crisis Group (thereafter ICG), 'Nagorno-Karabakh: Risking War', *Europe Report*, No. 187, 14 November 2007, p. 2.

79 ICG, 'Nagorno-Karabakh: A Plan for Peace', *Europe Report*, No. 167, 11 October 2005, pp. 1–2.

80 ICG, 'Nagorno-Karabakh: Risking' p. 1.

81 ICG, 'Nagorno-Karabakh: A Plan', p. 2.

The Co-Chairs aimed to advance a comprehensive settlement. It seemed that the final peace accord would be a package solution 'although its various provisions would be implemented one after the other, rather than simultaneously'.<sup>82</sup>

In 2006, when the Co-Chairs believed that both parties were close to a deal they took a serious step and summoned Aliiev and Kocharian at Rambouillet Palace, in France, to agree on core principles that could be negotiated later on. The Rambouillet talks that were held on 10–11 February followed the framework of the Prague process. In Rambouillet the talks centered on four crucial steps:

Firstly, the Karabakh forces withdraw from five of the seven occupied Azerbaijani territories (Agdam, Fizuli, Jebrail, Zangelan, Kubatli); secondly, Karabakh Armenians would hold a referendum on the future status of N-K; thirdly, Karabakh forces withdraw from the last two of the seven occupied territories (Lachin and Kelbajar) located between Karabakh and Armenia; fourthly, the OSCE would deploy peacekeepers in Lachin in order to secure a land connection between N-K and Armenia and Azerbaijan and its exclave Nakhichevan.<sup>83</sup>

The Rambouillet peace plan seemed to reflect a hybrid approach that borrowed an array of interlocking issues from the package deal of 1997 but to be implemented in steps. However, the most critical link was the idea of holding a referendum to determine N-K's status. Apparently, the referendum remains a peaceful instrument and 'moral and democratic argument' to settle territorial disputes through the expression of people's will.<sup>84</sup> The plan also envisaged the return of the refugees to their homes after the Armenian withdrawal, and investment arrangements in N-K to improve the living conditions of the inhabitants of the region.

The Karabakh leadership which did not participate in the talks took a tough stance on the sequencing of withdrawal from the occupied Azerbaijani territories, insisting in particular that they would not relinquish control of any territory until the status issue was resolved.<sup>85</sup> The need for recognition remained both the top and bottom lines of the Karabakh Leadership because they were the only valid spokespersons to negotiate the issues of withdrawal and status. Ever since the Co-Chairs of the MG advanced the step-by-step approach in 1997 it had faced

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82 Elizabeth Fuller, 'Armenia and Azerbaijan Hope to Agree on Basics of Karabakh Peace Deal', *RFE/RL Caucasus Report*, Vol. 9, No. 3, 27 January 2006, p. 1.

83 Ara Tadevosian, Marina Karapetian, Shahin Rzaev, Ashot Beglarian and Thomas de Waal, 'Hopes Dashed out Karabakh Summit', *IWPR CRS*, Issue 327, 16 February 2006, pp. 1–2.

84 Jeremy Smith, 'The Return of the Referendum: Self-Determination, International Organizations, and Disputed Territories in the South Caucasus and Moldova', *European Research Working Paper Series*, No. 11, Center for Russian and East European Studies and European Research Institute (Birmingham: University of Birmingham, 2006), p. 14.

85 Norayr Hovsepian, 'A Tacit Step-by-Step Settlement', *Azat Artsakh*, 7 April 2006.

objections from the Karabakh Leadership which considered it a way of forcing them to surrender their most powerful negotiating card of the occupied territories without a clear Azerbaijani commitment on the status issue. The differences over the referendum were even more intractable. Azerbaijan would accept the proposal only if all Azerbaijani citizens vote in the referendum, a condition that assumed Karabakh would remain part of Azerbaijan. According to the Azerbaijani constitution, border changes require a 'nation-wide' referendum. If Azerbaijan's 4.2 million eligible voters were to participate on the same basis as the approximately 150,000 Armenians living in Karabakh, unification with Armenia or independence would certainly be defeated.<sup>86</sup> Additionally, Azerbaijan was initially willing to consider a referendum over the status of Karabakh 10–15 years after the gradual withdrawal of the Karabakh forces from its occupied lands and the return of the refugees to their homes.<sup>87</sup> Satisfying the condition of the return of the refugees might take a long time, and hence the result of the referendum would be very likely to depend on how many Azerbaijanis chose to return. It therefore seemed that from an Azerbaijani perspective, it was premature to discuss the mechanics of a referendum in Rambouillet.

Within this context, Jeremy Smith argues that 'referenda would need to be held in the host country, Azerbaijan proper, as well as the breakaway region, N-K'.<sup>88</sup> However, Stephan Ryan contests that from a theoretical perspective 'to resolve ethnic conflicts through the law was not a viable option' because the parties would be unable to control the conflict, and 'it could leave all parties feeling dissatisfied'.<sup>89</sup> Therefore, using Azerbaijan's law to resolve the conflict 'would not be a popular option' for the dissatisfied Karabakh Armenians because 'the instruments of legal enforcement' in Soviet Azerbaijan were discriminatory against the Armenian majority of N-K.<sup>90</sup>

The idea of the referendum tended to be more favourable to Armenia because it would give N-K the chance for independence. Yet, it remained unclear who would participate in the referendum. If the Armenian and Azerbaijani (before the war) inhabitants participated it would almost certainly guarantee separation from Azerbaijan and realisation of statehood. Perhaps Armenia was trying to sell the idea of a referendum to the public for a final settlement. Responding to critics in Yerevan, Oskanian admitted that Armenia's policy since 1997 with regard the resolution of the conflict had undergone crucial changes. Previously, Armenia insisted that 'unless the issue of status was resolved the Armenian side would not be prepared to discuss, let alone begin the implementation of the elimination

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86 ICG, 'Nagorno-Karabakh: A Plan', p. 17.

87 Karine Kalantarian, 'Karabakh Leader Urges Armenia to Pull out of Settlement Talks', *RFE/RL Caucasus Report*, Vol. 9, No. 7, 24 February 2006, p. 1.

88 Smith, 'The Return', p. 14.

89 Stephan Ryan, *Ethnic Conflict and International Relations* (Brookfield and Sidney: Dartmouth, 1995), p. 107.

90 Ryan, *Ethnic Conflict*, p. 107.

of the consequences of the military conflict'.<sup>91</sup> At Rambouillet, Armenia's stance was that:

If the Azerbaijani side simply accepted the fact that the people of Karabakh had the right for self-determination that could be exercised in the future, the Armenian side was prepared to begin discussing the consequential issues such as territories, refugees and other security matters.<sup>92</sup>

Ostensibly, the Armenian side wanted to make sure that the referendum should become one of the principles of the settlement before the withdrawal of the Karabakh forces. In other words, Armenia intended to include language requiring referendum in the package approach. On the other hand, the Azerbaijani stance in Rambouillet revealed a different strategy that favoured a phased approach with no prior commitment to a referendum in the short time following the withdrawal of the Karabakh forces because the return of the refugees might take time. According to Mammadyarov, 'a number of variants were discussed ... naturally one ... was the expression of the people's will. Another variant was how and when it would happen'.<sup>93</sup> Mammadyarov also stressed that 'the devil was in the details', and much would depend on the modalities of a status referendum.<sup>94</sup> Azerbaijan's aim could have been buying time to win over the Armenian majority of Karabakh's population. Rushing to referendum might carry the risk of separation from the state. Yet, separation was unlikely to occur because Azerbaijan's constitution requires nation-wide voting on border changes. Hence, Azerbaijan might gain maximum concessions from the Armenian side by paying a small price for peace.

During the Prague process both sides had agreed on the immediate return to Azerbaijan the five occupied districts adjacent to Karabakh, together with the deployment of peacekeepers to separate the forces. However, Armenia resisted withdrawal from the westernmost districts, Kelbajar and Lachin, without prospects of the final status of N-K. Withdrawal from Kelbajar was the main sticking point in Rambouillet.<sup>95</sup> Keeping control over Kelbajar was a high-priority security issue, and Armenia insisted that it could be relinquished after the status referendum. Yerevan's main concern was that once Azerbaijan regained control over Kelbajar, it might not deliver on its commitment to the referendum. Kelbajar would be used as a bargaining chip in that concessions should be linked to concrete gains, especially if the peace agreement did not specify the timing of the referendum.<sup>96</sup> Kelbajar had also strategic importance because its northern boundary, the Omar

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91 Astghik Bedevian, 'Former Minister Says Armenia has Reverted to Ter-Petrosian's Policy on Karabakh', *RFE/RL Caucasus Report*, Vol. 9, No. 14, 21 April 2006, p. 2.

92 Bedevian, 'Former Minister', p. 2.

93 ICG, 'Nagorno-Karabakh: A Plan', p. 16.

94 ICG, 'Nagorno-Karabakh: Risking', p. 3.

95 ICG, 'Nagorno-Karabakh: Risking', p. 5.

96 ICG, 'Nagorno-Karabakh: Risking', p. 5.

pass in the Murov mountain range, was controlled by the Karabakh forces which could monitor Azerbaijani military movements. Still, Kelbajar was the only road other than the Lachin corridor that connects Karabakh with Armenia. Losing control over the Omar pass would make Karabakh's northern boundary and the Lachin corridor vulnerable to attack. Thus, Karabakh's legitimate security need regarding the Omar pass must be addressed.<sup>97</sup>

On the other hand, Azerbaijan insisted that Kelbajar 'must not be held hostage to the referendum and the original 44,000 displaced from the district should be allowed to return immediately'. Baku rejected the linkage between Kelbajar and the implementation of the referendum and reiterated that 'renunciation of the use of force and deployment of peacekeepers should satisfy Armenian security concerns'.<sup>98</sup> It is Azerbaijan's right to regain the district and commence the return of the refugees. Yet, it could have been much more acceptable to Azerbaijan to negotiate over Kelbajar with Armenia based on a 'land for peace approach'.<sup>99</sup>

As alluded to above, the Karabakh Leadership took a tough stance and called Armenia to withdraw from the negotiations as long as there was no direct dialogue between Azerbaijan and Karabakh. According to Gukasian, it was impossible to find a solution to the conflict without recognising the Karabakh Leadership as a legitimate party to the negotiations.<sup>100</sup> Hence, progress in the talks hinged on Azerbaijan's will to hold direct negotiations with Karabakh.<sup>101</sup> It appeared that the Karabakh Leadership was uncertain about Azerbaijan's stance on the referendum and the aspects of the negotiation process and was uncertain about the timing of the referendum in light of no assurances from the international community. This is consistent with hypothesis 2 that when levels of uncertainty and/or distrust are high it is difficult to break the deadlock. The Karabakh Armenians had already held a unilateral referendum in December 1991 and voted overwhelmingly in favour of secession from Azerbaijan.<sup>102</sup> Hence, according to Karabakh officials, Azerbaijan 'must be prepared for N-K's independence' not necessarily through a new referendum.<sup>103</sup> Karabakh's incorporation in Azerbaijan after 15 years of *de facto* independence was a non-negotiable demand.

The Rambouillet talks failed to break the deadlock and created a feeling that compromise was difficult. Structurally, the strategic deadlock was related to real and basic incompatibilities that official diplomacy failed to solve. The deadlock

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97 ICG, 'Nagorno-Karabakh: A Plan', p. 23.

98 ICG, 'Nagorno-Karabakh: Risking', p. 6.

99 ICG, 'Nagorno-Karabakh: A Plan', p. 23.

100 Ashot Beglarian, 'Karabakh, Peace Deal Doubts', *IWPR CRS*, Issue 330, 9 March 2006, p. 1.

101 Elizabeth Fuller, 'US Official Says Clock is Ticking for Karabakh Peace', *RFE/RL Newline*, Vol. 10, No. 33, part 1, 22 February 2006, p. 1.

102 Beglarian, 'Karabakh, Peace', p. 1.

103 Ruzanna Stepanian, 'Karabakh Official Comments on Rambouillet Talks', *RFE/RL Caucasus Report*, Vol. 9, No. 6, 17 February 2006, p. 3.



presented a major obstacle preventing progress towards a reduction in conflict. Still, the deadlock caused further polarisation as both sides became increasingly entrenched in their positions. The issues were difficult and the parties were clearly hostile. With discussions stalled, both parties increasingly resorted to bellicose rhetoric. Aliiev threatened to resort to the military option to liberate the occupied territories and return the refugees.<sup>104</sup> However, Aliiev's threat seemed a manifestation of disappointment following the failure of the talks. Despite his militant rhetoric, Aliiev expressed willingness to resume the talks. Indeed, he expressed readiness not to lose 'a chance for a political settlement' and that Baku was ready to grant N-K autonomous status 'within the confines of Azerbaijan' but would 'never agree to the loss of the territory'.<sup>105</sup> The reaction from Kocharian was also strong in that 'if the peace process did not produce any results Armenia would recognise Karabakh's independence'. If there would be no progress at follow-up rounds of talks Armenia would as well 'reinforce its position in the seven occupied Azerbaijani territories',<sup>106</sup> with a new approach 'and certainly more active processes in defense of integration' between Karabakh and Armenia.<sup>107</sup>

Apparently, both Presidents' bellicose statements were tactical aiming either to prevent internal opposition to their potential agreement or to exert more pressure on each other to make further concessions. Whatever the aim behind their statements, on 7 March 2006, the Co-Chairs met in Washington to assess the peace process. Steven Mann, the former US Co-Chair of the MG, cautioned Azerbaijan that war would not serve its economic interests, particularly in the 'energy sphere and the investment flow'.<sup>108</sup> It appeared that the aim of US diplomacy was to keep the channels of communication open between Armenia and Azerbaijan in order to resume negotiations and maintain regional peace and stability. Further, the resolution of the conflict and the deployment of peacekeepers in the region would also serve US interests mainly by increasing Washington's geopolitical leverage over Russia and Iran. But it should be stressed that Russia would be unwilling to submit to US political pressure and lose its leverage in the South Caucasus, particularly in Armenia and Karabakh that had been disposed toward Russia. As one of the Co-Chairs of the MG, Russia demonstrated understanding for the resolution of the conflict that stemmed from its security concerns but it would not accept a resolution at the expense of its regional influence. Hence, security had been Russia's major impediment in its efforts to encourage Armenia and Azerbaijan to continue dialogue and attain peace. But to what extent Russia

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104 Fariz Ismailzade, 'Azerbaijan: Slim Chance for Peace?' *Eurasia Insight*, 16 March 2006, p. 1.

105 Ismailzade, 'Azerbaijan', p. 1.

106 Haroutiun Khachaterian, 'Armenia Cautiously Optimistic About US Diplomacy Concerning Nagorno-Karabakh', *Eurasia Insight*, 20 March 2006, p. 2.

107 Vladimir Socor, 'Kocharian's Warning to Recognize Karabakh is Unconvincing', *Eurasia Daily Monitor*, The Jamestown Foundation, Vol. 3, Issue 44, 6 March 2006, p. 1.

108 Ismailzade, 'Azerbaijan', p. 2.

was willing to pressure its closest ally, Armenia, at the same time as to not lose Azerbaijan remained unclear.

### The Bucharest Talks, June 2006

The plethora of pessimistic statements by Armenia and Azerbaijan in the post-Rambouillet period did not hinder the peace process. The Co-Chairs wanted the parties to reach an agreement by the end of 2006 before the 2007–08 election cycles in Armenia and Azerbaijan might freeze the negotiations. Indeed, a joint mission of representatives to the Co-Chairs at the Deputy Foreign Ministers level travelled to the Caucasus in May 2006 in order to encourage Aliiev and Kocharian to utilise the window of opportunity and reach an agreement. Hence, the delegation that was composed of Grigory Karasin, Russian Deputy Foreign Minister, Daniel Fried, US Assistant Secretary of State, and Pierre Morel, a high-ranking French diplomat met with both Presidents and conveyed to them that their countries expected from the conflict parties to reach ‘an agreement on core principles’ for the settlement of the conflict at the Bucharest talks in early June.<sup>109</sup>

Indeed, on June 4 and 5 Aliiev and Kocharian met in Bucharest on the sidelines of a forum of Black Sea states and resumed the talks. However, the Bucharest talks also failed over the same sticking point, apparently the referendum that precluded an agreement in Rambouillet.<sup>110</sup> The suggestion by the Co-Chairs was to define status through ‘a referendum/plebiscite/popular vote in N-K, the modalities of which would be agreed in future negotiations between Armenia and Azerbaijan’.<sup>111</sup> Any referendum would only occur in ‘a non-coercive environment in which well informed citizens had ample opportunity to consider their positions after a vigorous debate in the public arena’.<sup>112</sup> Baku in principle agreed to a vote, provided that ‘due and equal account of views of both Armenian and Azerbaijani communities’ was taken. However, any procedure that would legitimise Karabakh’s separation continued to be unacceptable, and any vote which could potentially result in *de jure* independence must be a nation-wide referendum according to, as discussed above, Azerbaijani constitutional provisions. Yerevan reiterated that an agreement on principles must indicate that ‘the outcome of the vote in Karabakh could be any’, including independence.<sup>113</sup>

In June–July 2006, the Co-Chairs lifted the veil of confidentiality that had marked the negotiation process in order to put an end to speculation about the

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109 Noyan Tapan News Agency, 29 June 2006.

110 Emil Danielyan, ‘Armenia, Azerbaijan Again Fail to Break Karabakh Deadlock’, *Eurasia Insight*, 8 June 2006.

111 ICG, ‘Nagorno-Karabakh: Risking’, p. 4.

112 Emil Danielyan, ‘Mediators Confirm Disclosed Karabakh Plan’, *RFE/RL Armenia Report*, 28 June 2006, p. 1.

113 ICG, ‘Nagorno-Karabakh: Risking’, p. 5.

basic principles and in an effort to help launch public debate on those principles. By opening up the negotiations, the Co-Chairs sought to close the gap between confidential statements at the negotiations and public ones at home. They confirmed that the principles were based

On the phased redeployment of Armenian troops from Azerbaijani territories around N-K, with special modalities for Kelbajar and Lachin districts (including a corridor between Armenia and N-K). Demilitarisation of those territories would follow. A referendum or a popular vote would be agreed, at an unspecified future date, to determine the final legal status of N-K. The sides would commit to future negotiations to define the timing and modalities of such a referendum. Certain interim arrangements for N-K would allow for interaction with providers of international assistance'.<sup>114</sup>

Concerning peacekeeping, demining, reconstruction and refugees, the MG statement added that:

An international peacekeeping force would be deployed. A joint commission would be created to implement the agreement. International financial assistance would be made available for demining, reconstruction, and resettlement of IDPs in the formerly occupied territories and the war affected regions of N-K. The sides would renounce the use or threat of use of force, and international and bilateral security guarantees would be put in place.<sup>115</sup>

From the aforementioned, it is reasonable to assume that the agreement on principles would be a package one and the final settlement would envision a step-by-step implementation. Still, the agreement on principles would commit both parties to make significant concessions. Armenia would have to consent to withdrawal from the occupied territories around N-K and the return of the refugees to their homes. Azerbaijan would have to consent that the referendum would determine N-K's final status. Making concessions was essential to mediation success. The Co-Chairs expected both Presidents to take advantage of this opportunity and make peace.

It appears that the disclosed principles left Karabakh's status ambiguous, and responsibility for resolving it was left to the referendum that would take place at an unspecified future date. 'Ambiguity was the mediator's friend'. Both parties sought clarity so that they could 'judge immediately whether the process was headed in a direction they must reject'. Certainly, there was 'a fine balance between the

114 ICG, 'Nagorno-Karabakh: Risking', p. 5. Also, see *Noyan Tapan News Agency*, 29 June 2006.

115 Danielyan, 'Mediators Confirm', pp. 1–2. Also, see Elizabeth Fuller, 'Is the Karabakh Peace Process Back Where it was in Late 1997?' *RFE/RL Caucasus Report*, Vol. 9, No. 23, 30 June 2006.

minimal clarity needed to maintain the parties' confidence and the ambiguity that would keep the parties at the table, crafting ways forward in small increments'.<sup>116</sup> The aim was that the flexible framework would allow for domestic debate and interpretations to assist the mediation process in opening up new opportunities for a political agreement.

The incremental progress in Bucharest was that while Armenia and Azerbaijan discussed potential modalities of a referendum, the concept of interim status was introduced. It would provide a temporary legal framework so that the people of Karabakh would have political rights, legally produce and trade goods, receive aid and travel. The Co-Chairs also proposed that the people of Karabakh had the right 'to protect and control their political and economic viability and security ... to democratically elect officials to govern N-K ... to enjoy observer status at the OSCE ... to receive aid from foreign countries and international donor organisations, and ... to direct foreign investment and have access to international markets'.<sup>117</sup> It seemed that in the interim period that would precede the referendum neither Armenia nor Azerbaijan would be involved in the affairs of the region. The interim status arrangements 'would not prejudice final status determination but would help create the environment required for a referendum'.<sup>118</sup> Hopefully, with the implementation of security guarantees and the return of the refugees to their homes significant progress would be achieved.

Concerning the special modalities for Lachin and Kelbajar, disagreements persisted over the Lachin corridor. It should be stressed that withdrawal from Lachin and Kelbajar was reportedly a key sticking point that precluded the signing of a phased peace agreement in Rambouillet. However, in Bucharest there was apparently a shared understanding that Lachin should provide a safe communication line between N-K and Armenia, but its status and width were disputed. Armenia argued that the existence of N-K could be guaranteed only if it had a secure geographic connection with Armenia, and insisted that the corridor must have the same status as Karabakh during the interim period and subsequently. With regard to Kelbajar 'it could be returned only after a referendum was conducted and the final status of Karabakh was determined' for security concerns.<sup>119</sup> According to Oskanian, 'security would depend on how strongly the status of N-K and the status of Lachin as a corridor were codified in the agreement'.<sup>120</sup> For Armenia it was

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116 Jock Covey, 'Making Viable Peace, Moderating Political Conflict', in Jock Covey, Michael J. Dziedzic and Leonard R. Hawley (eds), *The Quest for Viable Peace, International Intervention and Strategies for Conflict Transformation* (Washington, DC: USIP Press, 2005), p. 103.

117 ICG, 'Nagorno-Karabakh: Risking', p. 5.

118 ICG, 'Nagorno-Karabakh: Risking', p. 5.

119 Elizabeth Fuller, 'Armenian Foreign Minister Elucidates Karabakh Principles', *RFE/RL Newswire*, Vol. 10, No. 120, Part 1, 30 June 2006, p. 1.

120 Thomas de Waal, 'Karabakh Peace Process Unraveling', *IWPR CRS*, Issue 422, 6 December 2007, p. 2.

crucial to guarantee reciprocal concessions from Azerbaijan in return of withdrawal from the seven occupied districts in order not to relinquish its bargaining chip. This had been a strategic option associated with Armenia's stance since 1993. But the Co-Chairs proposed to 'decouple Kelbajar from the referendum and to link it instead to agreement on an interim status for Karabakh'.<sup>121</sup> That seemed acceptable to both parties. The Co-Chairs also proposed that Lachin's status await future negotiations. But Azerbaijan rejected to keep the corridor under Armenian control and insisted on Armenian withdrawal and the return of the IDPs without delay. It suggested 'common use' for the Agdam-Lachin-Goris-Nakhichevan road because it passed through Armenian- and Azerbaijani-controlled areas. Thus, both countries would be interested in its security. But Armenia rejected the proposal, arguing that once there was peace, all the roads in Armenia, Azerbaijan and Karabakh would be for 'common use'.<sup>122</sup>

From the MG perspective, 'the two Presidents shared responsibility for not reaching an agreement'.<sup>123</sup> This statement was greatly to their discredit. Apparently, no breakthrough was achieved because the negotiations between them took place in a social vacuum. Indeed, elite interaction in the Rambouillet and Bucharest talks did not culminate in an agreement because 'the broader social context within which this elite interaction took place did not exist'.<sup>124</sup> This meant that both peoples were not ready for peace and did not trust each other. It was also apparent that the conflict was not ripe for resolution. Therefore, the Co-Chairs believed that 'the parties would be well-served at this point by allowing their publics to engage in a robust discussion' of the views on the issues of withdrawal, referendum, security and refugees.<sup>125</sup> The Co-Chairs stated candidly:

We had reached the limits of our creativity in the identification, formulation, and finalisation of these principles. We did not believe additional alternatives advanced by the mediators through additional meetings with the sides would produce a different result. If the two sides were unable to agree on those principles we had put forward, we believe it was now contingent upon them to work together to reach an alternative agreement that both find acceptable.<sup>126</sup>

Insofar as Azerbaijan had not definitively rejected the principles offered by the Co-Chairs, the current situation was reminiscent of that in 1997, when Armenia accepted, albeit with reservations, the MG modified package proposal, while

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121 ICG, 'Nagorno-Karabakh: Risking', p. 6.

122 ICG, 'Nagorno-Karabakh: Risking', p. 6.

123 Julie Corwin, 'US Mediator Says Karabakh Peace Requires Presidential Trade-Off', *RFE/RL Armenian Report*, 30 June 2006, p. 8.

124 Ryan, 'Ethnic Conflict', p. 120.

125 *Noyan Tapan News Agency*, 29 June 2006.

126 ICG, 'Nagorno-Karabakh: Risking', pp. 3–4.

Azerbaijan wavered and the Karabakh Leadership rejected it outright. The talks would continue in 2007 as the Co-Chairs began to explore a new plan.

## **Conclusion**

Chapter 6 focused on bilateral talks between Armenia and Azerbaijan. In 2001, both Aliiev and Kocharian in the Paris and Key West talks with high-level French and US pressure agreed to a general framework to resolve the conflict. The core of that framework was a territorial exchange in that Armenia would cede its Meghri region in return for the Lachin corridor that would establish a geographic link between Karabakh and Armenia. Both Presidents seemed to be pragmatic and ahead of the opposition parties in their countries. However, both men were not sure whether they could sell an agreement based on territorial exchange to their peoples. But this was not the only obstacle. We should acknowledge that both leaders were not democrats and they lacked high legitimacy in their countries. Moreover, both peoples had lived in isolation from one another and there were no communal relations between them. They did not trust each other and public opinion in both countries had been skeptical or even hostile toward peace. Therefore, persuading the populace in both countries that a territorial swap seemed a good alternative to the no war no peace situation was extremely difficult. The peaceful struggle by the Karabakh Leadership on recognition and independence continued unabated and the negotiations suffered, each side being a victim of its own part in the asymmetry. A potentially appropriate moment for resolution was lost.

International mediation in 2006 also did not yield a positive outcome because of the intransigence of the parties. In Rambouillet and Bucharest the Co-Chairs unleashed two rounds of negotiations to enable the parties to reach an agreement on core principles on the perceived conflicts of interest that had been security, withdrawal and referendum. Both Presidents were stimulated to take the package and agree on the details later on in the implementation period. The peace plan demonstrated succinctly an overall set of trade-offs particularly between withdrawal and referendum. That was the nub of the problem. Armenian troop withdrawal admittedly would reduce the tension between the two sides but the Karabakh Leadership would do it after it was sure of Karabakh's independence. For the Karabakh Leadership the needs for security, recognition and independence were non-negotiable and for Azerbaijan territorial integrity was paramount. These goals were incompatible with each other. In light of the unwillingness of both parties to relinquish control over Karabakh the zero-sum outcome continued. With no mutually hurting stalemate the moment was not ripe for resolution. Thus, the situation remained precarious and there was no progress on the fronts of withdrawal, refugees and status.

The Co-Chairs were unable to change the BATNAs of both Armenia and Azerbaijan. Certainly, the roles of domestic politics and BATNAs were related, as domestic opposition to peace influenced the stance of the negotiators. Both

Presidents were unable to reach a compromise solution on the issue of controlling Karabakh because they could lose their positions. They were unwilling to make the necessary concessions, as the long-term benefits of a settlement did not seem attractive enough to outweigh the domestic risks. In a situation of lack of trust and continuing uncertainties and when the parties were unable to change their estimates of future potentialities, negotiations suffered. This is consistent with hypothesis 2 in that when levels of uncertainty and/or distrust were high, negotiators bluffed and lied and the deadlock persisted. Both parties understandably assumed that the other party was bluffing and had no intention to render concessions although the Co-Chairs tried the technique of bridging between the withdrawal and referendum by initiating the interim status for Karabakh. However, the contested issues of withdrawal, referendum and status continued to be sticking points because they were managed on a territorial or sovereign basis. The state-centred approach to conflict resolution did not yield a positive outcome. Instead, the promotion and protection of basic human needs were required to end protracted internal conflicts. In 2006 a window of opportunity to make peace was lost but the peace process seemed not to be dead. In 2007 the negotiations continued and the Co-Chairs tried to get a breakthrough. Chapter 7 will address the new document on basic principles to be negotiated between the two parties.

## Chapter 7

# Trying to Get a Breakthrough (2007–12)

### Introduction

Chapter 7 examines and analyses the basic principles (known also as the Madrid Principles since 2007) as the OSCE MG sought a consensus document to resolve the conflict. This chapter examines and analyses all the peace initiatives and summits from 2007 to 2012 and explains in detail the obstacles that prevented a final negotiated settlement. Despite relentless efforts by the Co-Chairs both the Armenian and Azerbaijani Presidents appeared unyielding and military rhetoric dominated. Ostensibly, military spending and arms procurement increased. The deadlock was not broken because the framework for agreement did not meet the incompatible needs of both sides. Even Russian direct involvement did little to spur the talks. Once again a new opportunity for peace was lost because the issues of security, status, withdrawal and the return of the refugees to their homes became major obstacles mainly because of uncertainty, lack of trust and political will between the parties. Sequencing also seemed to be problematic. The proposed interim status will be particularly emphasised because it outlined a process for conflict settlement. We test in this chapter the three hypotheses that are related to BATNA, uncertainty and fairness. Additionally, Chapter 7 also examines and explores the impact of the Georgian-Russian war in 2008 and the Armenian-Turkish rapprochement on the Karabakh conflict. Still, the revised Madrid Principles will be examined as another attempt in order to satisfy the demands of both sides.

### The Madrid Principles, 2007

After the OSCE Rambouillet and Bucharest summits the Co-Chairs of the MG apparently began to formulate a new peace plan in September 2007. It seems that Russia and the West were now cooperating constructively on Karabakh, sharing a vision based on the peaceful resolution of the conflict. Indeed, at the OSCE ministerial conference in Madrid in November 2007, the Madrid Principles were presented to the Armenian and Azerbaijani FMs Nalbandian and Mammadyarov. These basic principles were conceived as an integrated whole to serve as the basis of a comprehensive peace settlement. These principles reflected a reasonable compromise based on the Helsinki Final Act principles of non-use of force, territorial integrity of states and the equal rights and self-determination of peoples. They included *inter alia*:



- Return of the occupied territories surrounding Nagorno-Karabakh.
- An interim status for Nagorno-Karabakh providing guarantees for security and self-governance.
- A corridor linking Armenia to Nagorno-Karabakh.
- Future determination on the final legal status of Nagorno-Karabakh through a legally binding expression of will.
- The right of all internally displaced persons and refugees to return to their former places or residence.
- International security guarantees that would include a peacekeeping operation.<sup>1</sup>

Armenia and Azerbaijan accepted the Madrid Principles as a framework for further discussion. The Armenian bottom line remained recognition of the right to self-determination for N-K, a secure land link between Armenia and N-K, and international security guarantees that prevent resumption of hostilities. However, some politicians in Armenia and N-K were opposed to the basic principles, arguing that they did not guarantee tangible security for the region and were formulated without the participation of the Karabakh Leadership in the peace process.<sup>2</sup> Obviously, Armenia would not negotiate an agreement that was unacceptable for the Karabakh Leadership. According to President Sarkisian, if an agreement was reached on self-determination that would eventually lead to the *de jure* secession of Karabakh from Azerbaijan, all other contested issues could be tackled.<sup>3</sup> In such a trade-off, the occupied territories around N-K would be used as a bargaining chip to obtain a tangible guarantee for the security of Karabakh Armenians and to ensure that Azerbaijan accepted outright independence as N-K's final status. Security, like identity and recognition, was a basic human need and an ontological drive for survival. Bako Sahakyan, Karabakh's President, said that 'the control over territories was not an end in itself for us, but was aimed at Karabakh's security'.<sup>4</sup>

Azerbaijan ruled out any procedure that would legalise N-K's *de facto* independence. Baku's bottom line remained the preservation of Azerbaijan's territorial integrity and the return of the Azerbaijani refugees to their homes. Any deal in this context was negotiable. With regard the Madrid Principles, Baku insisted that in order to achieve a fair settlement three crucial points should be reflected in the framework agreement: 'The return of the Azerbaijanis of N-K prior to its final status determination; equal and mutual use of the Lachin land corridor that linked Armenia to N-K by both the Armenians and the Azerbaijanis; and most contentiously, that the determination of Karabakh's final status could only be

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1 'Statement by the OSCE Minsk Group Co-Chairs Countries', 10, July 2009, posted on <http://www.osce.org/mg/51152>

2 ICG, 'Nagorno-Karabakh: Getting a Breakthrough', Europe Briefing No. 55, 7 October 2009, p. 6.

3 ICG, 'Nagorno-Karabakh: Getting', p. 6.

4 ICG, 'Nagorno-Karabakh: Getting', p. 6.

achieved within the framework of Azerbaijan's territorial integrity'.<sup>5</sup> Azerbaijan's stance was consistent with hypothesis 3 in that negotiations reached deadlock because fairness and justice mattered. Baku would still prefer to incur the costs of deadlock rather than render concessions to achieve a settlement that it saw as deeply unfair. Apparently, the fundamental disagreement between Armenia and Azerbaijan on this last point means that the resolution of the conflict is unlikely in the near future.

Despite the ceasefire of 1994, thousands of people had been killed on both sides of the contact line during the past 13 years, and the number of breaches was growing. A dangerous arms race was underway as both countries were investing massively in the military. In 2004–06 Armenia and Azerbaijan acquired powerful weapons. In 2005 Baku created a ministry for military production, and in 2007 the military budget rose to \$1.1 billion as Aliiev 'pledged to make it equal to Armenia's entire budget'. Armenia's arms acquisitions did not compare to Baku's military build-up. Armenia's 2007 military budget rose to \$280 million but that was only about a quarter of Azerbaijan's military budget.<sup>6</sup> Both states accused each other of violating their limits under the Conventional Forces in Europe (CFE) Treaty which limited military deployments and material in the region.<sup>7</sup> The military build-up by both states could be interpreted as destructive escalation and it would not serve the negotiations. According to US assessment, Azerbaijan's military spending was expected to top \$3 billion in 2011.<sup>8</sup> Apparently, Baku had achieved quantitative superiority over the combined forces of Armenia and Karabakh but some Western and Russian military experts assert that superiority did not extend to combat capability. For example, Stephen Blank of the US Army War College stressed that Aliiev could be 'sadly mistaken' if he believed, as he often said publicly, that Azerbaijan could successfully undertake a military operation to regain the occupied territories. Further, Wayne Merry, a Pentagon official, argued that in case of war Azerbaijan would be facing the Armenian military that had 'a clear record of superiority in operational art that they would exercise in the inherently advantageous role of defenders of a skillfully prepared position'.<sup>9</sup>

Obviously, geography is Armenia's most important strategic advantage. As discussed in Chapter 6 the Karabakh forces control the narrow Omar pass, the only route through the 4,000-metre- high Mrov mountain range on the north and the Arax River border with Iran on the south. Any Azerbaijani offensive from the north must use the Omar pass that was defended by a 500-strong Karabakh

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5 ICG, 'Nagorno-Karabakh: Getting', p. 6.

6 ICG, 'Nagorno-Karabakh: Risking', pp. 12–13.

7 ICG, 'Nagorno-Karabakh: Risking', p. 13. For further details of the military build-up, see the same source pp. 12–14.

8 Emil Sanamyan, 'Wikileaks: Armenians Can't be Defeated by Azerbaijan', 22 February 2011, posted on <http://www.reporter.am/go/article/2011-02-22-wikileaks-armenians-can-t-be-defeated-by-az>, p. 2.

9 Sanamyan, 'Wikileaks: Armenians', pp. 2–3.

battalion.<sup>10</sup> The 120-km border from the north to the south had been strongly fortified since the ceasefire. However, if Azerbaijan's military build-up would threaten the security of N-K then the Karabakh forces 'might launch a preventive military action to address the threat'.<sup>11</sup> Low-intensity skirmishes continued to occur since 1994 but full-scale hostilities were unlikely in the near future.

Yet, on 4–5 March 2008 deadly clashes occurred near the Azerbaijani town of Ter-Ter that was an area of close contact. For the first time both sides used heavy weapons and they accused each other of starting the fighting. The opposing armed forces were engaged in trench warfare, gradually moving their positions in the line of contact closer to one another.<sup>12</sup> But coercive escalation and committing overreach by either side would be counterproductive to the peace process and would create enemies from both communities that had not been engaged in the war. But some escalations could be helpful in defining ripe moments and in creating them. Thus, 'as a threatening riser on the stairway of conflict, escalation could be an alternative that makes negotiation appear more attractive'.<sup>13</sup> So far the ceasefire had created a tolerable stalemate, a situation that the disputants apparently found preferable to the alternative of granting the necessary concessions for a compromise solution. Yet, the deadly clashes proved that the ceasefire tended to be unstable and was often punctuated by violations and additional bloodshed. But the mediators in 1994 gave priority to a ceasefire and postponed the resolution of the conflict for later. This is a dilemma that mediators often face. The choice was between peace in order to save lives and justice. Eventually, a durable cessation of hostilities would require a mutually accepted settlement. But as explained by Zartman and Touval, 'justice required order, and order, to endure, must be just'.<sup>14</sup> Apparently, these are long-term historical perspectives and uneasy to achieve in asymmetric conflicts.

Certainly, cooperation between Russia and the West had raised optimism. However, serious problems remained with regard public support to the peace process in both countries. Two major regional developments, the 2008 Russian-Georgian war and the Armenian-Turkish rapprochement, captured international attention to the Karabakh conflict. True, the deterioration of relations between Moscow and the West as a result of the Georgia crisis hampered the MG from August, when the war broke out, until November 2008 when Russia unilaterally took the initiative and convened Aliiev and Sarkisian in Moscow. Before examining the Moscow Declaration we explore and analyse the impact of the two major regional developments below.

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10 ICG, 'Nagorno-Karabakh: A Plan', p. 23.

11 ICG, 'Nagorno-Karabakh: Risking', p. 14.

12 ICG, 'Nagorno-Karabakh: Getting', p. 2.

13 Zartman, 'Dynamics and Constraints', p. 19

14 Zartman and Touval, 'International Mediation', p. 451.

## The Russian-Georgian War, August 2008

The war began on 7 August when Georgian artillery opened fire and Georgian troops tried to recapture the pro-Russian separatist region of South Ossetia, which seceded from Georgia in the 1990s. Mikhail Saakashvili, Georgia's President, promised South Ossetia 'unlimited autonomy'. Moscow launched a huge counter-offensive which overwhelmed the far smaller Georgian armed forces. On 10 August Georgian troops began to pull out of South Ossetia and the Kodori Valley, the only part of Abkhazia they previously controlled. The war ended on 16 August by signing a peace deal that was negotiated by the French President Nicolas Sarkozy. The deal stipulated that both Georgia and Russia should withdraw their forces to the positions they held before the war, but Moscow continued to keep a large contingent of forces in South Ossetia and Abkhazia, another pro-Moscow separatist Georgian region.<sup>15</sup> On 26 August, the Russian President Dmitry Medvedev recognised Georgia's two separatist regions, Abkhazia and South Ossetia, as independent states but only Nicaragua had followed suit.<sup>16</sup> Russia's recognition of the two separatist regions could be interpreted as a response to Kosovo's recognition by the US and many European states despite Moscow's objections. Russia as a superpower began to flex its muscles to have a say in regional and international issues. Saakashvili described Moscow's decision as 'absolutely illegal' and a 'strategic mistake'. Still, in a televised address and after an emergency meeting of the UN Security Council, Saakashvili spoke of a 'Russian imperialism newly reborn', and assured the Georgians and the EU would not tolerate the redrawing of national borders.<sup>17</sup>

It is noteworthy that in the Soviet era South Ossetia was an autonomous region and Abkhazia was an autonomous Soviet republic. Both had autonomy but in fact they were dominated completely by Georgia particularly during the Stalin period. Consequently resentment developed against Georgia. In the early 1990s when Abkhazia and South Ossetia seceded from Georgia, Russia took up the role of peacekeeper and maintained peace in the area. In 1993–94 when Russia was negotiating a ceasefire in Karabakh between Armenia and Azerbaijan, it also negotiated a similar ceasefire in Abkhazia and South Ossetia. Consequently, Russia had deployed 2,500 peacekeepers to prevent the renewal of hostilities

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15 Report News, Caucasus, 'August 2008 Russian-Georgian War: Timeline', *IWPR CRS*, Issue 696, 8 August 2013, pp. 1–2. Also, see Dmitry Avaliani, Sopho Bukia, Alan Tskhurbayev and Thomas de Waal, 'How the Georgian War Began', *IWPR CRS*, Issue 456, 22 August 2008.

16 Brian Whitmore, '2008 in Review: War, Peace, and Football Diplomacy in the South Caucasus', *RFE/RL Caucasus Report*, 26 December 2008, p. 2.

17 Mikhail Vignansky, 'Georgia: Shock and Anger as Russia Recognizes Breakaway Regions', *IWPR CRS*, Issue 457, 27 August 2008, p. 1.

between Georgia and the breakaway regions.<sup>18</sup> Since its independence in 1991, Georgia had sought to maintain a foreign policy that would remove it from the Russian sphere of influence. Much of Georgia's domestic and foreign policy-making was dominated by its generally negative relationship with Moscow and the tensions resulting from its Euro-Atlantic orientation. Following the 2003 'Rose Revolution' Saakashvili's government accelerated Georgia's move away from the Russian sphere of influence and has consistently sought to demonstrate its desire to integrate with Western structures such as the EU and NATO. Georgia also had supported the BTC pipeline project that aimed to bypass Russia. NATO membership was viewed by many Georgians as the country's 'only chance of surviving in the face of increasingly assertive Russia, while relations with the US would help it to preserve independence'.<sup>19</sup>

Russia wanted to keep the status quo in the South Caucasus and prevent Georgia from integrating fully with the West and joining NATO. For Russia, Georgia's membership to NATO would be a threat to its security. The Baltic states, many Eastern European states and Turkey were already NATO members. With Georgia becoming a NATO member the entire western and southern borders of Russia would be under NATO's influence. As discussed in previous chapters Moscow considered the South Caucasus to be a sphere of its exclusive influence, or, as Medvedev said, Russia's 'zone of privileged interests'.<sup>20</sup> Russia had sought to counterbalance the growing influence of other actors in the region. The 2008 Russian-Georgian war seriously undermined Tbilisi's hopes of accession to either the EU or NATO. Speaking to the officers of the Southern Military District in Vladikavkaz, Medvedev reiterated that the goal of the war was to prevent Georgia from joining NATO:

We had simply calmed some of our neighbours down by showing them that they should behave correctly in respect of Russia and in respect of neighbouring small states. And for some of our partners, including for the North Atlantic Alliance, it was a signal that before taking a decision about expansion of the Alliance, one should at first think about the geopolitical stability. I deem these issues to be the major lessons of those developments in 2008.<sup>21</sup>

In the wake of the devastating war with Russia, Georgia decided to withdraw from the Moscow-dominated CIS. Saakashvili called on Ukraine and other CIS member states to follow his decision but most of the states preferred to remain silent. Only Ukraine and Azerbaijan expressed support for Georgia's territorial

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18 David Kakabadze and Brian Whitmore, 'Russia's Make-Believe Withdrawal from Georgia', 14 October 2008, posted on <http://www.rferl.org>.

19 German, *Regional Cooperation*, pp. 50–51.

20 German, *Regional Cooperation*, p. 83.

21 Brian Whitmore, 'Medvedev Gets Caught Telling the Truth', *RFE/RL Caucasus Report*, 22 November 2011, p. 1.

integrity.<sup>22</sup> It could be argued that had Saakashvili succeeded in bringing Abkhazia and South Ossetia under Georgian sovereignty probably Azerbaijan would have been encouraged to take action against Karabakh. However, such a step was very risky because the Russian-Georgian war had shaken things up. Russia was once again the major actor in the South Caucasus and it considered Armenia as its closest ally in the region.

The Russian attack did not hit any of the oil and gas pipelines but it apparently forced Azerbaijan's state-run oil company SOCAR and Kazakhstan's state-run oil giant KazMunaiGaz to consider re-routing crude oil previously exported via Georgia. The re-routing apparently indicated that the Caspian energy supplies to international markets could be endangered in a time of crisis. Further, the crisis also came as a reminder that alternative energy routes from Azerbaijan and Central Asia via Georgia could be extremely vulnerable and that they needed better security arrangements than the Georgian government was able to provide. The West was unwilling to get involved militarily and its guarantees for Georgia lacked substance. Russian involvement was still needed in order to secure the pipelines. As a matter of fact, the Turkish PM Recep Erdogan travelled to Moscow and Tbilisi amid the height of the war, apparently seeking security guarantees for the BTC.<sup>23</sup> Turkey was a key state of the pipeline routes. A further extension of the BTC was envisioned in the Nabucco project that would run from eastern Turkey into Austria via Bulgaria, Rumania and Hungary. The stability of the South Caucasus would be key to Nabucco's long-term prospects. To start up Nabucco, the EU was looking to Azerbaijan's Shah Deniz II gas field to provide the necessary start-up volumes. This 3,300 km Nabucco pipeline was expected to become operational in 2014.<sup>24</sup> Still, Turkey could be seriously affected by the damaging effects of the Georgia crisis. Turkey could not afford problems with Moscow because it depended on Russia for 29 per cent of its oil and 63 per cent of its gas. In 2008 the two countries had a significant trade volume of \$38 billion, and it was growing.<sup>25</sup>

The Georgian-Russian war had a sobering effect on the regional actors and external powers alike, demonstrating concern about the unsolved conflicts in the South Caucasus. As alluded to above, Azerbaijan might have been tempted to follow the Georgian example had Tbilisi succeeded in retaking South Ossetia. Furthermore, tensions between the Armenian and Azerbaijani minorities in Georgia could potentially escalate the dormant conflict between Armenia and Azerbaijan over who should control the disputed N-K region. If war breaks out

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22 Svetlana Gamova, 'The First Casualty of the CIS', *Nezavisimaya Gazeta*, No. 169, 13 August 2008, pp. 1–2.

23 Sergei Blagov, 'Georgia: Pipeline Routes on a Powder Keg', 19 August 2008, posted on <http://www.isn.ethz.ch/news/sw/details.cfm?ID=19324>.

24 Ahto Lobjakas, 'Strategic Nabucco Deal Inked to help Curb Dependence on Russian Gas', *RFE/RL Caucasus Report*, 13 July 2009, pp. 1–2.

25 Muriel Mirak-Weissbach, Global Research, 5 September 2008, posted on <http://www.globalresearch.ca/printarticle.php?articleId=10083>.

between the two neighbouring states it could put an end to any plans of sustainable oil and gas supplies from Azerbaijan and Central Asia circumventing Russia. After the war Azerbaijan respected the larger Russian footprint in the region. According to Lincoln Mitchell, a Columbia University professor, 'there was a bigger Russian role in the region because the only anti-Russian voice in the region just got its hat handed to them by the Russian military'.<sup>26</sup> Contrary to Armenia's hopes, Russia rejected any parallel between the recognition of Abkhazia and South Ossetia and Karabakh.<sup>27</sup>

Still, Medvedev reiterated that Russia's response to Georgia became a 'very serious lesson' for the parties to the Karabakh conflict. He added that 'following the war both Aliiev and Sarkisian visited me in Sochi and told me that it was better to conduct endless talks about Karabakh's status, whether there would be a referendum at some point, and how to prepare a peace agreement rather than experience another five days war'.<sup>28</sup> After the 2008 presidential elections in Armenia and Azerbaijan external dynamics with regard the Armenian-Turkish relations and the role of Russia in the region would change. We address this second major regional development in the next section.

### **Armenian-Turkish Rapprochement, September 2008**

Armenian-Turkish relations started to improve when the Turkish President Abdullah Gul sent a supportive message congratulating Sarkisian on his election in February 2008. When both Presidents met for the first time on 6 July 2008 in Astana, at festivities to celebrate the tenth anniversary of the Kazakh capital, Sarkisian extended an official invitation to his Turkish counterpart to visit Yerevan to attend a World Cup qualifying match between their national teams.<sup>29</sup> Gul accepted the invitation and travelled to Yerevan in September 2008 to attend the match, opening the way for a process of reconciliation to begin after decades of bitter enmity. If Armenia and Turkey succeed in establishing normal relations between them that would certainly contribute to genuine peace and stability in the South Caucasus.

Turkey closed its border with Armenia to demonstrate solidarity with Azerbaijan following the occupation of Kelbajar by the Karabakh forces in 1993. But it is noteworthy that since the mid-1990s Ankara had tried to relate the normalisation of relations between Armenia and Turkey with the peace process between

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26 Whitmore, '2008 in Review', p. 2.

27 ICG, 'Nagorno-Karabakh: Getting', p. 4.

28 Emil Sanamyan, 'Medvedev: Georgia War Very Serious Lesson for Azerbaijan and Armenia', 5 August 2011, posted on <http://www.reporter.am/go/article/2011-08-05-medvedev-georgia-war-very-serious-lesson>, p. 2.

29 Stepan Grigorian, 'Could Turkey Abandon Precondition for Relations with Armenia', *RFE/RL Caucasus Report*, 8 September 2008, p. 1.

Armenia and Azerbaijan, essentially offering to open its border with Armenia at some point in a coordinated sequence of events that would contribute to Armenian withdrawal from the occupied territories and the resolution of the conflict. Turkey ruled out to take the initiative unilaterally, demanding prior some concessions in the negotiations in order not to lose leverage on Armenia to withdraw from the occupied territories. Turkey was also cautious not to be accused by Azerbaijan of a sell-out on the issue of Karabakh. Obviously, linking the Armenian-Turkish normalisation with the Armenian-Azerbaijani conflict remained conventional wisdom in both Azerbaijan and Turkey.

Still, a rapprochement between Ankara and Yerevan required that the issue of the recognition of the Armenian genocide should be dealt with. The enmity between the two countries goes back to 1915, when the Young Turk government of the Ottoman Empire carried out a planned extermination campaign against the Armenian population leading to the death of approximately 1.5 million Armenians.<sup>30</sup> Armenia and the diaspora Armenians have been pursuing international recognition of the 1915 atrocities as genocide. However, the official Turkish view has been that during World War I the Armenians were deported because they were suspected of having been allied with Russia, and that, during the deportations many died. Turkey has proposed that a joint commission of historians from both sides examine the national archives to disclose the findings of their research. But most Armenians believe that a historical commission might question the Armenian view of events and delay genocide recognition.

In June 2008, to establish a peacemaking image after his bitterly contested election, Sarkisian demonstrated initial acceptance of the Turkish proposal to form a commission of Armenian and Turkish historians that would examine the 1915 Armenian atrocities. Such a commission was proposed in 2005 by Erdogan to the former Armenian President Kocharian, who rejected it. But Sarkisian clarified that the commission could be created only after Turkey agreed unconditionally to establish diplomatic relations and open its closed border with Armenia.<sup>31</sup> Prior to Gul's visit to Yerevan, in late April the Armenian and Turkish FMs Eduard Nalbandian and Ali Babacan released a statement that they had agreed, with Switzerland acting as mediator, on a 'road map' for normalising bilateral relations and then on 31 August they unveiled two draft protocols that they were working on.<sup>32</sup>

Gul's visit to Yerevan in September 2008 was a clear indication of change in Ankara's calculus. It no longer demanded a prior Armenian withdrawal from the

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30 Tanner Akcam, *From Empire to Republic, Turkish Nationalism and the Armenian Genocide* (London and New York: Zed Books, 2004), Chapters 4 and 5.

31 Elizabeth Fuller, 'Will Serzh Sarkisian's Biggest Gamble Pay Off?' *RFE/RL Caucasus Report*, 15 October 2009, p. 1.

32 Elizabeth Fuller, Anush Martirosian and Ruzanna Stepanian, 'Two Armenian Opposition Parties to Campaign Jointly Against Draft Agreements with Turkey', *RFE/RL Caucasus Report*, 29 September 2009, p. 1.



occupied Azerbaijani territories before it agreed to reopen the border, indicating instead it wanted to see 'some progress' or a 'plausible plan of withdrawal'.<sup>33</sup> Three factors led to that change. Firstly, the ruling AKP's (Justice and Development Party) foreign policy doctrine formulated by Erdogan's chief adviser and subsequently FM Ahmet Davutoglu's zero-problem policy toward Turkey's neighbours. Therefore, rapprochement with Armenia became possible. Secondly, the Russian-Georgian war in the South Caucasus and Turkey's new initiative known as the Caucasus Stability and Cooperation Platform (CSCP) opened the way for further contacts with Armenia and apparently reduced Russian opposition to a Turkish move in the region.<sup>34</sup> As the war interrupted the usual trade routes, Ankara lifted restrictions on Armenia's use of Turkish airspace. Concerning the CSCP, it would foster relations between Armenia, Azerbaijan, Georgia, Russia and Turkey and it would also be a new mechanism for resolving the conflicts in the South Caucasus and establishing permanent peace and security.<sup>35</sup> Iran was excluded from the platform. Turkey's FM at the time, Ali Babacan, said that 'all concerned parties should sit around a table and find solutions to their own problems for lasting peace and stability'.<sup>36</sup> In order to gain Russian support for the CSCP, Erdogan travelled to Moscow on 13 August 2008 before heading to the South Caucasus. Thus, it is reasonable to assume that the CSCP was to be a Russo-Turkish program aimed at conflict resolution in the South Caucasus, particularly the Karabakh conflict. Moscow was supportive of the CSCP but it did not want to see a more powerful Turkey near its southern border. The Russians might be hoping to reduce the influence of the EU and the US in the region. The reaction from the South Caucasus states to the Platform was understandably mixed. Officials from Azerbaijan and Georgia were apparently supportive, while Armenia welcomed the initiative. The Russian FM Sergie Lavrov described the CSCP as 'a mechanism for limiting the conflict potential of the region and increasing stability', stressing that 'its chief value rested on common sense ... and assumed that the countries of the region should themselves decide how to conduct their affairs'.<sup>37</sup>

Thirdly, Barack Obama's election to the Presidency of the US in November 2008. During his election campaign, Obama had made it clear that if elected he intended to recognise the Armenian massacres as genocide, a policy that caused deep concern in Ankara.<sup>38</sup> Thus, for Turkey, rapprochement with Armenia could prevent Obama from recognising the genocide and increase the credibility of

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33 ICG, 'Turkey and Armenia: Opening Minds, Opening Borders', *Europe Report*, No. 199, 14 April 2009, p. 7.

34 Barcin Yinanc, 'Armenia's Soccer Defeat Opens Door to Breakthrough in Turkey Relations', 8 September 2008, posted on <http://www.rferl.org/articleprintview/1197129.html>.

35 ICG, 'Turkey and Armenia: Opening', p. 1.

36 Quoted in German, *Regional Cooperation*, p. 122.

37 Quoted in German, *Regional Cooperation*, pp. 122–3.

38 ICG, 'Turkey and Armenia: Opening', p. 3.

the zero-problem policy in that Ankara did not need external pressure to address historical disputes with its neighbours. Probably this was what the Obama administration demanded from Turkey. Turkey's positive engagement with Armenia could help stop Armenia's efforts to pursue international recognition of the 1915 events as genocide. It would also help Turkey in its EU membership bid because it positioned itself as a key actor for stability in the South Caucasus. According to Vessela Tcherneva of the European Council of Foreign Relations, 'Turkey really wanted to assume a new role, that of a regional power that would reach out to its neighbours and was able also to resolve long-standing conflicts'.<sup>39</sup>

The three factors alluded to above brought about the football diplomacy that began with Gul's visit to Yerevan. One year later, on 10 October 2009, Armenia and Turkey signed two protocols at a ceremony in Zurich, Switzerland, after a delay of several hours occasioned by objections by both sides to the wording of the statement that the other intended to make following the signing ceremony. This was apparently due to strong EU and US pressure not to let the initiative die out, and to support Davutoglu's (who became Foreign Minister) zero-problems approach with neighbours. The first protocol affirmed the shared desire of the two countries 'to establish good neighbourly relations', 'the mutual recognition of the existing border between the two countries' and 'willingness to chart a new pattern and course for their relations on the basis of common interests, goodwill, and in pursuit of peace, harmony, and mutual understanding'.<sup>40</sup> It is noteworthy to stress their mutual recognition of the border between the two countries and the shared decision to open it.

The second protocol outlines three sets of measures to be undertaken to develop bilateral relations. The first of these is 'the opening of the common border within two months' of ratification of the protocols by parliaments of both countries. The second encompassed regular political consultations between the two countries' Foreign Ministers to 'implement a dialogue on the historical dimension, with the aim to restore mutual confidence between the two nations' (meaning the creation of Turkey's proposed joint commission to research the 1915 events), and to develop transport, communications and energy infrastructure and networks. The third step was the creation of 'an intergovernmental bilateral commission which shall comprise separate sub-commissions' to monitor the timely implementation of these proposed steps.<sup>41</sup> For further details on the two protocols (see Appendix D).

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39 Ahto Lobjakas, 'Turkish-Armenian Rapprochement Leaves Many Questions Unanswered', *RFE/RL Caucasus Report*, 18 October 2009, pp. 1–2.

40 Document 1, 'Protocol on the Establishment of Diplomatic Relations Between the Republic of Armenia and the Republic of Turkey', *Journal of the Society for Armenian Studies*, Vol. 18, No. 2 (December 2009), pp. 163–4.

41 Document 2, 'Protocol on Development of Relations Between the Republic of Turkey and the Republic of Armenia', *Journal of the Society for Armenian Studies*, Vol. 18, No. 2 (December 2009), pp. 165–6.

Apparently, the protocols aimed to secure a package deal to normalise Armenian-Turkish relations and resolve the Karabakh conflict. Once formally announced, the deal would need to be ratified by both countries' parliaments. Turkey's problem was that reconciliation with Armenia could not be dissociated from relations with Azerbaijan in that Ankara had supported the maxim of 'one nation, two states' for a long time and that a unilateral opening to Armenia could damage Turkish-Azerbaijani relations.<sup>42</sup> Ideally, the protocols would be followed by agreement between Armenia and Azerbaijan on the MG's Madrid Principles for a settlement of the Karabakh conflict.

Azerbaijan opposed the Armenian-Turkish deal and described it as harmful to its interests and gravely damaging to its relations with 'fraternal' Turkey. Baku expressed concern in that the Armenian-Turkish reconciliation would make Yerevan less inclined to render compromises in the Karabakh negotiations.<sup>43</sup> Armenia's closed borders with Turkey were the main form of leverage that might compel Yerevan to engage seriously in the resolution of the conflict. The Azerbaijani Foreign Ministry issued a statement saying that normalisation of relations between Turkey and Armenia prior to the withdrawal of the Karabakh forces from the occupied Azerbaijani territories 'directly contradicted Azerbaijan's national interests and casted a shadow on the brotherly relations between Turkey and Azerbaijan'.<sup>44</sup> Apparently, Azerbaijan held considerable influence over Turkey, which got much of its oil and gas from Azerbaijan. Indeed, just before the signing of the protocols Aliiev began moving closer to Moscow. On 9 October Aliiev met Medvedev at a summit of the CIS in Chisinau, in Moldova, signalling to the US that if the West and Turkey did not support Azerbaijan on N-K, then Baku could ignore the Nabucco project that was designed to bypass Russia by bringing gas from the Caspian region via Georgia and Turkey into the rest of Europe.<sup>45</sup> Still, on 14 October 2009 when Sarkisian and Gul were attending the second football match for a World Cup qualifier in the city of Bursa, in Turkey, Azerbaijan signed a deal to sell 500 million cubic metres of natural gas annually to Russia's Gazprom starting in 2010. In a televised cabinet meeting Aliiev revealed that 'it was not a secret to anyone that for many years Azerbaijan had been selling its gas to Turkey for one-third of market price'.<sup>46</sup> The Armenian-Turkish rapprochement began when Sarkisian invited Gul to attend a World Cup match in Yerevan last September. Aliiev's quick move into Moscow's orbit could be bluffing in an attempt to influence Turkey's parliament that was due to ratify the protocols

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42 Cornell, *Azerbaijan*, p. 388.

43 Monique Jaques, 'Turkey: Soccer Diplomacy Plays Out During Turkish-Armenian Cup Qualifier', *Eurasia Net*, 13 October 2009, p. 1, posted on <http://www.eurasianet.org/print/58586>.

44 Fuller, 'Will Serzh Sarkisian's', p. 2.

45 Brian Whitmore, 'Azerbaijan Could Scuttle Nabucco Over Turkey-Armenia Deal', *RFE/RL Caucasus Report*, 19 October 2009, p. 1.

46 Whitmore, 'Azerbaijan Could Scuttle', p. 2.

on the normalisation of relations with Armenia on 21 October.<sup>47</sup> It was doubtful that the Turkish parliament would vote for an opening of the border with Armenia without progress on Karabakh. There were already ‘loud voices’ within the AKP ruling party which were in strong disagreement with Erdogan.<sup>48</sup>

Turkish opposition parties also expressed hostility to the protocols. Main opposition leader Deniz Baykal announced that his party would not support the deal unless the Karabakh forces withdrew from the Azerbaijani occupied territories. Similarly, Devlet Bahçeli, head of the second largest opposition party, considered the protocols as a Turkish ‘surrender’ to Armenia.<sup>49</sup>

Thus, in response to Azerbaijan’s unconstructive stance on the normalisation of relations with Armenia, Erdogan linked the opening of the border with Armenia to Armenian concessions on Karabakh, telling the AKP ruling party that ‘no positive steps’ could be taken before ‘the Karabakh forces withdrew from Azerbaijan’.<sup>50</sup> Davutoglu also assured Baku that Turkey’s support would remain unchanged, and said that ‘Azerbaijani soil was as sacred for us as our own’. Normalisation would be possible after the security issues in the South Caucasus were resolved. Still, Turkish energy Minister, Taner Yıldız, assured Baku that Ankara was ready to pay more for Azerbaijan’s gas, suggesting more negotiations on that issue.<sup>51</sup> Apparently, by linking normalisation to Karabakh, Ankara sought a broader regional settlement. Pointing to the Armenian-Azerbaijani negotiations on Karabakh, Ankara argued that opening the borders, free trade and economic cooperation between Armenia and Azerbaijan and between Armenia and Turkey should become part of a comprehensive process of conflict resolution. Obviously, in the case of Karabakh this would include the withdrawal of the Karabakh forces, deployment of peacekeeping forces and return of the refugees to their homes. But linking normalisation to concessions on Karabakh was unacceptable for Armenia because progress in bilateral relations should proceed without preconditions.

Armenia had no intention of relinquishing control of Karabakh. Concerning the protocols, after their publication widespread public debate was triggered in Yerevan. In addition to some leading members of Sarkisian’s ruling Republican Party who expressed reservations on the ongoing rapprochement between Turkey and Armenia, the opposition party, Zharangutun (Heritage), and the Armenian Revolutionary Federation (ARF) that was part of the coalition government agreed to launch protests both within and outside parliament.<sup>52</sup> The ARF would pull out of Armenia’s governing coalition in 2009. The objections focused on the provision of the second protocol in which Armenia formally recognised its current border

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47 Whitmore, ‘Azerbaijan Could Scuttle’, p. 2.

48 Cornell, *Azerbaijan*, p. 388.

49 ‘Turkey Strives to Win Support for Normalized Ties with Armenia’, *The Daily Star*, 12 September 2009, p. 9.

50 Lobjakas, ‘Turkish-Armenian Rapprochement’, p. 1.

51 Whitmore, ‘Azerbaijan Could Scuttle’, p. 2.

52 Fuller, Martirosian and Stepanian, ‘Two Armenian Opposition’, p. 1.

with Turkey, and to the planned creation of a joint Armenian-Turkish commission to study the 1915 events. While Zharangutian proposed that the two protocols should be put to a nationwide referendum, the ARF supported calls to prosecute anyone in N-K who would publically advocate the return of the Azerbaijani occupied territories that were under the control of the Karabakh forces.<sup>53</sup> Yet, it is noteworthy that the return of the occupied territories to Azerbaijan was a key element in the MG peace plans to resolve the conflict. The former Armenian FM Oskanian also rejected the two protocols and considered them 'defeatist'. He said that the wording of the protocols 'gave Turkey what it had wanted for 18 years', meaning recognition of the current border and renunciation of Armenia's campaign for international recognition of the 1915 events as genocide.<sup>54</sup> Further, Ter-Petrosian's Armenian National Congress (HAK) criticised Sarkisian for agreeing to the creation of a commission of historians, but it supported the other provisions of the fence-mending protocols signed by Armenia and Turkey. That included Armenia's official recognition of the existing border with Turkey, the reopening of the two countries' border and establishment of diplomatic relations. Ter-Petrosian who was President from 1991 to 1998 argued that Turkey would never normalise relations with Armenia without precluding possible Armenian claims to its eastern regions that were populated by Armenians until World War I when the genocide occurred.<sup>55</sup> Prior to the signing of the protocols, on 17 September, Sarkisian, for his part, defended the agreements during a long meeting with nearly 50 pro-government political parties. His aim was to hold 'internal political consultations' before signing the protocols. Most opposition parties boycotted that meeting. Two other previous meetings were held in November and March to discuss the peace process associated with the Karabakh conflict.<sup>56</sup>

In Armenia, a group of prominent Armenian intellectuals and public figures announced the formation of a new movement called Miatsoum (Unification) that would actively oppose any territorial concessions to Azerbaijan.<sup>57</sup> It is important to note that the term Miatsoum was used as a slogan in the late 1980s by the Karabakh nationalist movement that emerged in Armenia and N-K and demanded unification of N-K with Armenia.<sup>58</sup>

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53 Fuller, Martirosian and Stepanian, 'Two Armenian Opposition', p. 1. Also, see 'Armenian Party Seeks to Criminalize Talk on Karabakh Concessions', *RFE/RL Caucasus Report*, 6 November 2009, p. 1.

54 Fuller Martirosian and Stepanian, 'Two Armenian Opposition', p. 2.

55 'Armenian Opposition Leader Backs President on Turkey', *RFE/RL Caucasus Report*, 12 November 2009, p. 1.

56 'Armenian President to Meet With Party Leaders on Turkey', *RFE/RL Caucasus Report*, 16 September 2009, p. 1.

57 Elizabeth Fuller, 'Moscow Declaration a Victory for Armenia', *RFE/RL Caucasus Report*, 3 November 2008, p. 1.

58 Ohannes Geukjian, 'The Politicization of the Environmentalist Issue in Armenia and Nagorno-Karabakh's Nationalist Movement in the South Caucasus 1985-1991', *Nationalities Papers*, Vol. 35, No. 2, (May 2007), pp. 233-65.

The official stance of the Karabakh leadership with regard the relationship of normalisation of relations between Armenia and Turkey and opening of the closed border between the two countries was articulated by Mirzoyan and Ghoulían. According to Mirzoyan:

The settlement of the Azerbaijani-Karabakh conflict and the normalisation of Armenian-Turkish relations were completely separate processes unrelated to each other. Any attempt to link these two parallel processes would be counterproductive and unacceptable.<sup>59</sup>

Ghoulían's response was not different from Mirzoyan's stance:

The normalisation of the Armenian-Turkish relations had no relation with the issue of Karabakh's independence and the occupied territories. The Armenian-Turkish border was closed in 1993 and there was no diplomatic relations between the two states. Certainly, this issue could be raised at the international level but relating the resolution of the N-K conflict to the normalisation of the Armenian-Turkish relations was not correct.<sup>60</sup>

Part of Sarkisian's dilemma lied in convincing the strong Armenian diaspora of the anticipated benefits of the protocols. Relations with Turkey had the potential to end the isolation of Armenia to which it had been confined since independence in 1991. The conflict with Azerbaijan had excluded Armenia from the regional energy transit projects and forced the land-locked country to rely on Russia for economic and security issues. The Russian military base at Gyumri was crucial for Armenia's security. Perhaps the Armenian-Turkish rapprochement would have not been possible without Russian support. Sarkisian was to navigate in the political minefield as he pursued a policy that was supported by the EU, Russia and the US. Sarkisian, in his tour of France, the US, Lebanon and Russia attempted to persuade the 5.7 million Armenians living abroad to support the rapprochement with Turkey. Due to their lobbying power, remittances and investments in Armenia's economy, they had enjoyed significant influence, particularly after independence, over the country's domestic politics and foreign policy. Sarkisian was met with skepticism and resentment. Many in the diaspora rejected the proposed rapprochement and Armenia's recognition of its borders with Turkey.<sup>61</sup> The diaspora saw the rapprochement as a threat to Armenian identity. 'It did not see it in the same context that Armenia's government saw it', reiterated Richard

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59 Author interview with Karen Mirzoyan, Foreign Minister of Karabakh, Karabakh October 2013.

60 Author interview with Ashot Ghoulían, Speaker of Karabakh's parliament, Karabakh October 2013.

61 Brian Whitmore, 'At Home and Abroad, Turkey Deal a Tough Sell for Armenian President', *RFE/RL Caucasus Report*, 7 October 2009, p. 2.

Giragosian, the director of the Yerevan based Armenian Center for National and International Studies.<sup>62</sup>

The position of the diaspora was articulated by a number of political parties and organisations that tried to influence the policy of the homeland (Armenia) with Turkey. For example, the ARF Bureau (the supreme organ of the party) threatened that it would quit the coalition government if Sarkisian ‘betrayed national interests’ and called ‘on the Armenian people and the political forces in Armenia to properly assess the Armenia-Turkey relations process with its negative consequences and, in the most unified manner, deter the possible irreversible losses’,<sup>63</sup> meaning the recognition of the border and the questioning of the genocide. The Chairperson of the European Armenian Federation, Hilda Choboian issued a statement saying:

For decades, the European Armenian communities fought all forms of genocide denial, advocated for the right to self-determination of the people of Nagorno-Karabakh, and defended the heritage of the Armenian people in all its aspects, having by their side the unwavering support of the European society to their just Cause. Today, we reaffirm our commitment to defend the legitimate rights of our people with the same determination.<sup>64</sup>

The Armenian National Committee of America (ANCA) issued a similar statement ahead of Sarkisian’s visit criticising the opening to Turkey as ‘a flawed and dangerous set of protocols that would threaten the security of Armenia, surrender the rights of the Armenian nation, and insult the dignity of the Armenian people’.<sup>65</sup> Thus, given the staunch opposition of the diaspora to the protocols, their likelihood of being implemented was very weak. Yet, the challenge of achieving progress in the Karabakh conflict and breaking the deadlock was crucial to prevent the ceasefire violations by both sides on the line of contact. After the Georgian-Russian war and the failure in achieving reconciliation between Armenia and Turkey, Russia in November unilaterally took the initiative to broker an agreement in the Karabakh conflict. The Russian move appeared to reciprocate Western support for the Armenian-Turkish rapprochement in September to resolve the Karabakh conflict and maintain stability in the region.

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62 Quoted in Whitmore, ‘At Home and Abroad’, p. 2.

63 Document 4, ‘ARF Bureau Announcement on Protocols’, 1 September 2009, *Journal of the Society for Armenian Studies*, Vol. 18, No. 2 (December 2009), p. 170.

64 Document 6, ‘Armenian Turkish Protocols: Turkey’s Preconditions Violate the Principles of International Law’, 2 September 2009, *Journal of the Society for Armenian Studies*, Vol. 18, No. 2 (December 2009), p. 173.

65 Whitmore, ‘At Home and Abroad’, p. 2.

## **The Moscow Declaration, November 2008**

As examined above, Russia viewed its mediation efforts over Karabakh as a means for promoting its influence in the region, particularly in Azerbaijan which had long been suspicious about Moscow's real intentions in the region. Moscow saw an opportunity to mend its tarnished image, caused by the Georgian-Russian war, by presenting itself as a responsible regional power. Moscow's mediation could also be seen as an attempt to restore its credibility in the South Caucasus after the war with Georgia, which eroded its relations with the US. Thus, it brokered the Moscow Declaration of 2 November 2008 signed jointly by the three Presidents Aliiev, Medvedev and Sarkisian.<sup>66</sup> But certainly Moscow would not bypass its American and French partners in the MG. The Declaration stipulated firstly that the three Presidents reaffirmed their shared commitment to seeking a political settlement to the Karabakh conflict 'on the basis and principles of international law and the decisions and documents approved within this framework' and with the stated objective of 'creating favourable conditions for economic growth and all-round cooperation in the region':<sup>67</sup> meaning that Aliiev, who had previously warned on numerous occasions that if the MG failed to resolve the conflict Azerbaijan would have no choice but to use military force to retake N-K, had formally pledged not to start a war.

Secondly, the Declaration stressed the importance of 'the OSCE MG mediation efforts' including the Madrid Principles of 29 November 2007 as a basic blueprint for resolving the conflict:<sup>68</sup> meaning that the Declaration effectively precluded any mediation by Turkey to promote an alternative peace plan that might be more in line with Azerbaijan's interests, instead of the Madrid Principles. During his Yerevan visit two months ago, Gul had affirmed Turkey's readiness to help in resolving the Karabakh conflict.

Thirdly, the three Presidents agreed that the 'peace settlement should be accompanied by legally binding guarantees for every aspect and stage of the settlement process'.<sup>69</sup> For Armenia, the main weakness of the Madrid Principles was that they required the Karabakh forces to relinquish its most important bargaining chip and withdraw from the seven occupied districts of Azerbaijan that they currently control before any decision was made on the future status of N-K. The issue of status was to be decided by means of a referendum that might not take place until years after the Armenian withdrawal. For further details on the Moscow Declaration (see Appendix E).

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66 Fuller, 'Moscow Declaration', p. 1.

67 'Declaration Between the Republic of Azerbaijan, the Republic of Armenia and the Russian Federation', 2 November 2008, posted on <http://archive.Kremlin.ru/eng/text/docs/2008/11/208708.shtml>.

68 'Declaration Between the Republic of Azerbaijan' (see footnote 65).

69 'Declaration Between the Republic of Azerbaijan' (see footnote 65).



Although lacking in specifics, the Declaration carried significant diplomatic weight as the first document signed by the disputants since the 1994 ceasefire that was brokered by Russia, and the first on the N-K conflict signed by the Presidents of Armenia and Azerbaijan since their countries' independence. It was also important for Moscow which wanted to remind the international community that it held the key to a solution despite the fact that the other two MG Co-Chairs, the US and France, were present at the signing ceremony. It was hard to imagine that a peace deal would be achieved without the US. Therefore, it was also premature to expect a breakthrough in the talks before January 2009, when the next US President would be sworn in. Another motive of Russia was that probably it wanted to secure a substantial military presence in N-K as part of the future peacekeeping force that would be deployed once a peace agreement was signed between the disputants.

### *After the Moscow Declaration*

Despite the mediator's optimism about a possible breakthrough in 2009, the long-running deadlock over several issues, including the modalities of a plan to hold a referendum to determine N-K's final status and the status and size of a possible land corridor linking Karabakh with Armenia in the Lachin district, was not broken. Apparently, progress on resolving the N-K conflict would contribute to the normalisation of the Armenian-Turkish relations. But the best that could be expected in 2009 was a framework agreement on the basic principles that were negotiated since 2005 between the two Presidents and their FMs. In early 2009 the situation remained precarious on the ceasefire line and six people were killed from both sides.<sup>70</sup>

The US that had welcomed the signing of the protocols continued to strongly support the Armenian-Turkish rapprochement and that 'normalisation should take place without preconditions and within a reasonable timeframe'. In April, the US State Department spokesman Robert Wood said that the US 'urged Armenia and Turkey to proceed according to the agreed framework and roadmap' and that the US 'looked forward to working with both governments in support of normalisation, and thus promote peace, security and stability in the whole region'.<sup>71</sup> Unlike Russia, it could be argued that the US had no detailed strategy towards the South Caucasus other than the fundamentals of preventing war and ensuring peace along pipelines.<sup>72</sup> Obama in his state visit to Turkey on 6–7 April 2009 reiterated that 'my views were on the record, and I had not changed views. What I had been very encouraged by was news that under President Gul's leadership,

70 ICG, 'Turkey and Armenia: Opening', p. 7.

71 Emil Danielyan, 'Turkey-US President Barack Obama Meets with Foreign Ministers in Istanbul', *RFE/RL Armenia Report*, 6 April 2009, p. 2.

72 On US foreign policy towards the South Caucasus, see Taniel Koushakjian, 'US Foreign Policy Towards the South Caucasus', 2 June 2011, posted on [http://noravank.am/upload/pdf/05.Taniel%20Koushakjian\\_21\\_Century\\_02-2011.pdf](http://noravank.am/upload/pdf/05.Taniel%20Koushakjian_21_Century_02-2011.pdf).

we were seeing a series of negotiations and a process in place between Armenia and Turkey to resolve a whole host of long-standing issues, including this one', meaning the genocide.<sup>73</sup> It is important to note that in his January 2008 statement on his election campaign site, Obama said:

The Armenian genocide is not an allegation, a personal opinion, or a point of view, but rather a widely documented fact supported by an overwhelming body of historical evidence. America deserves a leader who speaks truthfully about the Armenian genocide and responds forcefully to all genocides. I intend to be that president.<sup>74</sup>

But Turkey did not want that April 24, that is, the annual Armenian remembrance day of the genocide, be the time when Obama would fulfil his campaign pledge. Thus, for Turkey linking progress in relations with Armenia to a breakthrough in the Karabakh talks would halt the efforts towards reconciliation, and be a return to its traditional positions and strengthen arguments that it was using the rapprochement with Armenia to delay US genocide recognition. Delinking the two processes could reduce Armenia's dependence on Russia, could have no reason to fear Turkey and could make Armenia willing to render concessions on the Karabakh conflict. But it could be argued that why Armenia would find it in its interest to render concessions on Karabakh once it normalised relations with Turkey. Also as argued above, delinking the two processes and opening the borders between Armenia and Turkey would certainly alienate Azerbaijan. But to comfort Aliiev, Obama 'reaffirmed US commitment to a strong relationship with Azerbaijan and to supporting progress toward a resolution of the N-K conflict'. He also underscored 'the importance of Armenian-Turkish reconciliation, which would lead to greater peace and security in the region'.<sup>75</sup> In connection to Obama's visit to Istanbul, Baku had started an unprecedented campaign for preventing the opening of the Armenian-Turkish border. Ostensibly, Aliiev refused to attend the 'Alliance of Civilizations' summit on 6–7 April that coincided with Obama's state visit to Turkey.<sup>76</sup> Obama delivered his message of reconciliation to the FMs of Turkey and Armenia and emphasised that 'an open border would return the Turkish and Armenian people to a peaceful and prosperous coexistence that would serve both nations'.<sup>77</sup> But opening the border would depend on the negotiations process between the two countries. The normalisation of Armenian-Turkish relations

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73 Charles Recknagel, 'Is Turkey Ready to Make Peace with Armenia?' *RFE/RL Caucasus Report*, 6 April 2009, p. 3.

74 Recknagel, 'Is Turkey Ready', p. 2.

75 White House press release, 'Obama Reassures Aliiev over Armenia-Turkey Thaw', *RFE/RL Caucasus Report*, 8 April 2009.

76 ICG, 'Turkey and Armenia: Opening', p. 4.

77 'Obama Encourages Turkish-Armenian Dialogue', *Agence France Presse*, 6 April 2009.

might end in nothing, because in late April Turkey again linked its relations with Armenia with progress in Karabakh. But Turkey appeared willing to drop that linkage when it embarked on an unprecedented dialogue with Armenia in 2008. Apparently, the US tried to neutralise the strong Azerbaijani objections to the Armenian-Turkish rapprochement by intensifying its efforts to broker a solution to the Karabakh conflict.

The alternative to fulfilling Obama's pledge was to achieve enough progress in the rapprochement with Armenia, and that was what the Obama administration demanded from Turkey. Apparently, US recognition of the 1915 events as genocide would minimise the chance of an Armenian-Turkish rapprochement. Both Ankara and Washington wanted to avoid a crisis in their bilateral relations at the time when Turkey's foreign policy of zero-problems with its neighbours seemed especially needed to help stabilise the South Caucasus and maintain pipeline security.

Over the past decade, Turkey had improved its relations with Syria and the Middle East and now it was doing the same with Iraq and the South Caucasus states. This policy had been dubbed by analysts as neo-Ottomanism, meaning that it had become a peace broker in many areas that once belonged to the Ottoman Empire.

### *Peacemaking Attempts*

Aliiev and Sarkisian met six times in 2009 to try to agree on the basic principles. Both Presidents met on 7 May, on the sidelines of the EU summit in Prague, to narrow their remaining differences over a framework peace agreement formulated by the mediators in November 2007. On 17 April, three weeks before his meeting with Sarkisian in Prague, Aliiev travelled to Moscow, where he discussed the Karabakh conflict with Medvedev to achieve progress.<sup>78</sup> According to the MG Co-Chairs, the two leaders further narrowed their differences over the basic principles.<sup>79</sup> In his statement, US Assistant Deputy Secretary of State Matthew Bryza revealed that there were 'between 10 and 20 basic principles in the Madrid Document, and that there were a handful of the 10–12 issues that still needed to be worked out conceptually'. He added that 'the Presidents did in fact work through the concepts of that handful of basic principles that had not been agreed. What they did not do was agree on the details'.<sup>80</sup> Apparently, the focus of the negotiations in Prague was on having a conceptual agreement, leaving the details for another round of talks. It was difficult to predict a time frame for the signing of basic principles if Azerbaijan continued either to try to pressure Turkey not to open its border with

78 Elizabeth Fuller, 'Is the Karabakh Peace Process in Jeopardy', *RFE/RL Caucasus Report*, 15 May 2009, p. 2.

79 Emil Danielyan, 'Azeri, Turkish Leaders See no Progress in Karabakh Talks', *RFE/RL Armenia Report*, 25 May 2009, p. 1.

80 Danielyan, 'Azeri, Turkish Leaders', p. 2. Also, see Elizabeth Fuller, 'Is the Karabakh Peace Process in Jeopardy', *RFE/RL Caucasus Report*, 15 May 2009.

Armenia, or to insist on a separate agreement on the withdrawal of the Karabakh forces as a preliminary to endorsing the remaining basic principles. As discussed above, Aliiev had considerable leverage on Turkey in that he could withdraw Azerbaijan's support for the planned Nabucco export pipeline for Caspian gas from which Turkey would derive considerable profit in transit fees.<sup>81</sup>

The release at the G8 summit in L'Aquila, Italy, on 10 July 2009 of a statement by the Presidents of the three MG Co-Chair countries had put new pressure on Armenia and Azerbaijan to finalise the basic principles for the settlement of the conflict. Obama, Medvedev and Sarkozy issued the following statement:

We are instructing our mediators to present to the Presidents of Armenia and Azerbaijan an updated version of the Madrid Document on November 2007, the Co-Chairs' last articulation of the basic principles. We urge the Presidents of Armenia and Azerbaijan to resolve the few differences remaining between them and finalise their agreement on these basic principles, which will outline a comprehensive settlement.<sup>82</sup>

Apparently, the mediators acted as manipulators and used their power to bring the parties to an agreement. They also used a directive strategy to affect the content and substance as well as the process of mediation. In order to achieve these goals they signalled to an updated version of the Madrid Document that would be presented to the disputants soon. According to Bryza, the Co-Chairs had indeed 'prepared an updated version of the Madrid Document' based on 'careful' consideration of the views expressed by the parties since the unveiling of the Document in November 2007.<sup>83</sup> The pressure on Armenia and Azerbaijan to make progress was linked to an effort to save the Armenian-Turkish negotiations, which had stalled with Turkey's renewed insistence on a resolution of the Karabakh conflict favourable to Azerbaijan. But, the mediators tried to persuade the parties of their vision of a solution to break the deadlock. Thus, the L'Aquila statement included a fact sheet outlining the general contours of the proposed principles, including *inter alia*:

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81 The months of April and May 2009 were significant with regard large energy projects. On April 24–25 the Natural Gas for Europe: Security and Partnership summit, which took place in Sofia, laid the first real foundation for the implementation of Nabucco gas pipeline project which is of strategic importance for Europe. On 8 May during South Corridor: New Silk Road summit in Prague the joint declaration on the construction of Nabucco pipeline was signed by the representatives of Azerbaijan, Turkey, Georgia and Egypt.

82 'Presidents of United States, Russia, and France Issue Karabakh Statement', 10 July 2009, posted on <http://www.reporter.am/go/article/2009-07-10-presidents-of-united-states-russia-and-france>.

83 'Mediators Amend Draft Karabakh Peace Proposals', *RFE/RL Caucasus Report*, 28 July 2009, p. 1.

- Return of the territories surrounding N-K to Azerbaijani control.
- An interim status for N-K providing guarantees for security and self-governance.
- A corridor linking Armenia to N-K.
- Eventual determination of the final legal status of N-K through a legally binding expression of will.
- The right of all internally displaced persons (IDPs) and refugees to return to their places of residence.
- International security guarantees, including a peacekeeping operation.<sup>84</sup>

On 8 July the mediators welcomed the stated readiness of both parties to withdraw their snipers deployed along the line of contact that separated the Azerbaijani and Karabakh forces. Certainly, such a step would be a CBM between both parties but there was no final agreement to withdraw the snipers which kill dozens of servicemen on both sides each year. Another sticking point was the time frame for the withdrawal of the Karabakh forces from the Azerbaijani occupied territories. The basic principles required a withdrawal from five of the seven districts and the deployment of international peacekeeping force in the other two (Lachin and Kelbajar).<sup>85</sup>

Armenia expressed readiness to continue talks with Azerbaijan on the basis of the Madrid Principles, which meant that it had not formally approved those principles. In this version no special mention was made of Kelbajar, the return of which was to be linked to the determination of the status of Karabakh. Nalbandian later on rejected as untrue the claims that Aliiev and Sarkisian on July 17–18 in Moscow discussed the timetable for the withdrawal of the Karabakh forces from seven districts of Azerbaijan.<sup>86</sup> The Armenian opposition criticised the L'Aquila statement. Indeed, Ter-Petrosian's HAK claimed that the most recent Madrid Principles required from Armenia concessions of a magnitude that was tantamount to 'treason'. But surprisingly Ter-Petrosian had endorsed similar provisions to the L'Aquila statement contained in a draft peace settlement in May–July 1997. The prospects of a breakthrough in the talks had given rise to serious concern from Armenian nationalist groups opposed to major territorial concessions to Azerbaijan. The ARF that withdrew from the ruling coalition in April 2009 to protest Sarkisian's policy of rapprochement with Turkey warned that it would demand Sarkisian's resignation if he endorsed the Madrid Principles. The Karabakh Leadership also did not intend to return the occupied districts to

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84 ICG, 'Nagorno-Karabakh: Getting', pp. 5–6.

85 Elizabeth Fuller, 'Minsk Group Co-Chairs Hopeful of Karabakh Breakthrough', *RFE/RL Caucasus Report*, 10 July 2009, pp. 1–2.

86 'Foreign Minister Denies Armenia has Endorsed Madrid Principles', *RFE/RL Caucasus Report*, 21 July 2009, pp. 1–2.

Azerbaijan.<sup>87</sup> For the spoilers it was difficult to replace a mentality that focused on winning with one that was willing to trade in conflict for lessened goals. On the other hand, Oskanian dismissed the hardliner's position and considered that no peaceful settlement was possible without the return of the Armenian-controlled territories surrounding Karabakh. He defended the Madrid Principles and said:

Whereas in the past Karabakh was offered at worst a high degree of autonomy within Azerbaijan and at best horizontal ties between Azerbaijan and Karabakh within the framework of a common state. The Madrid Principles ... provided for the self-determination of the Karabakh people, which obviously meant Karabakh's independence or unification with Armenia.<sup>88</sup>

Oskanian also reiterated:

If the Armenian side wanted to exclude the issues of return of territories, return of Azerbaijani refugees from future principles and be guided by the principle of 'not a single inch of land to the enemy', which would be an absolutely marvelous solution, then Armenia and Karabakh or both of them should pull out of the negotiations. If we were to negotiate, these principles would always be on the table.<sup>89</sup>

The Armenian bottom line remained the same, mainly recognition of Karabakh's right to self-determination, a secure land link between Karabakh and Armenia and security guarantees that precluded resumption of hostilities. Yerevan and the Karabakh Leadership did not approve the basic principles, arguing they did not guarantee tangible security for N-K and that they were formulated without the participation of the Karabakh authorities in the talks. From their perspective it was difficult to achieve progress in the settlement without Karabakh's direct participation in the negotiations. Bako Sahakian, the President of N-K, for his part told visiting OSCE CIO Dora Bakoyannis in Yerevan that 'it would remain impossible to reach a compromise solution to the conflict unless the Karabakh

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87 'Foreign Minister Denies', pp. 1–2. On 17 July, 24 heads and independent experts in N-K released a statement denouncing the Madrid Principles as 'illegal, unjust, amoral, and detrimental to the entire South Caucasus'. The statement alleged that 'the security of N-K and Armenia was under threat', and accused the MG Co-Chairs of 'ignoring completely existing realities and the legal rights' of Karabakh's population. See, the same source, p. 1.

88 'Oskanian Defends Madrid Principles', *RFE/RL Armenia Report*, 3 August 2009, pp. 1–2. Also, see Oskanian's interview to *RFE* in Yerevan, 1 August 2009, posted on <http://www.civitasfoundation.org/cf/interviews/199-vartan-oskanian-interview.html>.

89 Anna Israelian and Aghasi Yenokian, 'Former Armenian Foreign Minister Defends Madrid Principles', *RFE/RL Caucasus Report*, 3 August 2009, p. 2.

Leadership returned to the negotiating table as a full-fledged participant to the peace talks'.<sup>90</sup>

Azerbaijani officials avoided references to the Madrid Principles, preferring to vaguely refer to the Madrid Principles in general that seemed to number more than ten as mentioned above. Thus, on 10 June the deputy FM said 'in principle, on a strategic level the Azerbaijani state was satisfied with these proposals. But there were elements that had not been agreed'.<sup>91</sup> Azerbaijan's bottom line also remained the same, mainly ruling out any procedure that would legalise Karabakh's independence. Azerbaijan was in favour of any compromise that would protect the country's territorial integrity and the return of the refugees to their homes. It is important to note that in 2009, Aliiev had already publicly accepted a land corridor linking Karabakh and Armenia in the Lachin district and interim status for Karabakh, but he did not publicly endorse a referendum for Karabakh and told officials that as long as he was President there would be none.<sup>92</sup> In the asymmetrical negotiations, Aliiev's acceptance of a land corridor could mean improving Azerbaijan's outcome by reducing the asymmetry. But certainly the negotiations were correspondingly difficult because both parties were intransigent on the issues of recognition, security and status. According to Aliiev, with regard to Karabakh's status, 'a mechanism for an interim status could be agreed in the first stage, while the issue of the final status would be solved only when the parties agree on that'. Aliiev also said that 'this could happen in one year, in ten years, in one hundred years, or this could never happen. Time would tell'.<sup>93</sup>

In their sixth face-to-face meeting in Munich on 22 November 2009 both Presidents failed to break the deadlock and achieve progress. Ahead of the Munich talks Aliiev reiterated that if the peace process did not yield results Azerbaijan would have 'the full right to liberate its territories by military means'. Yerevan reacted and announced that 'if the peace talks ended and hostilities started, nothing would prevent the Republic of Armenia from recognising Karabakh's independence'.<sup>94</sup> The mediators disapproved of Aliiev's threat and told both Presidents that 'at this delicate moment of negotiations it was better to refrain from making disproportionate accusations towards each other and especially not to talk about the possibility of a forcible solution' to the conflict.<sup>95</sup>

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90 Elizabeth Fuller and Emil Danielyan, 'Is a Formal Karabakh Peace Agreement Within Reach?' *RFE/RL Caucasus Report*, 8 July 2009, p. 2.

91 ICG, 'Nagorno-Karabakh: Getting', p. 5.

92 ICG, 'Armenia and Azerbaijan: Preventing War', p. 9.

93 Fuller and Danielyan, 'Is a Formal Karabakh Peace', p. 1.

94 Harry Tamrazian, 'Difficulties Reported in New Armenian-Azeri Summit', 23 September 2009, posted on <http://www.armenialiberty.org/articleprintview/1885278.html>. Also, see 'Mediators Note Progress in Munich Karabakh Talks', *RFE/RL Caucasus Report*, 24 November 2009.

95 Tamrazian, 'Difficulties Reported', p. 2.

From the aforementioned it is reasonable to assume that so far four elements had always affected the peace process and continued to do so. Firstly, the global and regional interests of the major powers and their bilateral relationships. Secondly, the dominant trends in international relations as manifested in the agendas and decisions of international organisations, such as the UN, the OSCE and the EU. Thirdly, the political and economic interests of the conflicting parties. Fourthly, the diplomatic approaches, commitments and capacities of the conflicting parties in shaping the peace process.

Since 1992, the commencement of the peace process, these four factors had left a significant effect, though at various degrees, on the negotiations. At the regional and international level the relationship among the major powers changed dramatically. The most obvious example was the US administration's policy in the region prompted by its new outlook to resolve the Armenian-Turkish conflict and the security of the oil and gas pipelines. Further, after the Georgian-Russian war the US and Russia were resetting their relationship. Still, the EU's policy since January 2006 (examined briefly in this research) cannot be ignored. It is noteworthy to mention the European Parliament's decision that the EU must help settle conflicts in the South Caucasus. It described the ongoing conflict in N-K as an impediment to 'the development of Armenia and Azerbaijan and regional cooperation as well as the effective implementation of the European neighbourhood policy (ENP)'.<sup>96</sup> The EU decided to include the three South Caucasus states in its ENP in 2003. Since February 2001, the EU had been willing to play a more active political role in the South Caucasus, stating that it would seek ways of lending its support 'to prevent and resolve conflicts' and assist in post-conflict rehabilitation.<sup>97</sup> The EU also created the Eastern Partnership (EaP) with six Eastern Partners (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) at the Prague summit in May 2009, as a specific eastern dimension of the ENP.<sup>98</sup> This partnership that was devised by Poland and Sweden in the wake of the Georgian-Russian war remained vulnerable to Russian pressure. In addition to its attempt to find solutions to conflicts, the EU aimed to maintain energy security in the region.

Concerning the Karabakh conflict there were three possible scenarios. Firstly, maintaining the present status quo; secondly, the eruption of war and the creation of a new situation on the ground; thirdly, a negotiated settlement. The first scenario was certainly unacceptable for the mediators but so far had been sustainable. The second scenario that was war, Armenia and Karabakh had no reason to start a war and bear the consequences. Although Aliiev had repeatedly referred to the military option to solve the conflict, for Azerbaijan war would be a very risky alternative because there was no guarantee that Azerbaijan would win it. It could also bear a huge economic cost if the Karabakh forces targeted the oil and gas pipelines.

96 Quoted in German, *Regional Cooperation*, p. 142.

97 Quoted in German, *Regional Cooperation*, pp. 141–2.

98 Elizabeth Fuller, 'EU Prague Summit Could Yield Progress on Karabakh', *RFE/RL Caucasus Report*, 6 May 2009.



The third scenario was that a negotiated solution seemed the most desirable, but it required a document that would include substantive compromises. So far, five peace plans were presented, four of which (package, phased, common state and territorial swap) were rejected. The fifth one, the Madrid Principles, was on the table.

Apparently, there was no easy solution because both sides had a BATNA. Azerbaijan believed that its BATNA was war, being the only means to return the occupied territories. Armenia and Karabakh believed that their BATNA was maintaining the present status quo. The deadlock occurred because of process factors that were related to the way the negotiation process unfolded. For example, both parties were engaged in too much bluffing, posturing and lying, and this is consistent with hypothesis 2. Deadlock resulted because the levels of uncertainty and/or distrust were high. Uncertainty occurred because the disputants were unsure about aspects of the negotiation process such as the preferences, perceptions and beliefs of their opponent, or they were uncertain about the actual effects of certain proposals. The deadlock was strategic and not tactical because it was related to real and basic incompatibilities. They also felt that they had no incentive to make concessions, perhaps because they had a better BATNA as per hypothesis 1. Still, the disputants saw the deals on offer as lacking in fairness or justice and that was why they preferred to incur the costs of deadlock rather than make concessions to reach a settlement that they saw as deeply unfair, as per hypothesis 3. As discussed above, Azerbaijan demanded that three additional major points should be reflected in the framework agreement: the return of the refugees prior to Karabakh's final status determination, equal and mutual use of the Lachin corridor and determination of Karabakh's final status within the framework of Azerbaijan's territorial integrity. Armenia on the other hand considered the Madrid Document as a basis for further negotiations and refused to sign it.

The US pushed for improved relations between Armenia and Turkey but no progress was achieved because Azerbaijan remained intransigent. Baku believed that progress could only be achieved if there was a Karabakh settlement. A negotiated settlement would be achieved when both sides acknowledged each other's minimum human needs. Equally important, the negotiators must achieve sufficient internal consensus and seek approval from their constituents for their actions on the negotiation table. This had not happened yet in 2009. The prospects for peace would also depend 'on how well and how quickly disparate local political realities, quickly evolving international relations and radically changing global trends could be juggled and reconfigured'.<sup>99</sup> The mediators remained committed to resolve the conflict and they formulated the updated Madrid Principles in early 2010. We examine them in the next section.

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99 Vartan Oskanian, 'Nagorno-Karabakh: War, Peace, or BATNA?' *RFE/RL Caucasus Report*, 4 June 2009, p. 2.

## The Updated Madrid Principles, January 2010

The MG Co-Chairs sought a consensus text. In early 2010 they presented updated Madrid Principles that envisaged a phased rather than package solution. They reportedly contained 16 or 17 points but did not differ fundamentally from the 2007 version. According to Bryza both sides fundamentally concurred that provided everything else was agreed, the Karabakh forces would withdraw immediately from five districts (Agdam, Fizuli, Gebrail, Zangelan and Kubatli) adjacent to N-K and then in five years' time from Kelbajar and Lachin.<sup>100</sup> According to Mammadyarov, the withdrawal would be followed by restoration of communication, a donor's conference that would convene to raise funds for post-conflict rehabilitation and the deployment of a peacekeeping force to ensure the security of the Azerbaijani displaced persons returning to their homes.<sup>101</sup> But the MG's basic principles left the question of the composition of a peacekeeping force unanswered. Iran strongly opposed US involvement in a multi-national peacekeeping force that would presumably be deployed around N-K because that 'would pose a serious threat to the Islamic republic given its extremely tense relations with Washington'.<sup>102</sup>

It appeared that the second stage entailed the withdrawal of the Karabakh forces from Lachin and Kelbajar after five years, followed by the return of the Azerbaijani displaced population. Then a decision would be taken on the status of Karabakh within the Azerbaijani republic, meaning that the status should not violate Azerbaijan's territorial integrity.<sup>103</sup> In mid-February Aliiev confirmed that Azerbaijan accepted a framework agreement 'with some unspecified minor exceptions'.<sup>104</sup> He also indicated progress on the Lachin corridor issue and said that Azerbaijan 'saw no problem' in providing for a land link between Karabakh and Armenia.<sup>105</sup> For Aliiev it was an optimum moment to be seen as demonstrating apparent willingness to compromise.

The official reaction from Armenia was less enthusiastic. Armenia desired to keep its leverage in that it wanted to leave the issue of return of the Azerbaijani IDPs to Karabakh unaddressed before the determination of Karabakh's final status. Obviously, Yerevan wanted stronger security guarantees and an agreement that the population of Karabakh would have the right to self-determination, including

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100 ICG, 'Nagorno-Karabakh: Getting', pp. 6–7. Also, see 'Azerbaijani Foreign Minister Discloses Details of Madrid Principles', *RFE/RL Caucasus Report*, 15 March 2010, p. 1.

101 'Azerbaijani Foreign Minister Discloses Details of Madrid Principles', *RFE/RL Caucasus Report*, 15 March 2010, p. 1.

102 Ruzana Stepanian, 'Iran Against US Peacekeeping Role in Karabakh', 23 June 2010, posted on <http://www.armenialiberty.org/content/article/2080247.html>.

103 'Azerbaijani Foreign Minister', p. 1.

104 ICG, 'Armenia and Azerbaijan: Preventing War', pp. 8–9.

105 ICG, 'Nagorno-Karabakh: Getting', p. 7.

formalising secession from Azerbaijan and choosing independence.<sup>106</sup> For Armenia the remaining disagreements between both sides centered on practical modalities of the referendum, the time frame for the withdrawal from Lachin and Kelbajar and the status of the land link across Lachin that would connect Karabakh with Armenia. Nonetheless, positive signals came from the Armenian side, implying in principle Yerevan 'was prepared to return Kelbajar and part of Lachin in exchange for a twenty-to-twenty five km-wide land connection between Armenia and Karabakh'.<sup>107</sup> In an address in February to the Royal Institute of International Affairs in London, Sarkisian argued that the principle of territorial integrity

Should not be emphatically underlined when seeking a solution to the Karabakh conflict. Our belief was that the settlement of the conflict should be based on human rights and the will of the Karabakh people as an expression of their collective identity. It was the only way to achieve a lasting and peaceful settlement. The alternative, i. e. forcing the Karabakh population against their will to live as citizens of Azerbaijan would inevitably lead to attempts by Azerbaijan to ethnically cleanse Karabakh of its Armenian population.<sup>108</sup>

### *Russian Attempts to Break the Deadlock*

An MG meeting hosted by Medvedev in Sochi on 25 January 2010 did little to spur the talks. Aliev and Sarkisian reached only verbal agreement on the wording of the preamble of the revised Madrid Principles that constituted the outline of a more comprehensive peace settlement.<sup>109</sup> That preamble almost certainly reaffirmed their shared commitment to resolve the conflict peacefully, within the framework of international law. Sarkisian's proposal of specifying a definite date for a referendum on the final status was rejected by Aliev, who argued that it 'would undermine the entire framework of the agreement'.<sup>110</sup> Armenia then returned to its pre-2006 stance, insisting on maintaining control over Kelbajar and Lachin until Karabakh's final status was determined. Previously, Armenia had appeared to accept a phased withdrawal from the seven occupied territories, if a Lachin corridor was secured, Karabakh obtained official interim status and the right to self-determination was codified.

The main obstacle to an agreement that both Presidents addressed directly was Karabakh's proposed interim status. There was a sort of common understanding that any procedure that would predetermine Karabakh's final status would by definition be rejected by one party or the other. This promoted the importance

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106 ICG, 'Armenian and Azerbaijan: Preventing War', p. 9.

107 ICG, 'Nagorno-Karabakh: Getting', p. 7.

108 'Azerbaijani Foreign Minister', p. 2.

109 'Armenian, Azerbaijani Presidents Agree on Preamble to Madrid Principles', *RFE/RL Caucasus Report*, 26 January 2010.

110 ICG, 'Armenia and Azerbaijan: Preventing War', p. 9.

both parties attached to the idea of an interim status, which would legitimise the existing institutions and practices in Karabakh, while providing for mutual guarantees on security and IDP's return. Armenia refrained from commenting on Aliiev's statement that the final status could remain undecided (could never happen as alluded to above), thus hinting at indefinite continuation of the interim status. This contrasted with previous demands that Karabakh's pre-determined final status should not violate Azerbaijan's territorial integrity and was more in line with the core of the Madrid Principles which promised neither immediate recognition of secession by Karabakh nor territorial integrity for Azerbaijan.

Following the trilateral meeting that took place in Sochi, in January, Medvedev met Aliiev and Sarkisian on 17 June 2010 on the sidelines of the St Petersburg Economic Forum seeking a solution to the conflict. The Russian FM Lavrov said that the meeting aimed to 'consolidate what had been achieved so far' and sent an 'important political signal ... that the leaders of Armenia and Azerbaijan clearly aimed ... at a peaceful settlement'.<sup>111</sup> Baku refused the statement, claiming that it would consolidate the status quo, allowing Yerevan to drag the negotiations and link withdrawal from the occupied territories to determination of Karabakh's final status. For Aliiev, withdrawal should be treated as a 'strategic choice'.<sup>112</sup> Progress in the talks was hindered by Turkey's insistence on linking ratification of the two protocols signed in Geneva last October to concessions by Armenia in the Karabakh peace process, specifically the liberation of at least some of the Azerbaijani occupied territories. Erdogan told Obama and Medvedev that the Azerbaijani districts of Agdam and Fizuli should be liberated as a 'desirable first step'.<sup>113</sup> However, withdrawal of the Karabakh forces from these districts could make Stepanakert and Shushi vulnerable to an Azerbaijani artillery attack. The line of contact that separates Armenian and Azerbaijani forces runs along the eastern border of Agdam in the north and Fizuli in the south. Still, these are the two districts that Azerbaijan most probably would focus on in case it decided to start a military offensive to restore its control over the region. It remained unclear if a timetable for withdrawal from occupied Azerbaijani territories was discussed in the meeting. Meanwhile, unnamed Russian Defense Ministry sources signalled that Russian peacekeeping forces could be deployed in N-K 'within months', and that the Azerbaijani Defense Minister Colonel Safar Abiyev had visited Moscow twice in 2010 to negotiate the deployment.<sup>114</sup> Turkey responded to the purported Russian plan by warning Azerbaijani parliamentarians that it would retaliate immediately by sending troops to the Azerbaijani exclave of Nakhichevan in line with the 1921 Treaty of Kars.<sup>115</sup> It is important to note that any deployment of a

111 ICG, 'Armenia and Azerbaijan: Preventing War', p. 9.

112 ICG, 'Armenia and Azerbaijan: Preventing War', p. 9.

113 'Medvedev Convenes Third Meeting of Armenian, Azerbaijani Presidents', *RFE/RL Caucasus Report*, 18 June 2010, p. 1.

114 'Medvedev Convenes', p. 2.

115 'Medvedev Convenes', p. 2.

peacekeeping force in Karabakh would presumably be contingent on Armenia's and Azerbaijan's Presidents signing the Madrid Principles, which were to serve as the basis for a comprehensive peace settlement.

The rapprochement process between Armenia and Turkey entered a critical stage when on 12 January the Constitutional Court of Armenia accepted the protocols after placing a large number of restrictions on their legal interpretation and implementation. Indeed, the Court interpreted the 'open the common border' clause of the protocols, indicating that Armenia was simply making a commitment 'to resolve legal-organisational and institutional issues connected to safeguarding the normal operation of border checkpoints'.<sup>116</sup> Thus, the court used the term 'checkpoint' rather than 'border', thereby refusing to accord legal recognition to Armenia's present border with Turkey. Since it was Turkey which closed the border, it alone was responsible for reopening it. Concerning the historical commission envisaged by the protocols to study the facts of the Armenian genocide, the Court stated that the provisions of the protocols could not contradict the preamble of the constitution which includes a reference to Armenia's declaration of independence. Article 11 of the declaration stated: 'The Republic of Armenia stands in support of the task of achieving international recognition of the 1915 genocide in Ottoman Turkey and Western Armenia'.<sup>117</sup> The question of the genocide is not just a political question but an identity issue, especially among the Armenian diaspora. It seemed that the Armenian-Turkish reconciliation process had further complicated the Karabakh settlement.

Sarkisian had warned periodically that Armenia might annul the protocols if the Turkish parliament failed to endorse them within a 'reasonable timeframe'. Sarkisian had already sent the protocols to parliament for ratification. He also made it clear that the accords must be voted on by the Turkish parliament before Armenia's parliament approved them. In January 17 Nalbandian too warned that Turkey risked reversing the progress achieved to date if it continued to relate ratification to concessions by Armenia on Karabakh. During Erdogan's Moscow visit in early January, the Russian PM Vladimir Putin made it clear that Turkey's linkage 'in one package' of relations with Armenia with concessions on Karabakh was unrealistic and 'not the right approach'. Erdogan, however, was quoted as having told journalists upon his return to Ankara that the Armenian-Turkish conflict would be solved only after 'the occupation of N-K ended'. He also added, 'if Armenia had good intentions, let it prove them by starting the liberation of the districts surrounding N-K'.<sup>118</sup> From an Azerbaijani perspective, while Washington wanted Turkey to open its border with Armenia and improve stability and development throughout the region, Western governments and media had

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116 Harout Sassounian, 'Constitutional Court Links Protocols' Damage to Armenian National Interest', *The California Courier*, 21 January 2010, p. 1.

117 Sassounian, 'Constitutional Court', p. 2.

118 'Armenia-Turkey: Who Will Blink First?' *RFE/RL Caucasus Report*, 18 January 2010, p. 1.

largely been silent on the issue of nearly one million refugees who were displaced by Armenian aggression.<sup>119</sup> Apparently, Turkey did not expect the signing of an agreement between Baku and Yerevan on Karabakh. Thus, by linking Armenian-Turkish reconciliation to concessions on Karabakh, Turkey could have wanted to test the extent of Armenia's willingness to make concessions.

On 25 February the Armenian parliament approved legislative amendments that would enable the government to suspend or abrogate international treaties.<sup>120</sup> In effect, the amendments would enable the government to withdraw from the protocols signed with Turkey in order to normalise relations between the two countries. The Turkish government had submitted the protocols to parliament but they had not been discussed or placed on parliament's agenda. As alluded to above, the protocols would enter force only after they were ratified by the two countries' respective parliaments. In March the Obama administration opposed a Congressional resolution that would officially recognise the Armenian genocide. According to Philip Gordon, Assistant Secretary of State for European and Eurasian Affairs, the US 'had no interest in using these votes as leverage or messages or anything else to Turkey. The US view on the protocols was clear: it wanted them to move forward on their own basis'. Gordon also added: 'The US did not link the issues of Armenia-Turkey normalisation, the N-K peace process and energy', although 'all of them had impacts on the others, including in domestic Turkish politics'. The US had been doing its best 'to move forward on all of them in a parallel way and take whatever progress it could get'.<sup>121</sup> Certainly the Obama administration was interested in resolving the Karabakh conflict for security reasons. In addition to Karabakh, Azerbaijan was a key transit route in moving US troops and supplies to Afghanistan.<sup>122</sup>

On 22 April 2010, Yerevan suspended its signature because Turkey declined to ratify the protocols unconditionally and 'within a reasonable time frame'. Thus, Sarkisian said that Armenia 'considered unacceptable the pointless efforts of making the dialogue between Armenia and Turkey an end in itself; from this moment on, we consider the current phase of normalisation exhausted'.<sup>123</sup> Armenia continued to believe that the ratification of the protocols would be in the 'best interests of the nation'. For that reason, Sarkisian added:

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119 Novruz Mammadov, 'Excluding Azerbaijan Can't Bring Stability to the South Caucasus', *RFE/RL Caucasus Report*, 21 April 2010.

120 Gayene Abrahamian, 'Armenia: Parliamentary Vote Deals Blow to Turkish Reconciliation Chances', *Eurasia Net*, 24 February 2010.

121 Joshua Kucera, 'Turkey: Obama Administration Official Cautious Against Armenian Genocide Resolution', *Eurasia Net*, 16 March, 2010, pp. 1–2.

122 Mary Beth Sheridan, 'In Azerbaijan, Key to Afghanistan Efforts, Clinton Walks Tightrope on Democracy', *The Washington Post*, 5 July 2010.

123 'Time Frame for Ratification of Armenian-Turkish Protocols Increasingly Unclear', *RFE/RL Caucasus Report*, 26 April 2010, p. 1.

Armenia should retain her signature under the protocols, because it desired to maintain momentum for normalizing relations, because it desired peace. Armenia's political objective of normalising relations between Armenia and Turkey remained valid, and it should consider moving forward when it were convinced that there was a proper environment in Turkey and there was leadership in Ankara to reengage in the normalization process.<sup>124</sup>

Apparently, Turkey was counting on Armenia to withdraw from some Azerbaijani districts in exchange for the opening of the border, or that there would be progress in the Karabakh talks in the months following the signing of the protocols. When that progress proved elusive, Gul found himself 'boxed into a corner'.<sup>125</sup>

To further solidify its military foothold in the region and to warn its two neighbours Iran and Turkey, Russia in August 2010 signed an agreement with Armenia extending Moscow's lease of the Gyumri base until 2044 although the deal was not to expire until 2020.<sup>126</sup> Russia as the major actor in the region and would-be regional hegemon was pushing hard to reassert its position in the South Caucasus. But this agreement would offer Armenia little in the way of any clear military advantage. Despite the agreement's formal declaration to 'ensure the security' of Armenia and promises to provide 'modern compatible weaponry and special military hardware' in the future, Lavrov admitted that there would be 'no real or functional change' to the mission or mandate for the Russian base. Lavrov also dismissed Armenian concerns over the pending sale of S-300 air-defense systems to Azerbaijan as nothing, but that they were 'defensive weapons designed to protect a territory from external missiles'.<sup>127</sup> It is worth noting that Baku had also developed warm relations with Israel and purchased arms from Israeli companies, to Tehran's displeasure.<sup>128</sup> Azerbaijan had used the revenues from its Caspian Sea oil fields to fund a massive military build-up, officially setting its defense expenditure at \$2.15 billion for the year 2010, more than Armenia's entire \$2.8 billion national budget.<sup>129</sup> The official narrative was that a well-equipped army would force Armenia to back down and render concessions.

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124 'Time Frame for', p. 1.

125 'Time Frame for', p. 2.

126 Hayk Kotanjian, 'Breaking the Deadlock: Karabakh, Nabucco and the Madrid Principles', in Annie Jafalian (ed.), *Reassessing Security in the South Caucasus, Regional Conflicts and Transformation* (London: Ashgate, 2011), p. 68.

127 Richard Giragosian, 'Is Armenia Russia's Partner or Pawn', *RFE/RL Caucasus Report*, 3 September 2010, p. 2.

128 Anna Zamejc, 'The Blooming Friendship Between Azerbaijan and Israel', *RFE/RL Caucasus Report*, 9 March 2010.

129 'Armenian FM Deems Baku Responsible for Karabakh Fighting', *RFE/RL Caucasus Report*, 26 June 2010, p. 1. On Azerbaijan's new oil boom, see Elnur Aslanov, 'Waving the Banner of Azerbaijan's New Oil Boom', *RFE/RL Caucasus Report*, 16 September 2010.

In connection with the statement that was issued at the L'Aquila summit of the G8, the Presidents of the MG's Co-Chair countries on 26 June 2010 during the G8 summit in Muskoka, Canada, issued a similar statement urging Aliiev and Sarkisian to 'finalise the basic principles for the peaceful settlement of the Karabakh conflict'.<sup>130</sup> But there were no strong concerted diplomatic efforts by Washington and Paris to help Moscow bridge the gap between the parties.

As one of the MG mediators along with France and the US, Russia took another initiative on 27 October 2010 and invited Aliiev and Sarkisian to the south Russian city of Astrakhan to further narrow their differences on Karabakh. The only tangible outcome of that meeting was to exchange prisoners of war and the bodies of those killed. As part of a proactive strategy, exchange of prisoners aimed to avoid destructive escalation and institute CBMs between the parties. An exchange occurred shortly thereafter but failed as a CBM. Still, Azerbaijani officials rejected pulling back their snipers from the line of contact as another CBM and argued that withdrawal of snipers would not have any impact on efforts to resolve the conflict. If Armenia wanted peace 'so badly it should be advised to withdraw its forces from Azerbaijani territory'.<sup>131</sup> But CBMs were needed to stabilise the situation and pursue negotiations. For Azerbaijan it was important to return the body of Mubariz Ibrahimov, who was posthumously awarded the title of 'national hero', rather than initiating CBMs. But Armenian society was outraged by the alleged maltreatment of Manvel Saribekyan, who died in captivity in October, a month after being taken hostage, and by Aliiev's speech at the Ibrahimov funeral, calling Armenia 'historical Azerbaijani lands'.<sup>132</sup>

In January 2011, it seemed that Baku was preparing for a worst-case scenario when the Azerbaijani parliament ratified the agreement on Strategic Partnership and Mutual Support with Turkey that was signed between the two states on 16 August 2010. Ankara and Baku would support each other 'using all possibilities' in the case of a military attack or 'aggression' against either of the countries.<sup>133</sup> Turkish officials explained that there were no commitments, and Azerbaijanis agreed it did not amount to a mutual defense pact.<sup>134</sup> It appeared that the new agreement was a signal of Baku's impatience with the peace process and to counterbalance the Armenian-Russian alliance and get Ankara's support in case of resumption of war. But Russian and Turkish direct participation in war would be far from guaranteed.

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130 Emil Sanamyan, 'Obama, Medvedev, Sarkozy Want Karabakh Basic Principles', 26 June 2010, posted on <http://www.reporter.am/go/article/2010=06-26-obama-medvedev-sarkozy-want-karabakh-basic-principles>.

131 'Risk of New Karabakh War Persists Despite Astrakhan Summit', *RFE/RL Caucasus Report*, 4 November 2010, p. 1.

132 ICG, 'Armenia and Azerbaijan: Preventing War', p. 10.

133 Shahin Abbasov, 'Azerbaijan-Turkey Military Pact Signals Impatience with Minsk Talks', *RFE/RL Caucasus Report*, 18 January 2011, p. 1.

134 ICG, 'Armenia and Azerbaijan: Preventing War', p. 15.



The torturous peace process over N-K was entering a very difficult phase. High hopes were raised ahead of the 24 June 2011 meeting in the Russian city of Kazan between Aliiev, Sarkisian and Medvedev that an accord would finally be struck on the long discussed basic principles. A strongly worded statement issued on 26 May on the sidelines of the G8 summit in Deauville, France, by the Presidents of the MG Co-Chairs stressed that 'the time had arrived' for 'decisive steps'.<sup>135</sup> Further, optimism rose by the tone of pre-summit telephone calls by Obama, Sarkozy and the Iranian President Mahmoud Ahmadinejad, who was eager to 'burnish Iran's Peacemaking credentials'.<sup>136</sup> For Medvedev it was a matter of prestige because after having lost Georgia he wanted to appear as a peacemaker and improve his bid for re-election. The failure to sign the document on the basic principles by Aliiev and Sarkisian would call into question their commitment to the Moscow Declaration of November 2008 that stressed a peaceful resolution of the conflict.

The outcome of the Kazan meeting was total failure. It seems that Aliiev had tabled about a dozen last minute amendments to the latest basic principles and the Armenian side raised objections to them. Both sides did not manage to move forward by a single millimetre with regard the key issues of the conflict, mainly the political status of Karabakh, the problem of the occupied territories, the refugees and the format of the peacekeeping operation.<sup>137</sup> Armenia signalled that it accepted the latest draft to be discussed at Kazan, but Sarkisian said that he would have to secure the consent of the Karabakh Leadership. Perhaps, the concessions that Sarkisian recently had made to the opposition, such as 'allowing demonstrations, freeing political prisoners, and entering dialogue with the opposition', might have been made with post-Kazan considerations in mind.<sup>138</sup> Assuming that Sarkisian was in favour of the draft, the principles would be tough sells to the Karabakh Leadership.

Thomas de Waal, a senior associate at the Carnegie Endowment for International Peace in Washington, argued that Azerbaijan had three reasons to reject the latest draft of basic principles. Firstly, the status of the Lachin corridor was not made clear. Baku's objection was that the draft under discussion at Kazan did not set the limits of the Lachin corridor, and 'did not promise the right of return to the inhabitants of 39 villages from that district'.<sup>139</sup> Thus, this would be viewed as defeat in Azerbaijan because only six of the seven occupied districts would be returned to Azerbaijan. To a lesser degree, Azerbaijan also rejected

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135 Richard Solash, 'Kazan Summit: Time for Breakthrough in Nagorno-Karabakh Peace Process', *RFE/RL Caucasus Report*, 23 June 2011, p. 1.

136 Mariana Grigoryan and Shahin Abbasov, 'Nagorno-Karabakh: Are Baku and Yerevan Getting to Yes, or Going Nowhere?' *Eurasia Net*, 27 June 2011, p. 1.

137 Sergei Markendonov, 'Nagorno-Karabakh: There Could be no Breakthrough', *Moskovskie Novosti*, 27 June 2011, p. 6.

138 Solash, 'Kazan Summit', p. 2.

139 Thomas de Waal, 'Can the Medvedev Moment be Saved for Karabakh?' *REF/RL Caucasus Report*, 28 July 2011, p. 1.

the idea that an interim status for Karabakh would allow it to join international organisations.<sup>140</sup> On 23 June, Aliiev had told *Euronews* that Azerbaijan favoured a deal similar to that between Rome and Italy's autonomous majority German-speaking province of South Tyrol, stressing Baku's 'large financial resources' in that 'it would not be a problem to launch serious economic and social programs for N-K'.<sup>141</sup> Aliiev's statement clearly meant that so far he had been bluffing and lying in the negotiations on the issue of granting Karabakh an interim status as per hypothesis 2.

Secondly, Azerbaijan still regarded Russia as Armenia's ally and was suspicious of its role. There was fear that Russia had a secret agenda of desiring to deploy its peacekeepers in Karabakh 'as a way of shaping the peace in a Russian way'.<sup>142</sup> Baku was aware that Medvedev could lose power to Putin, who previously was not committed to resolve the conflict. Ostensibly, Baku wanted 'extra guarantees that Medvedev's peace plan would be implementable'. Thus, Baku's stalling tactics could be seen as an attempt to get Washington and Paris (and, by extension the EU) more involved in conflict resolution and make pledges that the peacekeeping force would not include Russians.<sup>143</sup> As discussed above, the US in the 1990s was not involved to find a solution to N-K and the Russians were able to sideline the other MG member states.

Thirdly, Azerbaijan believed that time was on its side and that there was no reason to sign a document. Addressing a military parade in Baku's central Freedom Square on 26 June, Aliiev stressed that 'his country would continue to build up its military potential until Azerbaijan's territorial integrity was restored', and that if peaceful means failed, it would resort to 'any other methods'.<sup>144</sup> Obviously, Baku's BATNA was war. Still, Azerbaijani officials believed that the arms race was 'bankrupting Armenia and that in a few years' time, the Armenian side would be much weaker and more inclined to compromise over the status of Karabakh'.<sup>145</sup> However, there might not be a better deal after several years and that the internal protracted conflict would not be solved by using force. Thus, it would be much better for Azerbaijan to invest its huge revenues from oil and gas in peace rather than continue its weapons procurements. Additionally, Armenian identity has

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140 De Waal, 'Can the Medvedev', p. 1.

141 Grigorian and Abbasov, 'Nagorno-Karabakh: Are Baku', p. 2.

142 De Waal, 'Can the Medvedev', p. 1.

143 De Waal, 'Can the Medvedev', p. 2.

144 Elizabeth Fuller and Richard Giragosian, 'Has the Karabakh Peace Process Reached a Dead End?' *RFE/RL Caucasus Report*, 28 June 2011, p. 2.

145 De Waal, 'Can the Medvedev', p. 2. It was quoted by de Waal that Aliiev on 13 July told a cabinet meeting: 'The financial capabilities and political weight of Azerbaijan was growing, its regional position was growing, its army was getting stronger, and its demographic indicators were rising. Our population was growing and the Armenians' was shrinking. In five or ten years, our population would be 11 million and theirs would be 1 million. Everyone understands full well what this means. In this way we could resolve the issue in our favour'. The same source, p. 2.

a territorial base and for the Armenians maintaining sovereign political control over Karabakh is an identity need that cannot be ignored.<sup>146</sup> It appears that Aliiev's distributive or negative-sum strategy at Kazan was based on a maximalist approach that did not inspire optimism.

Meanwhile, on 30 June the Iranian parliament Speaker Ali Larijani, possibly sensing a window of opportunity opening for Iran to assert itself as a major player in the region, declared that 'regional conflicts should be resolved by means of talks within the region, without the involvement of the great powers', because such talks according to him 'would stand a better chance of success as the countries of the region were better able to understand each other'.<sup>147</sup> However, Iranian ambitions to extend its influence in the South Caucasus would remain elusive because of Moscow's significant role to keep the region an exclusive area of Russian influence.

It is important to note that nothing came out of the Kazan meeting because official diplomacy did not yield results to the protracted conflict of Karabakh. The conflict though expressed in terms of instruments of state like territory and political control but it was most essentially about deep human existential concerns like security, identity and recognition. Moving forward by a single millimetre with regard to any of the key issues did not occur because both parties lacked political will for a negotiated settlement. Both governments had done 'very little to prepare their people for peace and a lot to prepare them for war', as Sabine Freizer of the International Crisis Group noted.<sup>148</sup> Both parties did not trust each other and did not respect their commitments. The talks had become intractable and the negotiations were being conducted in a social vacuum. Simple CBMs, like removing snipers from both sides of the line of contact and establishing a hotline between field commanders in order to reduce the tensions, were not implemented. For all these obstacles all windows of opportunity failed to break the deadlock and make peace.

On 23 January 2012 Russia again took the lead by hosting another meeting between Aliiev and Sarkisian in Sochi. Such meetings were being organised by Medvedev since late 2008 to bring the parties closer to peace. There was no agreement on the basic principles but in Sochi the parties 'expressed readiness to accelerate the achievement' of such a peace deal.<sup>149</sup> Aliiev and Sarkisian asked the MG to work on the development of a mechanism to investigate ceasefire violations but that was uneasy matter given the uncooperative attitude of the parties to maintain stability on the line of contact. Another issue that was raised in Sochi

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146 Ohannes Geukjian, 'National Identity, Territoriality, and Conflict: Analyzing the Ethno-Territorial Conflict of Nagorno-Karabakh in the Soviet Era', *History Research*, Vol. 3, No. 4 (April 2013).

147 Fuller and Giragosian, 'Has the Karabakh Peace', p. 2.

148 Sabine Freizer, 'A Moment for Peace in the South Caucasus', *The New York Times*, 23 June 2011.

149 Emil Danielyan, 'Clinton Briefed on Latest Armenian-Azerbaijani Summit', *RFE/RL Armenia Report*, 6 February 2012, p. 1.

was the idea of people-to-people dialogue that was crucially important because there was a generation in Armenia and Azerbaijan which had never met each other. The war that started 20 years ago prevented the establishment of relationships between the youths from each side. It is noteworthy that dialogue as a channel of communication is compatible with the contingency model of conflict resolution. Dialogue might help both peoples to better understand the perspectives of each other and overcome the stereotypes that appeared too often in the media in both countries.<sup>150</sup> There would be no peace without meeting the needs of each side. Since 1992, the negotiations were a secretive elite-driven affair and there had been little space for input from civil society. The framework should have addressed and engaged the 'relational aspect of reconciliation as the central component of peacebuilding'. The Russian-initiated meetings were bogged down because the 'social dynamics of relationship building, and the development of supportive infrastructure for peace' to transform the conflict were not addressed.<sup>151</sup> Certainly, track two diplomacy was needed to establish a new relationship between the parties to overcome the decades-long mutual animosity. Conflict transformation as a means leading to conflict resolution will be discussed in Chapter 8.

The South Caucasus, in terms of the proportion of the military to the civilian population, was one of the most militarised in the world and reciprocal exchange of gunfire across the line of contact and across the Armenian-Azerbaijani state border was still the norm.<sup>152</sup> Indeed, on 4 June 2012 incursion by Azerbaijani forces into Armenia's northeastern Tavush region occurred amid renewed international concerns over the possible outbreak of full-scale war in N-K.<sup>153</sup> The border clash underscored the instability of the region that was surrounded by competing powerful neighbours of Russia, Turkey and Iran. Perhaps Azerbaijan wanted to test Armenia's defense and Russia's reaction as the leader of the CSTO to a possible military campaign against a CSTO member state. The violation of the ceasefire coincided with the visit of US Secretary of State Hillary Clinton to the region who warned that the Armenian-Azerbaijani tensions could escalate with terrible consequences. Maintaining stability and security throughout the region was a top priority for the US. Clinton in her visit to Turkey and the South Caucasus states also demonstrated a US desire to balance Russia's activities in the region. The US also remained committed to seeing Armenia and Turkey normalise

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150 'US Envoy: Armenia, Azerbaijan Closer than they Think on Nagorno-Karabakh', Interview with Ambassador Robert Bradtke, the US Co-Chair of the MG, 26 March 2012, posted on [http://www.rferl.org/content/interview\\_robert\\_bradtke\\_us\\_osce\\_minsk\\_group\\_nagorno\\_karabakh](http://www.rferl.org/content/interview_robert_bradtke_us_osce_minsk_group_nagorno_karabakh).

151 Lederach, *Building Peace*, p. 20 and p. 24.

152 Eiki Berg and Martin Molder, 'Who is Entitled to Earn Sovereignty? Legitimacy and Regime Support in Abkhazia and Nagorno-Karabakh', *Nations and Nationalism*, Vol. 18, Part 3 (July 2012), p. 536.

153 'Baku Denies Role in Reported Shoot-Out in Armenian Border Region', *RFE/RL Armenian Service*, 4 June 2012.

relations because as Clinton said, 'this was a path forward to a better future for the citizens of both countries'. The US would also 'strongly support the ratification of the Armenian-Turkish protocols without preconditions'.<sup>154</sup> Still, we should not ignore the rising importance of Azerbaijan as a strategic ally of the West in that 'NATO was relying heavily on airfields in Azerbaijan to move supplies to and from Afghanistan'.<sup>155</sup>

Azerbaijan's deteriorating relationship with Iran was also worrying because it could become a destabilising factor in the region. Azerbaijan's policy to orient the country towards the West made Iran worry. Iran had always been fearful of Baku's deepening relations with the West, particularly with the US and Israel, in that Azerbaijan could give Israel access to its military bases to keep watch over Iran's nuclear program. But Aliiev defended Azerbaijan's right to strengthen relations with Israel, signalling Azerbaijan's purchase of \$1.6 billion worth of Israeli made weapons.<sup>156</sup> The recent rise in tensions had been caused by Iran's meddling, including an alleged Iranian-backed plot to kill US and Israeli diplomats in Baku and promote terrorism.<sup>157</sup>

The Presidents of the US (Barack Obama), Russia (Vladimir Putin) and France (Francois Hollande) on 18 June 2012 at the Group of 20 meeting in Mexico issued a statement blaming the leaders of Armenia and Azerbaijan for not following steps toward an agreement to end the conflict. In reaction to the 4 June ceasefire violation that underscored the seeming intractability of war, the statement indicated that 'military force would not resolve the conflict and would only prolong the suffering and hardships endured by the peoples of the region for too long'. Further, 'only a peaceful, negotiated settlement could allow the entire region to move beyond the status quo toward a secure and prosperous future'.<sup>158</sup> After two decades of negotiations the parties did not abandon finger-pointing and publicly blaming each other for failing to resolve the conflict. The statement in Mexico followed an earlier meeting in Paris among the MG Co-Chairs and the FM's of Armenia and Azerbaijan during which the recent fighting on the line of contact as well as the creation of a mechanism to monitor ceasefire violations and ways to preserve sites of historic and cultural values were discussed.<sup>159</sup> But there was no progress

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154 See, US Department of State, Office of the Spokesperson, Remarks by Secretary of State Hillary Rodham Clinton and Armenian Foreign Minister Eduard Nalbandian, 4 June 2012, Presidential Palace, Yerevan. Clinton's first visit to the region was in July 2010.

155 David M. Herszenhorn, 'Iran and Azerbaijan, Already Wary Neighbours, Find Even Less to Agree', *The New York Times*, 5 June 2012.

156 Herszenhorn, 'Iran and Azerbaijan', *The New York Times*, 5 June 2012.

157 Amanda Paul, 'South Caucasus, Heading for a Hot Summer', *Today's Zaman*, 17 June 2012.

158 David M. Herszenhorn, 'Armenia and Azerbaijan Blame Each Other for Protracted War', *The New York Times*, 19 June 2012. Also, see 'US, France, Russia Issue Statement on Nagorno-Karabakh', *RFE/RL Caucasus Report*, 19 June 2012.

159 Herszenhorn, 'Armenia and Azerbaijan', p. 2.

because the conflict parties did not trust each other and the major issues, as before, were not sorted out.

In September 2012 the decision by Hungary to extradite Azerbaijani army officer Ramil Safarov to Baku where he was pardoned and promoted to the rank of Major caused more tension between Armenia and Azerbaijan. Safarov had been serving a life sentence for hacking Armenian army officer Gurgen Margarian to death at a military academy in Budapest where the servicemen were attending English language courses organised by NATO in 2004.<sup>160</sup> Still, Safarov received a free apartment, eight years' worth of back pay and a hero's welcome for the cold-blooded murder in defiance of assurances from Baku to Budapest that he would serve out his term in Azerbaijan. His lawyers claimed in court that he was traumatised because some of his relatives had been killed during Azerbaijan's war with Armenia, and alleged that Margarian had insulted his country.<sup>161</sup> Safarov's glorification provoked a furious reaction from Armenia and strong Western criticism. Sarkisian treated the pardon like an armed provocation and said: 'We did not want a war, but if we had to, we would fight and win. We were not afraid of murderers, even if they enjoyed the highest patronage'.<sup>162</sup> Underscoring the anger in Yerevan, a bill was submitted in the Armenian parliament so that Armenia would officially recognise the independence of N-K because Karabakh Armenians 'could never accept the rule of axe-wielding murderers and their state sponsors'.<sup>163</sup> It was argued that Armenia should immediately suspend negotiations with Azerbaijan and recognise the independence of N-K. It is noteworthy that despite the mutual official hostility, the Chairperson of Azerbaijan's National Committee of Helsinki Citizens' Assembly Arzu Abdullayeva reiterated: 'We all believed that our peace-building efforts were more important than the present negative realities'. Similarly, an Armenian sociologist Aharon Adibekyan said that for many Armenians 'not the Azerbaijani people, but their leaders were regarded as enemies', when civil society groups were brought together 'people would easily socialise and understand each other'.<sup>164</sup> Both Abdullayeva and Adibekyan highlighted the necessity of dialogue and bilateral contacts as a means to conflict transformation and eventually to conflict resolution.

The Karabakh Leadership's decision to open the renovated airport near Stepanakert was a provocative act that could halt the negotiation process and

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160 Mariam Harutyunyan, 'Armenia Ready for War after Azerbaijan Killer Pardon', *The Daily Star*, 4 September 2012, p. 10.

161 'Budapest Summons Baku Envoy over Pardon of Armenian's Killer', *The Daily Star*, 3 September 2012, p. 10.

162 Shahin Abbasov and Marianna Grigoryan, 'Armenia and Azerbaijan: Looking for Dialogue amid Discord', *Eurasia Net*, 12 September 2012, p. 1.

163 Harout Sassounian, 'Hungarian/Azeri Scandal Vindicates Artsakh's Quest for Independence', *The California Courier*, 6 September 2012, p. 2. Also, see Yuri Matsarsky, 'Nagorno-Karabakh Received a Chance for Recognition', *Izvestia*, 7 September 2012, p. 5.

164 Abbasov and Grigoryan, 'Armenia and Azerbaijan', p. 2.

cause further tension. Initially the airport that was on the disputed territory of N-K planned to service flights from Yerevan to Stepanakert and back. The work was completed in 2011 but the official opening was delayed several times for 'purely technical reasons'.<sup>165</sup> However, it seems that the reason was political because Azerbaijan declared that it had the right to shoot down any aircraft that would violate Baku's control over Karabakh's airspace. The MG urged the two sides to seek a diplomatic resolution of the dispute 'without politicising the issue'.<sup>166</sup> In 2012 escalation did not seem to benefit the leaderships of neither Azerbaijan nor Armenia. The status quo served to maintain their hold on power. The consequences of war would also be disastrous, possibly sucking in the regional powers as well as wrecking energy pipelines.

## **Conclusion**

Chapter 7 examined and analysed another lost opportunity for making peace because the Madrid Principles that provided a framework for further negotiations did not satisfy the demands and needs of both parties. Sequencing and implementation of the steps were problematic because both sides did not trust each other and there was uncertainty about the actual effects of certain proposals, like withdrawal, security and interim status. The deadlock was not broken because of the inflexible positions of the sides and lack of commitment or desire to resolve the conflict. The replacement of a mentality focused on winning with one that was willing to trade in conflict for lessened goals did not happen. Rather than articulating common hopes and fears for full expression of identity, security and recognition, both parties primarily blamed each other for the pre-eminence of their mutually exclusive positions. Both sides had a BATNA that was superior to the offered solution. The Armenian side sought independence and the Azerbaijani side sought total control over Karabakh, if necessary by war. Thus, the negotiations suffered because each side was a victim of its own part in the asymmetry.

The 2008 Georgian-Russian war and the Armenian-Turkish rapprochement returned international attention to the Karabakh conflict and created renewed dynamics in the region. The Moscow Declaration too carried significant symbolic weight and inspired optimism in that Aliiev and Sarkisian acknowledged that the conflict should be solved on the basis of international law and the MG peace proposals. However, hopes to make peace evaporated quickly. For the Armenian side the issue of security took on such significance that it became not just a means to other goals but a goal in itself. For the Azerbaijani side the only means to liberate the occupied territories was war because Baku lost hope in peaceful negotiations

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<sup>165</sup> Gohar Abrahamyan, 'Air-Artsakh: Stepanakert Airport Certified to Service Flights to be Put into Operation Soon', *Armenia Now*, 2 October 2012.

<sup>166</sup> Marianna Grigoryan, 'Nagorno-Karabakh: Waiting for Air-Artsakh', *Eurasia Net*, 6 May 2011.

to solve the conflict. However, the cost of pursuing a war might drain oil revenues and bring destruction to energy infrastructure in the region.

True, both parties stuck to their goals but they were unable to find a point at which resources could be divided. They were unable to meet halfway, at some point which had a symbolic value, to make it easier for them to break the deadlock. The revised Madrid Principles that offered withdrawal from some occupied districts as a first step and interim status to Karabakh as a compromise solution did not work. Yet, it was possible for the negotiators to defend the deal to other decision-makers and to the general public preparing both societies for peace. As a conflict resolution mechanism the Co-Chairs included in the peace plan a referendum, which meant leaving the issue to a concerned population. That would be a legitimate way of ending the conflict provided that the conflicting parties were given a fair chance of presenting their views. The territorial conflict would be resolved in this way. But there was disagreement over who would participate in the referendum. There was no understanding here. For the Azerbaijani side conflict resolution necessarily would lead to 'restoration of normal politics', that is, Baku's control over the disputed territory. For the Armenian side the political realities after the war were likely to be dramatically different, that is, to maintain Armenian control over the disputed territory. Apparently, a negotiated settlement of a territorial conflict was not likely to restore normal politics. Returning to the conditions that prevailed before the war was very difficult. After two decades of negotiations the two sides were still far apart from each other. Conflict transformation could provide a better chance to resolve the Karabakh conflict. This is discussed in the next chapter.



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## Chapter 8

# Obstacles to Peace and Prospects for Conflict Resolution

### **Introduction**

Chapter 8 examines and explores the obstacles that hindered a mutually negotiated solution to the Karabakh conflict and explores the prospects for resolving it. For two decades, the MG Co-Chairs used traditional statist diplomacy, despite its inadequacies in responding to the nature of the conflict, to reach a compromise solution, ignoring the experienced mutual animosities between the Armenians and Azerbaijanis for decades that were rooted in a perceived threat to identity and survival. An agreement was not reached because the contested issues of substance, such as territory, security and recognition, were intimately rooted in the cultural and psychological elements sustaining the conflict. The negotiators of both parties were locked into positions taken with regard the perspectives and issues in the conflict. Acceptance of anything less than their publicly stated goals or demands was seen as weakness and loss of face. The framework was based on a top-down approach to peace. This chapter addresses the limitations of the top-level approach to peace and that another approach that concentrates on the identity groups in the conflict and locates middle-range leaders among people is necessary to build the peace. We use the theories of John Paul Lederach, Harold Sounders and Raimo Vyyrynen to pinpoint the necessity of a new relationship between both peoples that should start from the bottom, and the role that the middle-range activists and leaders can play in promoting ideas of peace and dialogue. This chapter stresses the need for a multitrack approach including track two diplomacy that can lead to conflict resolution. Therefore, what is needed to resolve the Karabakh conflict is a broad, open-ended and dynamic process embracing efforts to transform injustices as well as to bridge opposing positions.

### **Obstacles to Conflict Resolution and Transformation**

In two decades of negotiations both parties seemed locked in a vicious cycle where many rounds of talks collapsed, restarted and collapsed again. No breakthrough was achieved because both parties tried to impose their will and achieve their goals. There was no mutual recognition to the needs of both sides that was a prerequisite of successful negotiation. Rather, by using traditional diplomacy, Armenia and Azerbaijan were primarily motivated by sustaining their national

interests and sought a solution within a framework of compromise on these interests. Azerbaijan wanted to restore its territorial integrity and Armenia sought independence for N-K because hard-line politicians argued that Karabakh would not be able to sustain as a self-sufficient entity within Azerbaijan. The no war no peace situation had 'entrenched a victim complex among the Azerbaijanis and a victor syndrome in Armenians, complicating not only official talks but also ordinary human communication'.<sup>1</sup> The environment did not encourage direct interactions between the adversaries or the development of a new relationship to look at each other's shared problems and possible solutions.

The framework was based on a top-down approach or what Lederach called a 'trickle-down' approach to peace. The goal was to achieve a satisfactory negotiated settlement between the representative high-level leaders (that is, the Presidents) in the conflict. The assumption was that if the leaders of the parties could agree, that would set the stage or framework and the environment for engaging society in the implementation of the agreement that would resolve the conflict. Yet, the critical aspect in this process was the need to create sufficient trust and flexibility among the disputants to permit new options to emerge and compromise to take place. This posed a serious dilemma for the long and torturous negotiation process conducted in a highly visible environment in which the negotiators maintained publicly articulated goals and demands in order not to be seen as weak yet move towards each other at the table.<sup>2</sup> The misconceptions and the misrepresentations about the negotiations also caused public dissatisfaction with the peace process. The mediation and negotiations did not lead to a restructuring of the relationship that dealt with the crucial substantive and procedural concerns of both parties. In other words, as Adam Curle said, an 'increased justice' or 'more peaceful relations' were not created.<sup>3</sup> Thus, a key obstacle for gaining public support for the peace process was the mistaken belief in both Armenia and Azerbaijan that the basic principles in themselves would constitute the peace deal, while those principles were a preliminary framework in the negotiating process without a preconceived decision on the final status of Karabakh.

Relying on the top-level approach to sustain and broaden the process of constructive conflict transformation proved unsuccessful. The peace process should have also encouraged the engagement of a variety of people or groups working at different levels and focusing on various aspects of the conflict, such as identity, security, recognition and political participation. For example, credible security guarantees were a prerequisite to effective demobilisation. If the MG could not resolve the security dilemma in the minds of both rival sides, it would make little progress in gaining widespread political support for pursuing a compromise solution. The negotiations did not lead to a dynamic peaceful relationship between the parties in order to transform the conflict and

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1 ICG, 'Nagorno-Karabakh: Getting', p. 10.

2 Lederach, *Building Peace*, p. 44.

3 See, Adam Curle, *Making Peace* (London: Tavistock, 1971).

subsequently resolve it. In the interests of transforming the conflict, 'short-term efforts were to be measured primarily by their long-term implications'. True, the ceasefire of 1994 was an immediate necessity for stopping violence but this goal was not to replace the broader framework of peacemaking activity. It appears that the Armenian side was satisfied with the current status quo while the Azerbaijani side became increasingly impatient with it. The obstacle to conflict transformation and the subsequent conflict resolution was the broken relationship between the involved parties, 'with all that term encompassed at the psychological, spiritual, social, economic, political, and military levels'.<sup>4</sup>

Failing to build a peace constituency within the conflict setting was another obstacle. Conceptually, as Lederach argues, the international community should have seen people in the setting 'as resources not recipients'.<sup>5</sup> In other words, people-based peacemaking that was instrumental and integral to sustaining change was lacking. Strategically, the key to sustainable peacebuilding framework in protracted conflicts is the middle range because the middle-range actors 'are positioned such that they are connected to, and often have the trust of, both top-level and grassroots actors'.<sup>6</sup> Apparently, it was difficult for the middle-range actors to build bridges between like-minded individuals across the borders and the cultural barriers but it could have been facilitated by external support and initiative.

Within this context, there was no communication between the first and second tracks of diplomacy. Track two diplomacy and CBMs were largely approached with suspicion, 'even disapproval in Azerbaijan', due to the perception that dialogue with Armenians was possible only after withdrawal from the occupied territories. Few believed in dialogue as a means that would facilitate a possible agreement. Cross-border contacts were perceived 'as naïve and useless at best, treacherous at worst'. For example, the leader of the Karabakh Liberation Organization (KLO) Akif Nagy reiterated that 'people-to-people contacts were used to make Azerbaijanis forget the occupied territories'. Many moderates too were not convinced that track two diplomacy would realise Azerbaijani interests.<sup>7</sup> Thus, all the agreements reached at the top level in the various rounds of negotiations continually collapsed because the infrastructure for their implementation did not exist. In addition to these difficulties that hindered a negotiated agreement, seven more obstacles prevented the resolution of the conflict. We elaborate on them in the subsequent part of this section.

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4 Lederach, *Building Peace*, p. 75.

5 Lederach, *Building Peace*, p. 94.

6 Lederach, *Building Peace*, p. 94.

7 ICG, 'Nagorno-Karabakh: Getting', p. 10.

### *Additional Obstacles to Conflict Resolution*

In addition to the tolerable stalemate, a number of contextual factors and obstacles prevented conflict transformation. Firstly, the OSCE mediation needed the backing of regional states with power and influence. As influential actors, the regional powers, Russia, Iran and Turkey pursued their national interests 'by exercising considerable political, military and economic clout in potentially unforeseen ways'.<sup>8</sup> To illustrate further, the close historical ties of Turkey with Azerbaijan and of Russia with Armenia influenced domestic politics in Armenia and Azerbaijan. Russia being the regional hegemon wanted to maintain its leverage in the South Caucasus states and keep American and Western influence at bay. As discussed above, Russia considered its security and stability inextricably linked with that of the South Caucasus states which were part of Russia's 'southern underbelly', a term that underscored the sense of vulnerability Moscow felt along its southern border.<sup>9</sup> Rivalry between Russia and other external actors for influence in the region was also prominent within the energy arena. Competition between Russia, Turkey and the West over control of hydrocarbon resources and export infrastructure in the South Caucasus prevented security cooperation between the South Caucasus states. Additionally, Turkey's relations with Azerbaijan were influenced by Russia's alliance with Armenia. Both the Armenian-Russian and Azerbaijani-Turkish alliances reinforced mutual mistrust and suspicion over N-K and represented a major obstacle to genuine regional cooperation and security. Therefore, without the helpful engagement of the regional powers to implement a comprehensive peace process that would address interstate security between the South Caucasus states, attempts at any transformation would likely be still born.

In addition to the international and regional context, the context of the conflict also included the societies in conflict. Within society, as Miall argues, the 'culture, governance, arrangements, institutions, social roles and norms, the rules and codes in place in society, and its path of development were crucial background aspects'.<sup>10</sup> The attitudes that Armenians and Azerbaijanis had towards one another were shaped by their memory of what had happened in the past and expectations of what could happen in the future. Past events and interactions could not be discounted. The behaviour they adopted was not only reactive but was also based on previous problematic relationships during and after the Soviet era. The relational aspects of the conflict were crucial. As Lederach argues, the 'relationship was the basis of both the conflict and its long term solution'.<sup>11</sup> Hence, bad relationships between

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8 Len Hawley and Dennis Skocz, 'Advance Political-Military Planning: Laying the Foundation for Achieving Viable Peace', in Jock Covey, Michael J. Dziedzic and Leonard R. Hawley (eds), *The Quest for Viable Peace, International Intervention and Strategies for Conflict Transformation* (Washington, DC: USIP Press, 2005), p. 50.

9 German, *Regional Cooperation*, p. 83.

10 Miall, 'Transforming Ethnic Conflict', p. 167.

11 Lederach, *Building Peace*, p. 26.

the Armenians and Azerbaijanis were often a trigger of the conflict and often remained a vital obstacle for peacebuilding after the war ended in 1994. Context, relationships and memories were part of the conflict triangle, as discussed in Chapter 2, connecting contradictions, attitudes and behaviour in the shaping of the conflict.

Secondly, there was a widespread and deep-seated skepticism in both Armenian and Azerbaijani societies about a peaceful resolution of the conflict. Attitudes on N-K were entrenched and highly emotional. What made the conflict protracted was their long-term nature of animosity, perception of enmity and deep-rooted fear. The Armenians and Azerbaijanis believed that in addition to the military, civilians also from both sides committed violence. Both sides were convinced that conflict also lay in the attitudes and beliefs of both peoples. As Lederach notes, this was 'part of the sociological dynamics of reciprocal causation, where response mechanism within the cycle of violence and counter violence became the cause for perpetuating the conflict, especially where groups had experienced mutual animosity for decades, if not generations'.<sup>12</sup> Thus, in settings of deep-rooted violence, the peace process faced a complex set of dynamics. The time dilemma was the task of linking the problematic past with the emerging present. The peace process was unable 'to find a way to constructively recognise and take into account the history of the conflict, yet also recognise, create, and take advantage of opportunities for promoting desired change'.<sup>13</sup>

Thirdly, the long-standing animosities were rooted in a perceived threat to identity and survival. Both sides developed increasingly rigid interpretations of their group differences to create a distance and further separate each other which in turn threatened to invalidate and dehumanise each other. The rigidification of identity increased separation and decreased communication which led to particular behaviour such as hostile acts, criticisms and rejection of calls for peace and coexistence. These types of behaviours dominated and shaped the relationship between the two sides. The result was uncertainty concerning identity. Thus, 'an awareness of this uncertainty of identity, particularly when the distribution of power was considered to be unjust and illegitimately acquired, was described as insecurity'.<sup>14</sup> In addition, both peoples associated their sense of identity with the same territory. Indeed, they reiterated that 'in order for us to maintain our identity we must live on and possess this piece of land (that is N-K) which represents our selves, our religion, our meaning'.<sup>15</sup> Thus, 'the contested issues of substance such as territory or governance were rooted in the cultural and psychological elements

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12 Lederach, *Building Peace*, p. 15.

13 Lederach, *Building Peace*, p. 131.

14 Quoted in Terrell A. Northrup, 'The Dynamic of Identity in Personal and Social Conflict', in Louis Kriesberg, Terrell A. Northrup and Stuart J. Thorson (eds), *Intractable Conflicts and their Transformation* (New York: Syracuse University Press, 1989), p. 73.

15 Northrup, 'The Dynamic of Identity', p. 68.

driving and sustaining the conflict'.<sup>16</sup> The Armenians firmly believed that losing the territory would threaten their identity and the Azerbaijanis insisted that losing control over N-K would threaten the state.

Fourthly, the importance of socio-cultural differences should not be overlooked. Apparently, cultural differences proved the greatest mediation challenge of all, as Armenia and Azerbaijan had widely different expectations regarding the purpose, process, substantive issues and outcomes of the mediated negotiations. For Armenia, mediated negotiations were not expected to return N-K to Azerbaijani sovereignty, ensure a separate status, establish a more stable military relationship with Azerbaijan and probably integrate N-K more fully into Armenia because, as Azar notes, there was the 'communal content' of the conflict and the most useful unit of analysis in PSC situations was the identity group. The relationship between Karabakh Armenians and Azerbaijan was at the core of the conflict, what Azar calls the 'disarticulation between state and society as a whole'.<sup>17</sup> In Armenian parlance, N-K and the adjacent occupied territories were considered liberated territories. Indeed, Jirair Sefilyan, the leader of the Organisation in Defense of the Liberated Territories, demanded a no concession policy toward Azerbaijan. Still, a recently created movement, called Miatsum (Unification), along with Sefilyan's active participation adopted the same policy and vowed not to surrender territory.<sup>18</sup> Reflecting the gradual psychological shift that had occurred over 20 years, 'new maps for sale in Armenia no longer show the territories as *de jure* Azerbaijani but as part of Armenia and N-K'. Many villages and towns in these districts were given Armenian names to claim the historicity of their Armenian origin.<sup>19</sup>

In Azerbaijan, the KLO refused reconciliation with Karabakh Armenians and demanded the use of force to retake the occupied territories. For Azerbaijan, negotiations were expected to accomplish withdrawal from the occupied territories with a fixed time frame, the return of the IDPs and the spread of Azerbaijani sovereignty over N-K. Although Baku was engaged in the peace process, the majority of the population 'remained opposed to any compromise with Yerevan' and demanded the government take a strong stance against Armenia's 'annexation' of the region.<sup>20</sup> With a rising oil-driven economy and a wide array of hardware, Azerbaijan felt more confident about its diplomatic and military strength. Combined with frustration over a possible solution this translated into threats of war to regain the territories. Indeed, in 2010, Aliiev announced that Azerbaijan was able 'at any moment to resolve the Karabakh problem by military means' if

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16 Lederach, *Building Peace*, p. 17.

17 Azar, *The Management*, p. 7.

18 Licinia Simao, 'Engaging Civil Society in the Nagorno-Karabakh Conflict: What Role for the EU and its Neighbourhood Policy?' MICROCON Policy Working Paper No. 11, June 2010, p. 7.

19 ICG, 'Nagorno-Karabakh: Getting', p. 9.

20 German, *Regional Cooperation*, p. 69.

the Karabakh forces would not withdraw from the territories.<sup>21</sup> Still, in June 2013, in his delivered speech on the occasion of marking the 95th anniversary of the establishment of Azerbaijan's armed forces, Aliiev regretted that the negotiations with Armenia had not produced the desired result and stressed that:

Azerbaijan was living in the state of war. The war was not over yet, and only the first stage had ended. The Azerbaijani army should be prepared at any moment to liberate the occupied lands. The Azerbaijani state and people would never allow the establishment of another Armenian state on its land. I am sure we would soon attain what we wanted and would restore historical justice.<sup>22</sup>

This suggested that Armenia and Azerbaijan had conceptions of peace that were not easily comprehended by each other. Although the two disputants were holding bilateral talks, they had not to date realised 'a level of intercultural communication sufficient for the interlocutors to develop greater empathy and mutual shared perceptions of the external environment they confront'.<sup>23</sup> They would be able to do so, as Saunders notes, when they talk to each other constructively and 'clear their minds of anger and learn to listen to each other with some empathy, a capacity that might take a long time, patience, and work to develop'.<sup>24</sup> According to Roger Fisher and William Ury, both disputants should have asked what were their real interests in this conflict as opposed to stated positions?<sup>25</sup> From this perspective, the MG would need to ensure that Baku and Yerevan send and receive signals that strengthen collaborative problem-solving and create room for diplomatic manoeuvring, rather than get stuck in rigid bargaining behaviour undertaken to prevent a loss of face.

Fifthly, in general, Civil Society Organisations (CSOs) in Armenia, Azerbaijan and N-K tended to carry one-sided projects and were not interested in collaboration although the Baku, Yerevan and Stepanakert press clubs and the Helsinki Citizen's Assembly (HCA) with branches in Armenia, Azerbaijan and N-K provided support for grassroots organisations to strengthen independent voices in the region to encourage conflict resolution. CSOs were not a truly constructive force

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21 German, *Regional Cooperation*, p. 69.

22 *Interfax News Agency*, FBIS/SOV, 26 June 2013. Aliiev in his speech also said that he was certain that historical and political factors, international norms and the military-economic might would play a role in the fair settlement of the Armenian-Azerbaijani conflict.

23 Quoted in Brian Mandell, 'The Limits of Mediation: Lessons from the Syria-Israel Experience, 1974–1994', in Jacob Bercovitch (ed.), *Resolving International Conflict, the Theory and Practice of Mediation* (Boulder and London: Lynne Rienner, 1996), p. 146.

24 Harold H. Saunders, 'Dialogue as a Process for Transforming Relationships', in Jacob Bercovitch, Victor Kremenyuk and I. William Zartman (eds), *The SAGE Handbook of Conflict Resolution* (London and New Delhi: SAGE, 2009), p. 379.

25 See, Roger Fisher and William Ury, *Getting to Yes* (Boston: Houghton Mifflin, 1981).



in preparing the two societies for peace. Their mission as a peace-promoting force raised suspicions because both sides saw them as a tool being used by the other to push a political agenda. At the core of this problem was disagreement over the terms of participation of Karabakh Armenians and Azerbaijanis. For the Armenian side engaging with Karabakh Azerbaijanis would mean accepting an 'inter-community format' which could equate to relinquishing self-identification with the NKR.<sup>26</sup> For the Azerbaijani side, Karabakh Azerbaijanis should participate in people-to-people contacts. How both sides sought to use people-to-people contacts thus mirrored the developments they wanted to see at the negotiations table.<sup>27</sup>

People-to-people contacts had become highly politicised. Lack of progress in the official negotiations and continuous disputes on the format of meetings, particularly over the issue of including the Karabakh Leadership, had made people-to-people contacts ineffective and prevented CSOs' contribution to conflict transformation. The inability of the Armenians and Azerbaijanis to develop a comprehensive and inclusive discourse on Karabakh also hindered the capacity of CSOs to serve as an agent of change. Apparently, both sides were using CSOs in their nationalist propaganda. Both sides 'deliberately used words as weapons' to present the conflict in a way that served their interests. In addition, initiatives by the Yerevan press club such as research projects, conferences and surveys dealing with public perceptions of the Karabakh conflict in collaboration with the Baku and Stepanakert press clubs did not establish trust between the two communities.<sup>28</sup> Azerbaijan's increasing militarist rhetoric and radicalisation of official positions regarding the conflict limited civil society's space to promote peaceful conflict resolution as a priority. Indeed:

Situations of politicisation of research activities and CBMs, lack of public acknowledgement of civil society initiatives, lack of sustainability of the process being developed, and the existing restrictions on media freedom were all indicated as major obstacles in the process of overcoming stereotypes and develop knowledge of the other side, beyond official rhetoric.<sup>29</sup>

Another fundamental problem was that the Armenian side seemed more content with the status quo and sought to legitimise it, while Azerbaijan was mostly eager to change it. In Armenia state officials attempted to control CSOs' activities and there was lack of understanding as to how CSOs could help the government in the peace process. Consequently, CSOs who tried to keep a distance between them and the government often lost the support of state officials, 'making their activities less visible internationally and less legitimate domestically'.<sup>30</sup> Within such

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26 ICG, 'Nagorno-Karabakh: Getting', p. 10.

27 ICG, 'Nagorno-Karabakh: Getting', p. 10.

28 Simao, 'Engaging Civil Society', p. 18.

29 Simao, 'Engaging Civil Society', p. 23.

30 Simao, 'Engaging Civil Society', p. 24.

apolitical context, grassroots engagement was minimal and no real effort had been made to connect the grassroots to the peace process and top-level actors. Public participation in conflict resolution was very weak. The most alarming fact in the conflict was that 'research and academia fed rather than diffused "enemy images" and much time and money was spent "informing" the international community about crimes committed by the other side and the fact that the "other" did not have a historical justification to its territorial claims'.<sup>31</sup>

In N-K, CSOs were incapable, too, to influence the conflict dynamics by the fact that the Karabakh authorities were not an official party to the peace negotiations. CSOs from N-K criticised the MG's attempt to impose the Madrid Principles on the people of N-K. Although government officials often participated in CSOs activities and supported them, apparently they wanted to avoid strong CSOs from developing, so as not to jeopardise their power positions.<sup>32</sup> Recognising this obstacle, the MG widened its activities to talk to both people from civil society and the Karabakh authorities.

Therefore, it is reasonable to assume that CSOs were not a constructive force in preparing the two societies for a peace deal. The collapse of a civil society meeting in July 2009 as part of the Armenian-Azerbaijani Peacebuilding Forum that was initiated by International Alert was a telling example. The agenda envisioned sessions between private persons from Armenia, Azerbaijan and N-K to 'strengthen a network of civil society actors that would work towards increased public participation in building peace, and was prepared to work with those from the "other side"'. The meeting did not take place because the Karabakh Armenian delegation refused to attend the session since Karabakh Azerbaijanis would be present.<sup>33</sup> Such meetings could have assisted the adversaries' communication with each other so that each side could better hear what the other was saying and build trust. This example illustrated that the CSOs had no capacity to develop and internalise self-enforcing and cooperative norms that were considered crucial in building new relationships among the adversaries.

Sixthly, borrowing from Zartman it is worth stressing that intrastate conflict negotiations were characteristically asymmetrical, both informally in regard to power and formally in regard to status. Concerning power, the Karabakh Leadership categorically rejected any concession that would lead to commitment to Azerbaijani state power 'and its fixation on the conflict-an existential struggle to-the state's many other problems'.<sup>34</sup> Concerning status, the Karabakh Leadership sought recognition as spokesman for their cause, denying Azerbaijan's legitimacy as national authority and status as an equal. Meeting Karabakh Armenians' need

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31 Nona Mikhelidze and Nicoletta Pirozzi, 'Civil Society and Conflict Transformation in Abkhazia, Israel-Palestine, Nagorno-Karabakh, Transnistria and Western Sahara', MICROCOM Policy Working Paper No. 3, November 2008, p. 35.

32 Simao, 'Engaging Civil Society', p. 25.

33 ICG, 'Nagorno-Karabakh: Getting', pp. 10–11.

34 Zartman, 'Conflict Resolution', p. 334.

of recognition was imperative to achieve progress in the negotiations. Still, mutual recognition was a form of power-balancing and a prerequisite for negotiation. Additionally, as Zartman notes, 'recognition was necessary for negotiation; negotiation conferred recognition'.<sup>35</sup> Hence, lack of recognition constituted a major obstacle to substantive negotiating, and once it was overcome, the disputants could begin discussing 'the range of issues lying between integration and independence'. A whole range of intermediate solutions, including broad autonomy, and executive and legislative power-sharing, would be available for negotiating, but the biggest obstacle so far was trust. As the negotiations dragged on since 1992, the harder it became to negotiate a viable peace. In addition, identity needs, as discussed above, 'were highly impervious to negotiation'. Such needs 'required constructive formulas, since concession and compensation were ill suited to deal with the problem'.<sup>36</sup> Indeed, the identity of Karabakh Armenians was not organically tied to citizenship in Azerbaijan, yet 'the defining paradigm that informed the approaches for understanding and dealing' with the Karabakh conflict remained statist diplomacy.<sup>37</sup>

Finally, the media in Armenia, Azerbaijan and N-K contributed to the dissemination of stereotypes and enemy images and rarely focused on civil society activities. Although there were some NGOs promoting press freedom in Azerbaijan, like the Press Council of Azerbaijan, Democratic League of Journalists and Baku Press Club, the ANS, the leading private Azerbaijani television and radio company, in its daily programs continued to use the words 'Armenia's aggression towards Azerbaijan continues'.<sup>38</sup> Arzu Geybullayeva notes that the mainstream media in Azerbaijan was used to 'perpetuate hatred'. In addition, the new media and social networks, like facebook groups whose members were in thousands called for 'war and brutality' against Armenia. But we should also admit that there were a wide range of facebook groups and blogs which promoted 'peace oriented pages, calling for reconciliation and understanding'.<sup>39</sup> Apparently, the war did not cut relations all together.

Online communication platforms such as facebook and other social media enabled Azerbaijanis to express their discontent. In many cases using derogatory words became common and tolerance towards the Armenians 'became completely unacceptable'.<sup>40</sup> For example, the facebook group dedicated to Ramil Safarov, an Azerbaijani lieutenant, who was attending a NATO-organised Partnership for Peace in 2004 in Hungary and who murdered an Armenian officer, Gurban Margarian,

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35 Zartman, 'Conflict Resolution', p. 334.

36 Zartman, 'Conflict Resolution', p. 335.

37 Lederach, *Building Peace*, p. 16.

38 Mikhelidze and Pirozzi, 'Civil Society and Conflict', p. 36.

39 Arzu Geybullayeva, 'Nagorno-Karabakh 2.0: How New Media and Track Two Diplomacy Initiatives are Fostering Change', *Journal of Muslim Minority Affairs*, Vol. 32, No. 2 (June 2012), p. 178.

40 Geybullayeva, 'Nagorno-Karabakh 2.0', p. 180.

during the program was a clear example of intolerance. ‘Ramil Safarov’ and ‘Free Ramil Safarov’, were two facebook groups ‘full of hatred speeches and messages stating that Safarov was the pride of the Azerbaijan nation and was its hero’.<sup>41</sup> Ironically, as discussed in Chapter 7, in September 2012 Aliiev immediately pardoned Safarov after he was extradited from Hungary where he was serving his sentence, and promoted him to the rank of major in defiance of assurances from Baku to Budapest that he would serve out his term in Azerbaijan. Aliiev’s decision was provocative and counterproductive, arousing intense resistance and leading to conflict escalation. Following the pardoning of Safarov, troops on both sides of the border in N-K had gone on high alert and Sarkisian declared that Armenians did not want war but if they had to go to war they would fight and win.<sup>42</sup> Sarkisian’s declaration too manifested the risk of escalation and was compounded by the tendency of the winning side to overreach. Apparently, such behaviours and attitudes did not help to establish trust and confidence between both sides.

In Armenia, the media had little access to the official negotiation process and that was why only official information about the meetings of the top-level leadership was published. The Armenian media avoided providing independent evaluations of such meetings. According to Karen Ohanjanyan, the representative of the NGO Helsinki Initiative-92, ‘there was lack of independent media in Armenia, and that the Armenian media promoted the belief that the N-K conflict was over’.<sup>43</sup> Many facebook groups and blogs had also manifested intolerance towards Azerbaijanis. For example, in November 2010 facebook was used as a platform for xenophobia, when a Yerevan-based NGO, Caucasus Center for Peace-Making Initiatives, decided to organise an Azerbaijani film festival. An Armenian blogger called for brutal treatment of the event organiser with the following words:

... Grab him few minutes in the streets and break his neck; keep him in a basement for few days, he might come to his sense ... get him, put into a trunk of a truck, take him to Karabakh and put him into a jail there, let us see how many days he would survive ... do this instead of promoting his work on facebook and other sources.<sup>44</sup>

The media in N-K was not different. The newsletter *Azat Artsakh* was pro-government and ‘self-censorship was common in order to avoid provocations and conflicts with the authorities’. Some NGOs like Demo and Martik tried to reach ‘a very limited audience’, however the inhabitants of the region had no links with Azerbaijanis to be aware of their concerns. International donors were cautious to finance projects in the region for concerns over recognition of N-K as a separate

41 Geybullayeva, ‘Nagorno-Karabakh 2.0’, p. 180.

42 Harutyunyan, ‘Armenia Ready for War’, p. 10.

43 Mikhelidze and Pirozzi, ‘Civil Society and Conflict’, p. 36.

44 Quoted in Geybullayeva, ‘Nagorno-Karabakh 2.0’, p. 179.

entity.<sup>45</sup> The main objectives of International NGOs such as International Alert, Catholic Relief Services, the Norwegian and Danish Refugees Councils and UN agencies such as the UNIFEM (United Nations Development Fund for Women) were the promotion of political dialogue, strengthening civil society and enhancing free media and public awareness. These organisations also aimed to expand the networks of civic activists and encourage the engagement of civil society and the media in conflict resolution.

Therefore, in light of the different understandings of the conflict, troubled relations between the disputants and the inability and lack of willingness to talk about substantive contentious issues in a new context and tackle them as a shared problem, the need of transformers become inevitable to efforts of peacebuilding. Shortly, there was the need of structural changes and multitrack approach to address the conflict. This is the task to which we must now turn.

### **Transforming the Karabakh Conflict**

A top-level approach was unable to resolve the Karabakh conflict and bring a viable peace because compromises of any kind appeared threatening for both parties. In our view a multitrack approach to conflict transformation could be a better alternative because the aim is to transform unjust relationships. As indicated in Chapter 2, this approach ‘implies a deep transformation in the parties and their relationships and in the situation that created the conflict’.<sup>46</sup> Conflict between the parties over Karabakh would still require resolution at the relational level, and ‘cultural change at all levels might be necessary for the transformation of discourses and institutions which sustain and reproduce violence’.<sup>47</sup> The peace process should take into consideration ‘the legitimacy, uniqueness and interdependency of the needs and resources of the grassroots, middle-range and top-level’.<sup>48</sup> Without addressing the broken relationship between the Armenians and Azerbaijanis the contested issues of territory, security, control and identity would be difficult to resolve. Further, an integrative frame is needed so that the parties would articulate common hopes and fears about their existential human concerns, such as identity, recognition and security. Thus, through articulating common threats and frustrations to human needs and values on both sides, an agenda for joint problem-solving could be set.

As discussed in Chapter 2, building on Vayrynen’s approach we can identify five types of generic transformers that could provide a better opportunity to resolve the Karabakh conflict. Firstly, context transformation that referred to changes in the international and regional arrangements that might radically change the conflict

45 Mikhelidze and Pirozzi, ‘Civil Society and Conflict’, pp. 30–36.

46 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 21.

47 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, pp. 17–18.

48 Lederach, *Building Peace*, p. 60.

situation. The end of the Cold War in 1991 was a dramatic example. Apparently, changes in the policy of the regional actors of Russia, Turkey and Iran could have more dramatic effects than changes within the parties or in their relationships. For example, resolving the Armenian-Turkish conflict over the genocide of 1915 and opening of the Armenian-Turkish border that had been closed since 1993 could serve as CBM and enhance Armenian-Azerbaijani relationships, mainly because the Armenians consider the Azerbaijanis as Turks. Relationship, as Lederach notes, 'is the basis of both the conflict and its long term solution'.<sup>49</sup> The strategy of isolation had been ineffective in pushing Armenia to concede its position over N-K at the negotiating table and had probably strengthened radical groups in the country.

The Armenian-Turkish reconciliation process that started in 2008 with football diplomacy and gained new dimension in 2009 by signing the historic protocols despite the increased pressure from both peoples was an attempt, although abortive, to establish diplomatic relations between Armenia and Turkey. Acknowledgement of the genocide that was decisive in the reconciliation dynamic did not happen. The Armenian-Turkish process of normalising relations raised high expectations among Armenian CSOs that the Azerbaijani authorities would soften their stance and would embrace wider formats for dialogue.<sup>50</sup> Turkey's foreign policy of zero-problems with neighbours had not been a success in terms of its relations with Armenia. The protocols faced fierce opposition from the domestic audience in Armenia, Azerbaijan and Turkey because the space for vision development was absent. Sadly, the Armenian and Turkish parliaments did not ratify the protocols because of politics. It seemed that without strong Russian and US pressure the Armenians would see little reason to reach a deal with Turkey and Azerbaijan. We should also admit that there was the need to develop the strategic social capacity to recognise that without engaging one another, as communities, in the process of looking toward reconciliation it would be difficult to envision living in an interdependent and commonly defined future. Context transformation certainly would affect the incentives of both sides.

A key to context transformation also requires a search for creative policies to bridge the gaps between US and Russian geopolitical, security and economic interests. As discussed above, the South Caucasus region is part of Russia's 'southern underbelly'.<sup>51</sup> The Georgian-Russian war in 2008 reflected Russian unhappiness with increased US influence in Georgia that could pose a direct challenge to Russia's hegemony in the region. Russia's 2009 National Security Strategy and 2010 Military Doctrine also reflected Russia's unhappiness with increased Western influence in the post-Soviet space and emphasised the importance of a multipolar world.<sup>52</sup> The neighbourhood was divided by several

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49 Lederach, *Building Peace*, p. 26.

50 Simao, 'Engaging Civil Society', p. 27.

51 German, *Regional Cooperation*, p. 97.

52 German, *Regional Cooperation*, p. 90.

unresolved conflicts, including Georgia's separatist regions of Abkhazia and South Ossetia, N-K and the ongoing insurgency against Russia in the north Caucasus. Hence, maintaining the strategic partnership with Armenia had become one of Russia's 'key geopolitical interests in the southern vector' as the Gyumri base allowed Moscow to continue to exert pressure on Turkey, Azerbaijan and Georgia.<sup>53</sup> Within this context, it is noteworthy that the N-K conflict would not be solved without revising the regional and international dynamics to lessen US-Russian rivalry in the post-Soviet space, and probably elsewhere. As Louis Kriesberg notes, different values, geopolitical circumstances and time perspectives could make possible advantageous trade-offs and contribute to transformation.<sup>54</sup>

Bercovitch and Houston argue that internal conflicts were not uniform and that they could vary in terms of 'the situation, parties, intensity, escalation, response, meaning, and possible transformation'.<sup>55</sup> These features defined the context of the N-K conflict and affected its course. The MG mediation was shaped by the context and the characteristics of the conflict. Based on Bercovitch's and Houston's argument, 'the specific rules, beliefs, attitudes, behaviours, and symbols' that made the conflict impinge on and apparently even governed the process of mediation.<sup>56</sup> Therefore, to be effective, the MG mediation must relate to and reflect the wider historical context of the dispute because it exerted a strong influence on the manner of the management of the conflict and the possible outcomes. Changes in the context of the conflict might foster a propensity to fruitful negotiations.

Secondly, structural transformation addresses the underlying causes or issues of the conflict 'to provide insight into underlying causes and social conditions that create and foster violent expressions of conflict, and to openly promote nonviolent mechanisms that reduce adversariness, minimise and ultimately eliminate violence and foster structures that meet basic human needs'.<sup>57</sup> Azar went further and argued that in PSCs, 'highly centralised political structures are sources of conflict', because they 'reduce the opportunity for a sense of community among groups', increase alienation and 'tend to deny to groups the means to accomplish their needs'. For internal conflicts to be solved 'appropriate decentralised structures are needed', so that they are designed to 'serve the psychological, economic and relational needs of groups' within the state.<sup>58</sup> Burton recognises that conflict was no longer primarily an affair of governments and that a 'pluralist paradigm' was

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53 German, *Regional Cooperation*, p. 97.

54 Louis Kriesberg, 'Transforming Conflicts in the Middle East and Central Europe', in Louis Kriesberg, Terrell A. Northrup and Stuart J. Thorson (eds), *Intractable Conflicts and their Transformation* (New York: Syracuse University Press, 1989), pp. 109–31.

55 Bercovitch and Houston, 'The Study of International Mediation', p. 15.

56 Bercovitch and Houston, 'The Study of International Mediation', p. 15.

57 Lederach, *Building Peace*, p. 83.

58 Edward Azar, 'Protracted International Conflicts: Ten Propositions', in Edward Azar and John Burton (eds), *International Conflict Resolution: Theory and Practice* (Sussex: Wheatsheaf, 1986), pp. 33–4.

needed to engage people at all levels of society to address conflict. Like Burton, Saunders also proposes a 'relational paradigm', positing 'a cumulative, multilevel, open-ended process of continuous interaction engaging significant clusters of citizens in and out of government and the relationships they form to solve public problems in whole bodies politic across permeable borders'.<sup>59</sup>

Hence, redefinition of the disputants' goals, changes in the disputants' constituencies, contextual changes, changes in perceptions, attitudes and behaviour patterns could help to resolve the conflict. The dilemma that Armenia faced was that if the Karabakh forces withdrew from the occupied/liberated territories adjacent to N-K the Azerbaijani authorities would continue to concede nothing; so the rational strategy for Armenia was to continue to insist on clarifying the status of N-K before withdrawal. The way out of this strategic dilemma was for both disputants 'to create sufficient trust, or guarantees, that they would commit themselves to what they promise. For both sides, the risk that the other would renege, or refuse, to reciprocate after obtaining concessions, was ever present'.<sup>60</sup> The external and internal parties could contribute to the structural transformation by transforming unpeaceful and unbalanced relationships into peaceful and dynamic ones which could enable both sides 'to break out of asymmetrical relationship by the process of conscientisation, gathering external support and legitimacy, and dissociation as a prelude to negotiation and conflict resolution on a more symmetrical basis'.<sup>61</sup> Structural changes would affect the entire system and would result in changes in the relationship, resulting eventually in changes in behaviours. This type of change transforms the conflict itself.

According to Lederach, NGOs and regional organisations also could work towards structural transformation, for example by empowering the weaker side, through international support or recognition, and 'creating categories of funding related to conflict transformation and peacebuilding'.<sup>62</sup> Such organisations need to develop response mechanisms relevant to PSC situations alongside the expertise they already possessed in the fields of mediation, relief and development. NGO interventions would contribute to de-escalating efforts that would help to expedite negotiations. NGOs such as the Carter Centre, the Centre for Humanitarian Dialogue and the Crisis Management Initiative could assist the OSCE mediation process among the asymmetric parties, by helping to bridge the legitimacy gap that separated state (Azerbaijan) and non-state (N-K authorities) actors.<sup>63</sup> They can also try to combine the top-level mediation activities with an attempt to energise positive grassroots involvement. Such an approach would provide an opportunity

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59 Saunders, *Politics is About Relationship*, pp. 7–8.

60 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, pp. 165–6.

61 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 164.

62 Lederach, *Building Peace*, p. 89.

63 See, Andrea Bartoli, 'Mediating Peace in Mozambique: The Role of the Community of Sant'Egidio', in Cheter A. Crocker, Fen Osler Hampson and Pamela Aall (eds), *Herding Cats: Multiparty Mediation in a Complex World* (Washington, DC: USIP Press, 1999).



for grassroots leaders at the community and village level to work on issues of peace and conflict resolution. So far, formal or track one diplomacy had been unsuccessful in bridging the gap between the asymmetric parties and building new relationships. Thus, track two diplomacy could be a better alternative. For example, establishing dialogue groups in which members from the conflicting parties discuss contentious issues between their respective countries could foster mutual understanding and build constructive relationships.

An NGO that had a strong international reputation could offer guarantees to the Karabakh Leadership in need of international recognition but was not so official as to violate Azerbaijan's sovereignty. But certainly NGOs could help both parties through a relational process of transformation and trust-building and would assist 'both sides in reframing their own political relations and the conditions of their polity as well as their recognition by the international community'.<sup>64</sup> NGOs could also fulfil a number of conflict management roles such as unofficial negotiations, providing channels of communication and promoting reconciliation through grassroots engagements that strengthen and enable civil society to nurture the culture of peace. NGOs typically share a common approach to peacebuilding which is community-based bottom-up and involves interdependent relationships in the lives of people. The guiding notion of this approach is to eliminate barriers of communication and promote peace from below. Local NGOs could also be instrumental in mobilising political will for peace while developing strategies and options to strengthen the constituencies for peace. For example, in December 2012 the initiative of creating a joint website to promote dialogue by Azerbaijan's Institute of Peace and Democracy and Armenia's Region Research Centre to serve as a platform for online discussions and press conferences for journalists, experts, activists and representatives of civil society was very encouraging. This project was supported by the British Foreign Office.<sup>65</sup>

Thirdly, issue transformation concerned the positions that the parties took on key issues such as territory, sovereignty and security. As examined in Chapter 2, Vayrynen argues that the transformation process 'presuppose a significant departure from the previous political agenda in at least one central political issue'.<sup>66</sup> An integrative approach (or positive-sum), even if it does not reconcile the conflicting positions of the parties, tries to meet the underlying interests and needs of the disputants. An example of the integrative approach would be setting the issue of territory into a wider context and think about sharing sovereignty or a federated one-state solution and managing territory as a contested resource 'on a functional basis rather than a territorial or sovereign basis' could lessen

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64 Quoted in Andrea Bartoli, 'NGOs and Conflict Resolution', in Jacob Bercovitch, Victor Kremenyuk and William I. Zartman (eds), *The SAGE Handbook of Conflict Resolution* (London and New Delhi: SAGE, 2009), p. 396.

65 *Turan News Agency*, FBIS-SOV, 29 December 2012.

66 Vayrynen, 'To Settle or to Transform?' p. 5.

the asymmetry of the conflict and ease the negotiations.<sup>67</sup> Although in internal conflicts integrative solutions are 'elusive' nevertheless federalism, power-sharing, interethnic coalitions and autonomy could provide ways out of conflict.<sup>68</sup> Although generalisation is treacherous, successful settlements presume to deal with one core issue in the conflict and bring about real transformation at the same time create political space for further negotiations. Miall notes that 'progress' on issues in internal conflict 'is often agonisingly slow and subject to reversals, and of course what counts as progress is itself contentious'<sup>69</sup> but reframing of issues could pave the way to a possible settlement.

Fourthly, actor transformation requires that the conflict parties may have to redefine their cherished goals and adopt different perspectives. This may come about through a change of leadership, ruling party or adoption of new goals, values and beliefs. As to leadership, conciliatory and soft line leaders might inspire confidence and provide incentives for new options to emerge. Lederach pinpoints that a crucial element in this process is the building of a peace constituency, particularly among middle-range actors in the affected society.<sup>70</sup> Middle-range actors who work within a party to initiate change in that party's position are often significant actors in a peace process and may have more influence than track one or track two actors. Equally important is that 'changes in the circumstances and interests of the constituency a party represents also transform conflicts, even if such changes in the constituency often take place gradually and out of view'.<sup>71</sup> In reality the internal transformation of actors is 'usually partial and limited', but it could become 'a peace factor' particularly if the disputants 'increase their capabilities for self-restraint and conflict management'. Moreover, 'the emergence and legitimisation of new actors transform the conflict by expanding the domain of conflict resolution and by changing the rules of the coalition building in the conflict'.<sup>72</sup> The new actors could make conflict resolution more realistic and open new space for political action. Thus, intra-party change in the ruling parties in Armenia and Azerbaijan could transform the conflict situation into a more peaceable direction.

Fifthly, personal and group transformation that, according to Adam Curle, is at the heart of change.<sup>73</sup> As indicated in Chapter 2, changes at heart or mind

67 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 167.

68 See, Donald L. Horowitz, *Ethnic Groups in Conflict* (London and Berkeley: University of California Press, 1985), pp. 597–600. Also, see Timothy D. Sisk, *Power Sharing and International Mediation in Ethnic Conflicts* (Washington, DC: USIP Press, 1996).

69 Miall, 'Transforming Ethnic Conflict', p. 168.

70 Lederach, *Building Peace*, p. 97.

71 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 157.

72 Vayrynen, 'To Settle or to Transform?' p. 4.

73 See, Adam Curle, *In the Middle: Non-Official Mediation in Violent Situations* (New York: European Platform for Conflict Prevention, 1987).

in individual leaders or in groups with decision-making power at turning points seem important. For conflict resolution to be successful, it often boils down to a question of agenda politics where the right leaders appear at the right moment, often in the context of a hurting stalemate.<sup>74</sup> Since the 1990s peace efforts by Aliiev and Sarkisian were not underpinned by political will. Both Presidents did not trust each other and their personal attributes (such as beliefs, attitudes, goals and interests) had been incompatible. Using behavioural analysis it is crucial to emphasise that the negotiators use appropriate strategies, such as accommodator, collaborator/problem-solver and compromiser 'for situation of transaction, tacit cooperation, relationships and balanced concerns' which are key to successful negotiation.<sup>75</sup> Behavioural analysis has been one focus of negotiation research for conflict resolution. That said, to reach a possible settlement, change in thinking and revised strategy and agenda in the negotiations is imperative. With the adoption of a new mind-set and an integrative or value-making strategy in the negotiations the Karabakh conflict could be transformed toward constructive outcomes.

## Conclusion

We argued that in asymmetric internal conflicts state centered or government centered approaches to conflict resolution would yield limited or no outcome because the choices of conflict management modes and the chances of successful mediation were affected by the importance each disputant attached to the issues in the conflict. When vital national interests, such as issues of sovereignty or territorial integrity and security were at stake, mediators would be quite unlikely to have a significant impact. Hence, it is vital to identify a broader approach for addressing such issues and reach a satisfactory settlement. In the N-K conflict an integrative approach to peacebuilding is needed. Such an approach begins with the recognition that the middle-range leaders hold particular potential for transformation. The middle-range has the potential to anchor issues within a set of relationships and pursue peace.

From the N-K case, it becomes clear that peacemaking in protracted internal conflicts requires that efforts be pursued at different levels simultaneously because official negotiations alone are unlikely to provide for conflict transformation. Recognition of needs and dialogue are preconditions and for these to be met both parties have to be accepted as legitimate. Indeed, official negotiations often disintegrated because of a failure to involve representatives from the Karabakh Leadership and the former Azerbaijani inhabitants of N-K and address their needs. When asymmetry is reduced negotiations may become successful.

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74 See, William I. Zartman, *Ripe for Resolution: Conflict and Intervention in Africa* (New York: Oxford University Press, 1989).

75 Zartman, 'Conflict Resolution', pp. 332–3.

The MG led negotiations were undermined because both sides used it as a forum for publicity and point-scoring against each other. In addition, when initial agreements were reached at the top level they continually collapsed because the infrastructure for their implementation did not exist. No concessions and reciprocity were made because the negotiators were afraid of losing their hard-line constituencies. Therefore, it is reasonable to argue that 'the development of an active, multilayered and effective peace constituency could create an environment conducive to counterbalancing negotiating setbacks and keeping the formal process on track'.<sup>76</sup>

We also argued that conflict transformation, that might be gradual, is needed because it requires real changes in actors, interests, goals and self-definitions. These changes that might occur as a result of intra-party changes, shifts in the constituencies of the parties or changes in the context in which the conflict is sustained. Therefore, 'conflict resolution must concern itself not only with the issues that divide the parties but also with the social, psychological and political changes that are necessary to address the root causes' and the various needs of the parties.<sup>77</sup> Consequently, as the incentives and social capacity of the parties were affected they would determine whether a settlement could be acceptable and workable. Shortly, a multitrack approach to peace is necessary relying on interventions by different actors at different levels.

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76 Rupesinghe, 'Mediation in Internal Conflicts', pp. 165–6.

77 Miall, Ramsbotham and Woodhouse, *Contemporary Conflict*, p. 158.

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# Conclusion

Conflict management, conflict resolution and conflict transformation were major themes in this research. We argued that the asymmetric conflict of N-K is difficult to solve if the basic human needs of identity, security and recognition of Karabakh Armenians are not addressed. Certainly, Azerbaijan has also security needs because as long as the Karabakh forces occupy 20 per cent of Azerbaijani territory, it is difficult for Azerbaijan to be concerned about security guarantees for Karabakh Armenians. The absence of security guarantees was a major obstacle to resolving the conflict. Some kind of collective security arrangement would help both conflict parties to trust each other but in light of the Armenian-Russian and Azerbaijani-Turkish security arrangements and alliances the parties would remain estranged from each other. Security for one party would be reinforced by security for the other. The needs of identity and recognition were also crucial obstacles that stalled the talks. For the Karabakh Armenians, N-K under Azerbaijani control would be a major threat to their identity because the Azerbaijani government cannot be trusted given the bad historical experience from the 1920s until the late 1980s. Further, as long as Turkey denies the Armenian genocide of 1915 it is unlikely to see progress in Armenian-Azerbaijani relations because of the Turkic origin of the Azerbaijani people. Concerning recognition, as long as Baku refuses to enter into direct negotiations with the secessionists (the Karabakh Armenians) any agreement would be rejected by them as long as they are not represented at the negotiation table. In asymmetric conflicts these needs are not negotiable and the conflict cannot be resolved if an outcome does not satisfy both sides' needs.

The OSCE MG process that started in 1992 to find a mutually acceptable compromise solution narrowed itself to a particular framework that reached only the proverbial tip of the iceberg and left off the agenda the deeper causes of the conflict that are historical animosities, fears, hatreds, ethnic identity and territory. Shortly, the historical and psychological components in the conflict had not been addressed. According to the contingency approach to conflict resolution third-party interventions should have been sequenced to deal effectively with the complex interplay of objective and subjective factors. The MG mediation at various occasions contributed to de-escalation but it did not address the subjective elements of the conflict, including the perceptions, emotions, attributions and motivations of the parties that might have been necessary to achieve a lasting settlement. The two decades of negotiations were primarily zero-sum and deadlock was very likely to occur because the parties were negotiating over incompatible goals rather than focusing on the communal content of the conflict. The Karabakh Armenians wanted to achieve self-determination and independence

and Azerbaijan wanted to restore its territorial integrity. Each party considered the other as a threat and each was prepared to act violently against the other. Neither party had much of an incentive to find a compromise because they adopted strict distributive strategies for claiming value from each other. In other words, the zone of agreement or bargaining space was seemingly empty in the negotiations. The MG efforts suffered because official diplomacy did not achieve a breakthrough and the technique of using unofficial channels of communication which could supplement the official negotiation process was not used. Apparently, a track two arena was necessary to transform the broken relationship between the parties and the contested issues and make them more amenable for negotiation. Resolving the N-K conflict must involve a set of dynamic changes that include a de-escalation of conflict behaviour, a change in attitudes and transforming the relationships of diverging interests that are at the core of the conflict structure.

Negotiations over territorial compromises or exchange (such as the Goble plan in 1999 and Key West talks in 2001) were fruitless because such compromises did not enhance each party's sense of safety and identity. Even when Aliiev and Kocharian in their bilateral talks seemed to be pragmatic and ahead of the opposition parties in their countries, both men were not sure whether they could sell an agreement based on territorial exchange to their people. Two main obstacles prevented reaching an agreement. Firstly, the domestic opposition in both countries; and secondly, the emotional attachments that made the issue of territory intangible and difficult to divide. The symbolic quality of the territorial issue remained salient. Further, the territorial issue was not addressed within the context of the larger rivalry in which it was embedded, thereby changing the underlying relationship which had framed the issue so that it was intangible and infused with symbolic qualities. Apparently, dealing with the rivalry could have reduced the influence of domestic hard-liners that stir up historic animosity and made the issues difficult to settle between Armenia and Azerbaijan.

Since 1992, both peoples have lived in isolation from one another and there were no communal relations between them. The gap between the new generations was much bigger. In 2006 the Rambouillet and Bucharest talks failed to reach an agreement on core principles on the perceived conflicts of interest that had been security, withdrawal, refugees and referendum. These issues continued to be sticking points because they were managed on a territorial or sovereign basis. Sequencing and implementation of the steps were problematic because both sides did not trust each other and there was high uncertainty about the actual effects of certain proposals, like withdrawal, security and interim status for N-K. The replacement of a mentality focused on winning with one that was willing to trade in conflict for lessened goals did not happen. Rather than articulating common hopes and fears for full expression of identity, security and recognition both parties primarily blamed each other for the pre-eminence of their mutually exclusive positions. In light of unwillingness by both parties to relinquish control over N-K the zero-sum outcome continued. With no mutually hurting stalemate the moment was not ripe for resolution.

Geopolitical and geostrategic interests of Russia, Turkey and the US were also obstacles to resolving the conflict. Russia and Turkey, traditional rivals in the South Caucasus, backed the opposing sides in the dispute. The US sought to secure alternative oil pipeline routes for Azerbaijan's Caspian Sea oil reserves and bypass Russia, but Russia continued to have a strong interest in the former Soviet republics of the Caucasus. The strategic interest of Azerbaijan and Turkey converged at the point of desiring to shrink Russia's sphere of influence in the region and isolate Armenia politically and economically in order to extract concessions on Karabakh. It is crucial to stress that oil and oil pipeline routes did not provide the primary incentive to reach a mutually acceptable settlement over N-K. On the contrary, oil might be a negative factor and Azerbaijan's oil wealth made its leadership feel it had less impetus to compromise and sought arms procurement. Russia also gave Armenia weapons worth millions of dollars over the preceding years. The 2008 Georgian-Russian war demonstrated that Moscow could step in to maintain its influence and control in the South Caucasus region and that the N-K conflict would not be resolved without its consent. Russia would certainly insist to play a significant role in a future peacekeeping force in N-K. Thus, any resolution of the N-K conflict would require concomitant regional cooperation among the US and Russia and the regional powers of Turkey and Iran.

In 2007, although both parties accepted the Madrid Principles as a framework for discussions they were unable to meet halfway, at some point which had a symbolic value, to make it easier for them to break the deadlock. The revised Madrid Principles offered withdrawal of the Karabakh forces from five occupied districts as a first step and interim status to N-K as a compromise solution. For the Karabakh Leadership the interim status might be the first step to independence. As a conflict resolution mechanism the Co-Chairs included in the peace plan a referendum. The Plan did not work either because it promised neither territorial integrity for Azerbaijan nor recognition of Karabakh's secession. For the Azerbaijani side conflict resolution necessarily should lead to Baku's control over the disputed territory. For the Armenian side the political realities after the war were likely to be dramatically different, which means N-K cannot be subordinate to Baku's control. Only a settlement that guarantees recognition of Armenian self-rule in N-K and strong security guarantees coupled with territorial integrity of Azerbaijan could end the conflict. By Armenian self-rule we mean more than autonomy but less than independence. If the status of N-K is to be discussed, the Karabakh Leadership must be present at the negotiation table and the Karabakh people must be amply consulted. An autonomy which allows the government of Azerbaijan too many rights of interference loses its credibility. It is doubtful that there is any other resolution that could satisfy both parties.

We acknowledge that resolving territorial and identity/secession conflicts was difficult. The case of N-K was especially difficult to resolve because the previous autonomous region saw ethnic violence and refugee flows. After all, there had been a war. There was also the pertinent question of the return of the refugees and the IDPs which belong to another identity and Azerbaijan would give this



issue priority. Thus, to find a solution between Azerbaijan and N-K was uneasy given the high mistrust and skepticism between them. That said, the security need of Karabakh Armenians should be satisfied by international actors, acting as guarantors. The UN could also take this role.

Concerning the causes of the deadlock, they were related to a superior BATNA, uncertainty and differing conceptions of fairness. Breaking the deadlock necessitates three solution sets. Firstly, BATNA-related solution: attempting to break the deadlock would necessitate the worsening of the BATNA of both parties and thus encourage them to reach a mutually acceptable solution. In the N-K case this could be done if Russia and Turkey stop supporting, promising or threatening both disputants. This, in turn, would provide an avenue by which the deadlock is broken. Azerbaijan should also acknowledge that oil revenues, arms procurement and military rhetoric do not solve the conflict.

Secondly, uncertainty-related solution: addressing the problem of uncertainty can be done by effective communication mechanisms which would facilitate the integrative mode of problem-framing and solution generation. The integrative mode of joint problem-solving could build confidence and enhance mutual safety while strengthening separate identities. It is important that the problems are framed in common. Reframing the issues is likely to ease the impasse. For example, the insecurity of either side is viewed as a concrete problem for both. By articulating common threats and frustrations to deep needs on both sides a new agenda for joint problem-solving can be set.

Thirdly, ideas-related solution: fairness considerations can lead the negotiations to opt for joint outcomes. Greater attention should be given to normative issues. For example, the notion of victory would have to be framed carefully so that the losing party can appear to show that it has won a moral victory. Equally important, greater attention would also have to be paid to how demands for concessions are framed. These are very likely to be necessary preconditions for breaking the deadlock and conducting fruitful negotiations.

# Epilogue

In 2013, the no war no peace situation did not change and a peace deal still looked further off than ever. The N-K conflict remained a major source of tension in the South Caucasus region where the geostrategic interests of Iran, Russia and Turkey diverged. The negotiations and the MG mediation served as a restraining factor, discouraging both sides from serious escalation. Military build-up by Armenia, Azerbaijan and Karabakh continued in the much more sensitive region with Iran to the south, the North Caucasus to the north and Turkey to the west. Additionally, Russia, as the regional hegemon, pushed hard to reassert its position in the South Caucasus.<sup>1</sup> Though it had been one of the MG Co-Chairs along with the US and France, it was also the main arms provider to both sides. There were also the oil and gas pipelines. There was the fear that if a full-scale fighting between Armenia and Azerbaijan broke out again the regional powers of Russia, Turkey and Iran could be drawn in directly or indirectly.

Iran warned against the possible deployment of peacekeeping forces in N-K because that would be an ineffective measure to resolve the conflict and would create new security problems in the region.<sup>2</sup> Apparently, Iran did not favour the deployment of an OSCE peacekeeping force that could include peacekeeping soldiers from Russia, Turkey and the West near its borders, and it considered that resolving the N-K dispute was possible through the cooperation of the regional states. It also criticised the members of the MG who were unable to break the deadlock because 'they were not interested in settling the conflict and had no interest in doing so'.<sup>3</sup> The members of the MG were 'a number of trans-regional states' who were involved in other conflicts such as the Middle East, Afghanistan, Iraq and Syria.<sup>4</sup>

Turkey and Armenia continued to be at loggerheads. There was no contact between Armenian and Turkish officials and the protocols that called for the normalisation of relations between the two neighbouring states and opening of the Armenian-Turkish border were dead. The political impasse between Armenia and Turkey was compounded by Ankara's linking of relations with Yerevan to resolution of the N-K conflict. Turkey's policy toward Armenia did not change and it pledged full diplomatic support to Azerbaijan's position on Karabakh. Rather

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1 Joshua Kucera, 'Russia, Iran, Turkey, and the Caucasus', 22 March 2013, posted on <http://www.eurasianet.org>.

2 *Fars News Agency*, 19 June 2013.

3 *Fars News Agency*, 19 June 2013.

4 *Fars News Agency*, 19 June 2013.

than rapprochement, the Armenians were fully mobilised to organise worldwide activities commemorating the 100-year anniversary of the Armenian genocide on 24 April 2015.

In March 2013 the Azerbaijani, Georgian and Turkish FMs met in Baku and issued a communiqué underlining the importance of a new format of regional cooperation as an important platform for both political dialogue and implementation of specific trilateral projects such as the realisation of the Baku-Tbilisi-Kars railway. This project was one of the routes for withdrawal of the coalition forces from Afghanistan. For Azerbaijan, the unresolved conflict of N-K was a 'major impediment' to regional integration.<sup>5</sup> The three FMs reiterated their support for each other's sovereignty and territorial integrity and the importance of the rapid peaceful settlement of the conflicts in N-K and Abkhazia (in Georgia) on the basis of inviolability of the internationally recognised borders of Azerbaijan and Georgia.<sup>6</sup> Still, in July, in a joint press conference held in Baku, Davutoglu and Mammadyarov expressed their dissatisfaction with the mediation of the MG in the N-K conflict and called the mediators to play a more active role in resolving the conflict. Davutoglu also stressed that Turkey would continue to support Azerbaijan's 'fair approach' to peace, and support 'every positive step to solve the conflict'.<sup>7</sup>

In their Vienna meeting on 12 July 2013, Nalbandian and Mammadyarov once again failed to achieve progress. For Azerbaijan, the withdrawal of the Karabakh forces from the Azerbaijani occupied territories would serve as a basis for the continuation of the peace process. But Mirzoyan, the FM of the *de facto* NKR emphasised that the resolution of the conflict hinged on the participation of the Karabakh Leadership in the negotiations as a full party. For him the most important achievement in the negotiations since 1994 was the understanding that 'the expression of the will of the people of N-K should be at the core of the settlement'. Mirzoyan also reiterated that 'the recognition of N-K would create more favourable conditions for the settlement of the conflict'.<sup>8</sup> Yet, Aliiev in his speech on the occasion of the Republic Day stressed that autonomy would satisfy the principle of self-government of Karabakh Armenians. Armenia did not want to address the core issue of territorial integrity that was the 'essence of the

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5 'Aliiev Calls Nagorno-Karabakh A Major Impediment to Regional Integration', *RFE/RL Caucasus Report*, 7 May 2013.

6 E. Tariverdiyeva, 'Azerbaijani, Turkish and Georgian FMs Reiterate Importance of Rapid Resolution of Nagorno-Karabakh Conflict', posted on <http://en.trend.az/regions/scaucasus/azerbaijan/2133447.html>.

7 'Turkish, Azerbaijani FMs Unpleased with Minsk Group's Nagorno-Karabakh Studies', posted on <http://www.worldbulletin.net/?aType=haber&ArticleID=113339>, 17 July 2013.

8 'Only Full Involvement of Nagorno-Karabakh in the Negotiation Process Will Ensure Real Breakthrough', posted on <http://www.armradio.am/en/2013/03/04/only-full-involvement-of-nagorno-karabakh-in-the-negotiation-process-will-ensure-real-breakthrough>, 4 March 2013.

conflict'. Instead, 'Armenia wanted to preserve the status-quo as long as possible'. The mediators were more engaged in 'strengthening CBMs, stabilisation of the situation on the contact line of troops and other issues not directly related to the essence of the negotiations'. But 'this situation was intolerable, unacceptable and must be changed', Aliev said. Although he did not rule out the military option, he believed that the opportunities in finding a peaceful solution to the conflict had not been 'completely exhausted'.<sup>9</sup>

As we argued in this research, official diplomacy failed to establish a breakthrough in the negotiations. The special envoy of the Russian President for International Cultural Cooperation Mikhail Shvydkoi during his visit to Baku in May 2013 pinpointed that 'nobody wanted a war' and that 'Russia wanted stability and strategic friendship with Armenia and Azerbaijan'. Humanitarian contacts between both nations would foster the settlement of the Karabakh conflict. Equally important, multilevel dialogue between the national governments and civil society organisations was needed to break the deadlock, according to Shvydkoi.<sup>10</sup>

But the most recent Russian delivery of weapons to Azerbaijan raised particular concerns in Armenia. Indeed, in June, Russia completed a big arms delivery worth about \$1 billion to Azerbaijan in a series since 2010. The delivery included nearly 100 T-90c tanks, Smerch and TOS-1A multiple rocket launchers and Msta-A and Vena artillery cannons. Apparently, these have a strike range of up to 90 km, and can also disperse anti-personnel and anti-tank mines over wide areas, threatening Karabakh forces' supply and escape routes in N-K and the occupied territories.<sup>11</sup> From a Russian perspective, the aim of the arms sales was to avoid upsetting the military balance in the South Caucasus where Moscow had the 102nd Russian military base in Armenia. The Russians hinted that Yerevan was informed about the sale of weapons to Azerbaijan. But to address Armenian concerns, the Secretary General of the CSTO Nikolay Bordyuzha visited Yerevan on 29 June and signed an agreement on developing Armenian-Russian military and technical cooperation. Both sides also discussed issues of intensifying joint military exercises. Strengthening the Armenian air forces and anti-aircraft defense and modernising the Russian border guard detachments near the Turkish and Iranian sectors of the Armenian border were also discussed. The Russian side re-emphasised that it aimed to restore parity of forces in the region which changed to Armenia's advantage after it became known that Iskander-M guided ballistic missile systems had been located on its territories.<sup>12</sup> Obviously, Russia was trying to maintain its military and political presence particularly in Azerbaijan after the Russian specialists in April had left the Qabala Radar Station that was a key part

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9 *Azeri Press Agency* (APA), FBIS-SOV, 28 May 2013.

10 *Interfax News Agency*, FBIS-SOV, 30 May 2013.

11 Joshua Kucera, 'Russian Arms Sales to Azerbaijan on Again?', *Eurasianetnet.org*, 18 June 2013.

12 Gay Borisov, 'Russia Trying to Restore Presence in South Caucasus at Least Partially', *Regnum News Agency*, 29 June 2013.

of the Soviet military's early warning system.<sup>13</sup> On the other hand, Armenian officials noted that in 2013 'they had also acquired as many weapons as they did in the previous twenty' years. The Armenian PM Tigran Sargsyan during a field visit to N-K assured that Armenia 'would never allow the military balance to be disturbed'.<sup>14</sup> Although Nikolay Patrushev, Secretary of Russia's Security Council, assured Armenia that the arms sales were 'no more than normal business',<sup>15</sup> Russia was further sharpening the arms race between Armenia and Azerbaijan that could result either in economic disintegration of one of the parties or escalation of the conflict. Given the deadlock and the fragile ceasefire in Karabakh, both Armenia and Azerbaijan could be the victims of these weapons in the future. The MG appealed to both parties to refrain from any actions or rhetoric that could lead to the escalation of the conflict and urged Aliiev and Sarkisian to prepare their peoples for peace, not war.

Armenia was under mounting Russian pressure to choose between the Association Agreement and sign a deep and comprehensive free trade agreement (DCFTA) with the EU or join the Customs Union, a grouping that consisted of Russia, Belarus and Kazakhstan. Moscow was hoping that the free-trade bloc (that is, Customs Union) would become the basis of the Eurasian Union, a broader project which Moscow planned to launch in 2015.<sup>16</sup> It is noteworthy that Sarkisian had since 2009 begun to lessen reliance on Moscow by pursuing a better relationship with the EU, joining its Eastern Partnership and starting talks on an Association Agreement and a DCFTA. The relationship between Armenia and Moscow became increasingly icy over this modest 'Westward drift', particularly when Sarkisian ruled out joining the Customs Union.<sup>17</sup> In July, Armenia and the EU finalised work on their agreement and announced it would be initialled in November at the Vilnius summit in Lithuania. Thus, the Russian arms sales to Azerbaijan as well as the gas price hike were apparently part of a deliberate policy of pushing Armenia to think about joining the Customs Union.

In addition to the arms sales, in August Putin made an official visit to Baku in order to further strengthen Russia's position in the region. Among the various agreements signed during the visit, agreement on oil and gas, on cooperation between emergency ministries and on humanitarian sphere were noteworthy. Rosneft had shown interest in joining the development of the Apsheron gas field

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13 Jasur Sumerinli, 'Moscow to Abandon Azeri Radar Site', *IWPR CRS*, 14 December 2012, posted on <http://iwpr.net/print/report-news/moscow-abandon-azeri-radar-site>.

14 ICG, 'Update Briefing', Europe Briefing No. 71, 26 September 2013, p. 6.

15 Shahla Sultanova and Yekaterina Poghosyan, 'Neighbourhood Watches as Azerbaijan Arms up', *IWPR CRS*, 25 July 2013, posted on <http://iwpr.net/print/report-news/neighbourhood-watches-azerbaijan-arms>.

16 Vahe Harutyunyan, 'Armenia Weighs Foreign Economic Partnerships', *IWPR CRS*, 2 July 2013, posted on <http://iwpr.net/print/report-news/armenia-weighs-foreign-economic-partnerships>.

17 ICG, Europe Briefing No. 71, p. 9.

in the Caspian Sea, whereas Russia's largest privately held oil company, LUKoil, was participating in the development of the Shah Deniz field in the Caspian Sea and owned a network of gasoline filling stations in Azerbaijan.<sup>18</sup> Concerning the N-K conflict, Putin noted that 'Russia had been actively contributing to the soonest settlement of the conflict, which was only possible through political means'.<sup>19</sup> Returning N-K to Azerbaijani sovereignty was a key issue for Baku, and Putin during his visit wanted to dispel Azerbaijani fears of any Russian support to Armenia on the issue of Karabakh. But Putin unlike Medvedev was not enthusiastic about resuming the trilateral meetings between the Armenian, Azerbaijani and Russian Presidents, which took place most recently in January 2012 in Sochi. Aliiev on his part stressed that:

The fastest resolution of the Karabakh issue would be in the interests of all countries in the region and the decision must be based on historical justice, international law and decisions and resolutions of international organisations. Russia as Co-Chair of the MG would play an important part in issues related to resolving the conflict.<sup>20</sup>

Putin's visit was a demonstration of power for Russia. Russia's regional policy in the South Caucasus could be summarised in three points: firstly, Russia would prevent the military presence of foreign countries on its borders; secondly, Russia was interested in a peaceful settlement of the N-K conflict through negotiations; thirdly, Russia was interested in expanding the Eurasian Economic Community by inviting former Soviet republics.

In September, Putin invited Sarkisian to the Kremlin where the Armenian President conveyed Yerevan's decision to join the Russia-led Eurasian Customs Union, essentially walking away from four years of negotiations with the EU. European diplomats had been quoted as saying that 'Armenia, which had been heading toward strengthening ties with the EU, would instead join a Customs Union led by Russia, handing the Kremlin a victory in its tug of war with Brussels for influence in the region'.<sup>21</sup> Yerevan, therefore, would be unable to sign the DCFTA that was expected to offer Armenia a framework for modernising its trade relations on the basis of far-reaching harmonisation of laws and regulations in various

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18 'Russia, Azerbaijan Agree on Oil, Gas Project as Putin Visits Baku', *Journal of Turkish Weekly*, 14 August 2013, posted on <http://www.turkishweekly.net/news/153984/russia-azerbaijan-agree-on-oil-gas-project-as-putin-visits-baku.html>. Also, see 'Rosneft Signs Deal with SOCAR During Putin's Visit', *RFE/RL Caucasus Report*, 13 August 2013.

19 Debidatta Aurobinda Mahapatra, 'Russia and Azerbaijan on a New Page of Cooperation', *Russia and India Report*, 14 August 2013, posted on [http://indrus.in/world/2013/08/14/russia\\_and\\_azerbaijan\\_on\\_a\\_new\\_page\\_of\\_cooperation\\_28459.html](http://indrus.in/world/2013/08/14/russia_and_azerbaijan_on_a_new_page_of_cooperation_28459.html).

20 *Interfax News Agency*, FBIS-SOV, 14 August 2013.

21 On Armenia's choice of the Eurasian Union, see <http://blogs.wsj.com/brussels/2013/09/04/eu-stunned-by-armenia-u-turn/#!>.

trade-related areas with the EU because the Eurasian Customs Union and the Association Agreement were seen as mutually exclusive. Experts with a thorough knowledge of the South Caucasus were not astonished by Sarkisian's decision because for many years it had been known that Armenia almost irremediably linked its security and economy, in particular the energy sector, to Russia. Apparently, Yerevan chose to partially sacrifice its sovereignty and independence for the sake of keeping the status quo in N-K and not lose Russia's help in resolving the conflict with Azerbaijan. Thus, Sarkisian was cornered and could only agree to join the Customs Union. In this vein, Elmar Brok, the Chairperson of the Foreign Affairs Committee of the European Parliament, commented on Sarkisian's decision:

We know that Armenia was under incredible pressure from Russia because of the difficult situation towards Azerbaijan and N-K. It was very important that N-K should be solved in a way that such a small country could find a solution with Azerbaijan on that question in order to overcome the problems in the region. The EU, which had not done it till now, should take much more interest in the solution of such a frozen conflict.<sup>22</sup>

Upon Sarkisian's decision, demonstrators in Yerevan took the streets to protest and express discontent to enter the Moscow-led Customs Union.<sup>23</sup> But on 24 October Sarkisian signed an agreement paving the way for accession to the Customs Union taking Armenia's national security into account given its tense relations with Azerbaijan and Turkey. The President in a televised speech said:

Our colleagues in the CSTO were creating a new platform for economic cooperation. I have often said that when you were part of a system that provides you with defense security, it was impossible and ineffective to isolate yourself from that geopolitical area. If we did not join the Customs Union, that would create new barriers between businesses in Armenia and Russia. A political decision was therefore taken that our country's economic development must be within the framework of the Customs Union.<sup>24</sup>

Within this broader strategic context, Armenia's decision to join the Customs Union might be another episode further entangling Eurasia in general and Armenia in particular into the geopolitical competition between the EU, Russia and the US. It was unclear if Armenia's decision would have negative economic implications on N-K. Sooner or later, other EU Eastern Partners, most notably

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<sup>22</sup> On the resolution of the N-K conflict and the EU's role, see <http://rferl.org/content/armenia-customs-union-elmar-brok-russia/25094796.html>.

<sup>23</sup> Anna Muradyan, 'Protesters under Attack in Armenia', *IWPR CRS*, Issue 702, 20 September 2013.

<sup>24</sup> Vahe Harutyunyan, 'Armenian Leader Accused of Caving in to Moscow', *IWPR CRS*, Issue 708, 4 November 2013.

Azerbaijan and Ukraine, might follow in Armenia's footsteps while being pushed into a fundamental decision on whether their future would lie with Europe or with Russia. It could be wise that the EU did not put a political end to Armenia's European integration path and try to maintain leverage on Armenia in that it might prove useful in helping to find a peaceful settlement of the N-K conflict.

The recurring cycle of violations of the ceasefire coincided with events at the political level. Indeed, after the shootings in early November in the Tavush region of northeast Armenia, on 19 November both Aliiev and Sarkisian met in Vienna for fresh round of talks and 'discussed a broad range of issues related to the settlement of the N-K conflict'.<sup>25</sup> Both Presidents had not met for nearly two years, reflecting the deadlock in the peace process. The meeting was a diplomatic event rather than a real attempt to move the peace process forward. Certainly, the primary concern of the MG was to establish peace in the region but the challenge facing the MG was how to achieve it. Both sides had been harming each other physically, psychologically and economically even though they were not actually engaged in acts of war. Both sides continued to rely on their entrenched positions and avoided to think about a common understanding of the kind of relationship that would avoid further harm. For the OSCE MG and both leaders the challenge was to achieve peace by transforming the current non-peaceful relationship between the parties into peaceful ones. The only positive outcome of the Vienna meeting was that the FMs would continue their cooperation with the MG Co-Chairs with the aim of intensifying the peace process.

Meanwhile, Putin's determination to strengthen Russia's geopolitical presence in the South Caucasus was demonstrated in his visit to Armenia in December 2013. Putin praised Sarkisian's pro-Russian strategic choice to join the Customs Union and sought to deny a widely held belief that Sarkisian announced his foreign policy U-turn during his September visit to Moscow under pressure. Underlining the strategic security component of the Armenian-Russian relationship, Putin also visited the Gyumri headquarters of the Russian military base where he pledged to deploy 18 combat helicopters in Armenia. With regard the South Caucasus, Putin stressed that 'Russia has never had an intention to withdraw from the region. On the contrary, Russia was planning to reinforce its positions in the region based on all the good things that the Russians inherited from their ancestors, also based on good relations with all regional states, including Armenia'.<sup>26</sup> Concerning the N-K conflict and the possible outbreak of another Armenian-Azerbaijani war, Putin said:

I think it would be absolutely counterproductive to hypothetically speak about what we would do if there was a war. It would look as though we were preparing

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25 'Armenian, Azeri Leaders Vow New Push for Karabakh Talks', *RFE/RL Armenia Report*, 19 November 2013.

26 Satenik Vantsian and Ruzanna Stepanian, 'Putin Vows Stronger Russian Role in the South Caucasus', *RFE/RL Armenia Report*, 2 December 2013.



for war. We must ensure that all the contentious issues were resolved by solely political and diplomatic means and within the framework of the OSCE MG.<sup>27</sup>

It is important to stress that Armenia is the only CIS country where Russia maintains its military base since Soviet times, and Yerevan insists that the base remain there in order to counterbalance Azerbaijani and Turkish potential security threats. For Russia too, the Gyumri military base with 5,000 personnel in service has been the only one which serves as an outpost against NATO's member Turkey and other potential threats from its southern flank. According to Arkady Dubnov, an expert in the CIS affairs, Moscow wanted to integrate Armenia in the Customs Union when in September Ukraine made a U-turn for rapprochement with the EU. Thus, 'Putin wanted to utilise the momentum for confirming Russia as the natural center of gravitation on the Eurasian space, to demonstrate that the former Soviet republics had no alternative but to gather under Moscow's umbrella'.<sup>28</sup> However, according to Zbigniew Brzezinski, the former US National Security Advisor, 'the Kremlin's ambitions for the creation and successful existence of the Eurasian Union were doomed to fail sooner or later, due to the political attitude of the Russian government, a lack of resources, as well as internal social and economic problems in Russia'.<sup>29</sup>

Contrary to the Armenian official stance, hundreds of people, civil activists and members of the opposition parties expressed their protest to Putin's visit to Armenia. The protesters carrying the national flags of Armenia and the Ukraine (as a sign of solidarity with the Ukrainian citizen's standoff against the authorities) marched in the streets of Yerevan with overhead posters 'Putin go home', 'sovereign Armenia', 'Putin go away', 'Serzhik (Serge) go away' and 'free, independent Armenia'.<sup>30</sup> Apparently, many people were against Armenia joining the Customs Union because that would not bring economic improvement and well-being compared to the prospects of economic development of the Association Agreement with the EU. Another visible issue was the agreement signed between ArmRusGasProm and Armenia by which the last remaining 20 per cent of shares were sold to the Russian party so that the Russian natural gas would be sold to Armenia at Russian local prices, presumably cheaper than the current gas tariff.<sup>31</sup>

27 'Putin and Sarkisian Agree on Areas of Cooperation', *Vesnil Kavkaza*, 2 December 2013.

28 On the interview with Arkady Dubnov concerning the Armenian-Russian talks, see <http://www.globalpost.com/dispatch/news/xinhau-news-agency/131201/interview-russia-armenia-talks-have-invisible-participants-e>, 1 December 2013.

29 Interview with Zbigniew Brzezinski, *Vestnik Kavkaza*, 20 January 2014.

30 On the protests that accompanied Putin's visit to Armenia, see [http://armenianow.com/news/50548/vladimir\\_putin\\_serzh\\_sargsyan\\_customs\\_union\\_protest](http://armenianow.com/news/50548/vladimir_putin_serzh_sargsyan_customs_union_protest), 2 December 2013. Also, see Emil Danielyan and Irina Hovannisyan, 'Anti-Putin Protests in Mass Arrests', *RFE/RL Armenia Report*, 2 December 2013.

31 'Putin and Sargsyan Agree on Areas of Cooperation', *Vestnik Kavkaza*, 2 December 2013.

To keep up the renewed momentum in the N-K peace process that started on 19 November with the Aliiev-Sarkisian meeting in Vienna, the FM's of Armenia and Azerbaijan, Nalbandian and Mammadyarov, met in Kiev on 4 December on the sidelines of the OSCE ministerial Council, in order to facilitate further talks at the higher level.<sup>32</sup> As a continuation of the Kiev meeting both FM's met again in Paris on 23–24 January 2014 but no progress was achieved because the 'reinvigoration of territorial integrity and sovereignty of Azerbaijan was the main subject of the talks' without focusing on CBMs to help both peoples to get rid of the enemy image.<sup>33</sup> It appeared that the primary goal of these diplomatic meetings was to maintain the fragile peace rather than resolve the conflict. The MG had also no alternative but to ensure the continuity of the negotiations.

In late 2013 the difficult relationship between Armenia and Turkey did not change. Davutoglu's visit to Yerevan on 12 December to attend the meeting of the BSEC was more a 'form of public relations' rather than being an attempt to revive the normalisation process that started in 2008 with the visit of President Gul to Armenia.<sup>34</sup> In his meeting with Nalbandian, Davutoglu said that Turkey wanted the relationship with Armenia to be as good as it was with other neighbours, and that Ankara 'would like Armenia to move past these frozen conflicts and to become part of our economic projects'.<sup>35</sup> Normalisation of Armenian-Turkish relations remained conditional on the resolution of the N-K conflict in a way acceptable to Azerbaijan. The Turkish government cited this precondition when it refused to implement the protocols signed with Yerevan in 2009. Obviously, Ankara would not take actions that might upset Azerbaijan mainly because the increasing importance of Baku as a supplier of oil and gas to Turkey gave it ever more leverage over the country's foreign policy towards Armenia. Russia made use of this sensitive Azerbaijani-Turkish tie and improved its relations with Baku by becoming the biggest arms supplier to Azerbaijan.

In early 2014 military displays continued to occur and military rhetoric did not tone down. There was the need for 'concerted effort to restart the negotiations, backed by emphatic statements of political will and, if necessary, pressure from international actors'. The MG as the sole mediator in the conflict 'should make itself heard' in a situation that is dangerous and potentially explosive. Russia's behaviour should also change by demonstrating 'with more than words that its principal aim is peace in the South Caucasus, not increased arms sales'.<sup>36</sup> Russia should cease playing both sides against each other. The revised Madrid Principles seemed workable but they probably needed to be complemented with additional

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32 Ruzanna Stepanian, 'Armenia, Azerbaijan Urged to Advance Peace Process', *RFE/RL Armenia Report*, 5 December 2013.

33 Azerbaijani Press Agency (APA), FBIS-SOV 24 January 2014.

34 Lamiya Adilgizi and Yekaterina Poghosyan, 'No Signs of Turkey-Armenia Thaw', *IWPR CRS*, Issue 717, 24 December 2013.

35 Adilgizi and Poghosyan, 'No Signs', p. 1.

36 ICG, Europe Briefing No. 71, pp. 10–11.

‘adequate and substantial provisions’ as James Warlick, the US Co-Chair to the MG, indicated to civil society representatives. Certainly, it was uneasy to find a solution to this asymmetric and protracted conflict. According to Warlick, the sincere efforts by the MG ‘needed to be underpinned by track two diplomacy, by people-to-people contacts’ to reach a positive outcome.<sup>37</sup> His remarks were similar to one of the core arguments in our work on the adoption of track two diplomacy to address deeply rooted internal conflicts because, official diplomacy alone is not enough to resolve such conflicts.

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37 Sargis Harutyunyan and Artur Panoyan, ‘Mediators Mum on Next Armenian-Azerbaijani Summit’, *RFE/RL Armenia Report*, 5 February 2014.

# Appendices

## Appendix A

### **The Bishkek Protocol, 4–5 May 1994**

Participants of the meeting held in May 4–5 in Bishkek on the initiative of the CIS Inter-Parliamentary Assembly, Parliament of the Kyrgyz Republic, Federal Congress and Ministry of Foreign Affairs of the Russian Federation:

- Express determination to assist in all possible ways to the cessation of armed conflict in and around Nagorno-Karabakh, which does not only cause irretrievable losses to Azerbaijani and Armenian people, but also significantly affects the interests of other countries in the region and seriously complicates the international situation;
- Supporting the 15 April 1994 Statement by the CIS Council of heads of states, express readiness to fully support the efforts by heads of representatives of executive power on cessation of the armed conflict and liquidation of its consequences by reaching an appropriate agreement as soon as possible;
- Advocate a naturally active role of the Commonwealth and Inter-Parliamentary Assembly in cessation of the conflict, in realisation of thereupon principles, goals and the UN and OSCE certain decisions (first of all the UN Security Council resolutions 822, 853, 874, 884);
- Call upon the conflicting sides to come to common senses: cease to fire at the midnight of 8 to 9 May, guided by the 18 February 1994 Protocol (including the part on allocating observers), and work intensively to confirm this as soon as possible by signing a reliable, legally binding agreement envisaging a mechanism, ensuring the non-resumption of military and hostile activities, withdrawal of troops from occupied territories and restoration of communication, return of refugees;
- Agree to suggest Parliaments of the CIS member states to discuss the initiative by Chairman of Council of the Inter-Parliamentary Assembly V. Shumeiko and Head of the Assembly's Peacekeeping Group in Nagorno-Karabakh M. Sherimkulov on creating a CIS peacekeeping force;
- Consider appropriate to continue such meetings for peaceful resolution of the armed conflict;

- Express gratitude to the people and leadership of Kyrgyzstan for creating excellent working conditions, cordiality and hospitality on behalf of the delegations:

A. Jalilov (signed by R. Guliyev)

K. Babouryan

B. Araktsyan

V. Shumeyko

M. Sherimkulov

V. Kazimirov (Parliamentary Representative of the President of the Russian Federation, Head of the Russian Mediation Mission)

M. Krotov (Head of the Secretariat of the Council of the Inter-Parliamentary Assembly of CIS member states)

Bishkek, 5 May 1994

*Source:* <http://www.nkr.am/en/the-bishkek-protocol/43/>.

## **Appendix B**

### **The CSCE Budapest Summit 1994, Section II, Regional Issues:**

#### **Intensification of CSCE Action in Relation to the Nagorno-Karabakh Conflict**

1. Deploing the continuation of the conflict and the human tragedy involved, the participating states welcomed the confirmation by the parties to the conflict of the ceasefire agreed on 12 May 1994 through the mediation of the Russian Federation in cooperation with the CSCE Minsk Group. They confirmed their commitment to the relevant resolutions of the United Nations Security Council and welcomed the political support given by the Security Council to the CSCE's efforts towards a peaceful settlement of the conflict. To this end they called on the parties to the conflict to enter into intensified substantive talks, including direct contacts. In this context, they pledged to redouble the efforts and assistance by the CSCE. They strongly endorsed the mediation efforts of the CSCE Minsk Group and expressed appreciation for the crucial contribution of the Russian Federation and the efforts by other individual members of the Minsk Group. They agreed to harmonise these into a single coordinated effort within the framework of the CSCE.
2. To this end, they have directed the Chairman-in-Office, in consultation with the participating states and acting as soon as possible, to name Co-Chairmen of the Minsk Conference to ensure a common and agreed basis for negotiations and to realise full coordination in all mediation and negotiation activities. The Co-Chairmen, guided in all of their negotiating efforts by CSCE principles and an agreed mandate, will jointly chair meetings of the Minsk Group and jointly report to the Chairman-in-Office. They will regularly brief the Permanent Council on the progress of their work.

3. As a first step in this effort, they directed the Co-Chairmen of the Minsk Conference to take immediate steps to promote, with the support and co-operation of the Russian Federation and other individual members of the Minsk Group, the continuation of the existing ceasefire and, drawing upon the progress already achieved in previous mediation activities, to conduct speedy negotiations for the conclusion of a political agreement on the cessation of the armed conflict, the implementation of which will eliminate major consequences of the conflict for all parties and permit the convening of the Minsk Conference. They further requested the co-chairmen of the Minsk Conference to continue working with the parties towards further implementation of confidence-building measures, particularly in the humanitarian field. They underlined the need for participating states to take action, both individually and within relevant international organisations, to provide humanitarian assistance to the people of the region with special emphasis on alleviating the plight of refugees.
4. They agreed that, in line with the view of the parties to the conflict, the conclusion of the agreement mentioned above would also make it possible to deploy multinational peacekeeping forces as an essential element for the implementation of the agreement itself. They declared their political will to provide, with an appropriate resolution from the United Nations Security Council, a multinational CSCE peacekeeping force following agreement among the parties for cessation of the armed conflict. They requested the Chairman-in-Office to develop as soon as possible a plan for the establishment, composition and operations of such a force, organised on the basis of Chapter III of the Helsinki Document 1992 and in a manner fully consistent with the Charter of the United Nations. To this end the Chairman-in-Office will be assisted by the Co-Chairmen of the Minsk Conference and by the Minsk Group, and be supported by the Secretary General; after appropriate consultations he will establish a high-level planning group in Vienna to make recommendations on, *inter alia*, the size and characteristics of the force, command and control, logistics, allocation of units and resources, rules of engagement and arrangements with contributing states. He will seek the support of the United Nations on the basis of the stated United Nations readiness to provide technical advice and expertise. He will also seek continuing political support from the United Nations Security Council for the possible deployment of a CSCE peacekeeping force.
5. On the basis of such preparatory work and the relevant provisions of Chapter III of the Helsinki Document 1992, and following agreement and a formal request by the parties to the Chairman-in-Office through the Co-Chairmen of the Minsk Conference, the Permanent Council will take a decision on the establishment of the CSCE peacekeeping operations.

## **Appendix C**

### **The OSCE Lisbon Summit 1996, Annex 1, Statement of the OSCE Chairman-in-Office**

You all know that no progress has been achieved in the last two years to resolve the Nagorno-Karabakh conflict and the issue of the territorial integrity of the Republic of Azerbaijan. I regret that the efforts of the Co-Chairmen of the Minsk Conference to reconcile the views of the parties on the principles for a settlement have been unsuccessful.

Three principles which should form part of the settlement of the Nagorno-Karabakh conflict were recommended by the Co-Chairmen of the Minsk Group. These principles are supported by all member states of the Minsk Group. They are:

1. Territorial integrity of the Republic of Armenia and the Azerbaijan Republic;
2. 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;
3. 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.

I regret that one participating state could not accept this. These principles have the support of all other participating states.

This statement will be included in the Lisbon Summit documents.

### **Annex 2, Statement of the Delegation of Armenia**

With regard to the statement by the Chairman-in-Office of the OSCE, the Delegation of Armenia wishes to express its concern over the following issues:

1. The statement does not reflect either the spirit or the letter of the Minsk Group's mandate as established by the Budapest Summit 1994, which proposed negotiations with a view to reaching a political agreement. The problem of status has been a subject of discussion in direct negotiations which have yet to be concluded.
2. The statement predetermines the status of Nagorno-Karabakh, contradicting the decision of the OSCE Ministerial Council of 1992, which referred this issue to the competence of the OSCE Minsk Conference, to be convened after the conclusion of a political agreement.
3. The Armenian side is convinced that a solution of the problem can be found on the basis of international law and the principles laid down in the Helsinki Final Act, above all on the basis of the principle of self-determination.

4. In the interests of reaching a compromise solution, the Armenian side is prepared to continue with the most intensive negotiations, both within the Minsk Group and on the basis of direct contacts co-ordinated by the Co-Chairmen of that Group.

I request that this statement be annexed to the Lisbon Summit Declaration.

Source: <http://www.osce.org/mc/39539>.

## Appendix D

### **Document 1: Protocol on the Establishment of Diplomatic Relations Between the Republic of Armenia and the Republic of Turkey, 10 October 2009**

The Republic of Armenia and the Republic of Turkey,  
Desiring to establish good neighbourly relations and to develop bilateral cooperation in the political, economic, cultural and other fields for the benefit of their peoples, as envisaged in the Protocol on the development of relations signed on the same day.

Referring to their obligations under the Charter of the United Nations, the Helsinki Final Act, the Charter of Paris for a New Europe,

Reconfirming their commitment, in their bilateral and international relations, to respect and ensure respect for the principles of equality, sovereignty, non-intervention in internal affairs of other states, territorial integrity and inviolability of frontiers,

Bearing in mind the importance of the creation and maintenance of an atmosphere of trust and confidence between the two countries that will contribute to the strengthening of peace, security and stability of the whole region, as well as being determined to refrain from the threat of the use of force, to promote the peaceful settlement of dispute and to protect human rights and fundamental freedoms,

Confirming the mutual recognition of the existing border between the two countries as defined relevant treaties of international law,

Emphasising their decisions to open the common border,

Reiterating their commitment to refrain from pursuing any policy incompatible with the spirit of good neighbourly relations,

Condemning all forms of terrorism, violence and extremism irrespective of their cause, pledging to refrain from encouraging and tolerating such acts and to cooperate against them,

Affirming their willingness to chart a new pattern and course for their relations on the basis of common interests, goodwill and in pursuit of peace, mutual understanding and harmony,



Agree to establish diplomatic relations as of the date of the entry into force of this Protocol in accordance with the Vienna Convention on Diplomatic Relations of 1961 and to exchange Diplomatic Missions.

This Protocol and the Protocol on the Development of Bilateral Relations between the Republic of Armenia and the Republic of Turkey shall enter into force on the same day, that is, on the first day of the first month following of instruments of ratification.

Signed in Zurich on 10 October 2009 in Armenian, Turkish and English languages authentic copies in duplicate. In case of divergence of interpretation, the English text shall prevail.

For the Republic of Armenia  
Signed  
Edward Nalbandian  
Foreign Minister of the  
Republic of Armenia

For the Republic of Turkey  
Signed  
Ahmet Davutoglu  
Foreign Minister of the  
Republic of Turkey

*Source: Journal of the Society for Armenian Studies*, Vol. 18, No. 2 (December 2009), pp. 163–4.

## **Document 2: Protocol on Development of Relations Between the Republic of Turkey and the Republic of Armenia, 10 October 2009**

The Republic of Armenia and the Republic of Turkey,  
Guided by the Protocol on the Establishment of Diplomatic Relations between the Republic of Turkey and the Republic of Armenia signed on the same day,

Considering the perspectives of developing their bilateral relations, based on confidence and respect to their mutual interests.

Determining to develop and enhance their bilateral relations, in the political, economic, energy, transport, scientific, technical, cultural issues and other fields, based on common interest of both countries,

Supporting the promotion of the cooperation between the two countries, in the international and regional organisations, especially within the framework of the UN, the OSCE, the Council of Europe, the Euro-Atlantic Partnership Council and the BSEC,

Taking into account the common purpose of both states to cooperate for enhancing regional stability and security for ensuring the democratic and sustainable development of the region,

Reiterating their commitment to the peaceful settlement of regional and international disputes and the conflicts on the basis of the norms and principles of law,

Reaffirming their readiness to actively support the actions of the international community in addressing common security threats to the region and world security

and stability, such as terrorism, transnational organised crime, illicit trafficking of drugs and arms,

1. Agree to open the common border within 2 months after the entry into force of this Protocol,
2. Agree to

Conduct regular political consultations between the Ministries of Foreign Affairs of the two countries;

Implement a dialogue on the historical dimension with the aim to restore mutual confidence between the two nations, including an impartial scientific examination of the historical records and archives to define existing problems and formulate recommendations;

Make the best possible use of existing transport, communications and energy infrastructure and networks between the two countries, and to undertake measures in this regard;

Develop the bilateral legal framework in order to foster cooperation between the two countries;

Cooperate in the fields of science and education by encouraging relations between the appropriate institutions as well as promoting the exchange of specialists and students, and act with the aim of preserving the cultural heritage of both sides and launching common cultural projects;

Establish consular cooperation in accordance with the Vienna Convention on Consular Relations of 1963 in order to provide necessary assistance and protection to the citizens of the two countries;

Take concrete measures in order to develop trade, tourism and economic cooperation between the two countries;

Engage in a dialogue and reinforce their cooperation on environmental issues;

3. Agree on the establishment of an intergovernmental bilateral commission which shall comprise separate sub-commissions for the prompt implementation of the commitments mentioned in operational paragraph 2 above in this Protocol. To prepare the working modalities of the intergovernmental commission and its sub-commissions, a working group headed by the two Ministries of Foreign Affairs shall be created two months after the day following the entry into force of this Protocol. Within three months after the entry into force of this Protocol, these modalities shall be approved at ministerial level. The intergovernmental commission shall meet for the first time immediately after the adoption of the said modalities. The sub-commissions shall start their work at the latest one month thereafter and they shall work continuously until the completion of their mandates. The timetable and elements agreed by both sides for the implementation of this Protocol are mentioned in the annexed document, which is an integral part of this Protocol.

This Protocol and the Protocol on the Establishment of Diplomatic Relations between the Republic of Armenia and the Republic of Turkey shall enter into force on the same day, that is, on the first day of the first month following the exchange of instruments of ratification.

Signed in Zurich on 10 October 2009 in Armenian, Turkish and English languages authentic in duplicate. In case of divergence of interpretation, the English text shall prevail.

For the Republic of Armenia  
Signed  
Edward Nalbandian  
Foreign Minister of the  
Republic of Armenia

For the Republic of Turkey  
Signed  
Ahmet Davutoglu  
Foreign Minister of the  
Republic of Turkey

**Annexed document: Timetable and elements for the implementation of the Protocol on development of relations between the Republic of Armenia and the Republic of Turkey**

<b>Steps to be undertaken</b>	<b>Timing</b>
1 – to open the common border	Within two months after the entry into force of the Protocol on the development of relations between the Republic of Armenia and the Republic of Turkey
2 – to establish a working group headed by the two Ministries of Foreign Affairs to prepare the working modalities of the intergovernmental commission and its sub-commissions	Two months after the day following the entry into force of the Protocol on the development of relations between the Republic of Armenia and the Republic of Turkey
3 – to approve the working modalities of the intergovernmental commission and its sub-commissions at ministerial level	Within three months after the entry into force of the Protocol on the development of relations between the Republic of Armenia and the Republic of Turkey
4 – to organise the first meeting of the intergovernmental commission	Immediately after the adoption of the working modalities of the intergovernmental commission and its sub-commission at ministerial level
5 – to operate the following sub-commissions: – the sub-commission on political consultations; – the sub-commission on transport, communications and energy infrastructure and networks; – the sub-commission on legal matters; – the sub-commission on science and education;	At the latest one month after the first meeting of the intergovernmental commission

- the sub-commission on trade, tourism and economic cooperation;
- the sub-commission on environmental issues; and
- the sub-commission on the historical dimension to implement a dialogue with the aim to restore mutual confidence between the two nations, including an impartial scientific examination of the historical records and archives to define existing problems and formulate recommendations, in which Armenian, Turkish as well as Swiss and other international experts shall take part.

For the Republic of Armenia  
Signed  
Edward Nalbandian  
Foreign Minister of the  
Republic of Armenia

For the Republic of Turkey  
Signed  
Ahmet Davutoglu  
Foreign Minister of the  
Republic of Turkey

*Source: Journal of the Society for Armenian Studies*, Vol. 18, No. 2, (December 2009), pp. 165–7.

## Appendix E

### **Declaration Between the Republic of Azerbaijan, the Republic of Armenia and the Russian Federation, 2 November 2008, Maiendorf Castle, Moscow Region**

The Presidents of the Republic of Azerbaijan, the Republic of Armenia and the Russian Federation, meeting on 2 November 2008, in Moscow, at the invitation of the President of the Russian Federation,

Having held substantive discussions in a constructive spirit on the state and prospects for political settlement of the Nagorno-Karabakh conflict through a continuation of direct dialogue between Azerbaijan and Armenia through the mediation of Russia, the USA and France as co-chairs of the OSCE Minsk Group,

1. Declare that they will facilitate improvement of the situation in the South Caucasus and establish stability and security in the region through political settlement of the Nagorno-Karabakh conflict based on the principles of international law and the decisions and documents approved within this framework, thus creating favourable conditions for economic growth and all-round cooperation in the region.

2. Affirm the importance of having the co-chairs of the OSCE Minsk Group continue the mediation efforts, including based on the outcome of the meeting between the parties in Madrid on 29 November 2007, and subsequent discussions on further steps to agree on the basic principles for political settlement.
3. Agree that peace settlement should be accompanied by legally binding guarantees for every aspect and stage of the settlement process.
4. Note that the Presidents of Azerbaijan and Armenia have agreed to continue work, including through further contacts at the highest level, on reaching a political settlement to the conflict and have instructed the heads of their respective foreign ministries to work together with the co-chairmen of the OSCE Minsk Group to activate the negotiation process.
5. Consider it important to encourage the establishment of conditions for carrying out confidence-building measures in the context of work on a peace settlement.

*Source:* <http://archive.kremlin.ru/eng/text/docs/2008/11/208708.shtml>.

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