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The Nagorno-Karabakh unsettled conflict. Between ethnic and geopolitical issues.

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Abstract

The Nagorno-Karabakh, Armenian populated autonomous province of the former Soviet Socialist Republic of Azerbaijan, has been the theater of a violent conflict (1991-1994) between the Azeri army and Armenian secessionists. The conflict is still unsettled, and the disputed territory remains under the control of the self-proclaimed Republic of Nagorno-Karabakh. The aim of this paper is to analyze the origins of the conflict, the development of the peace negotiations and the role of the international powers in the context of their geopolitical and geoeconomic interests, with special regard to the exploitation of the Caspian basin oil fields.

Keywords: Caucasus, Armenia, Azerbaijan, Caspian Sea, pipelines.

Introduction

Nagorno-Karabakh is one of the hotspots in the »geography of crisis« created by the collapse of the Soviet Union. Between 1991 - 1994 the former autonomous province, with an Armenian ethnic majority within the Soviet Socialist Republic (SSR) of Azerbaijan, became the theater for a bitter military conflict between the Azeri army and the Armenian secessionists. The international media recently returned its attention to the unsettled conflict, since it has been somehow linked to the terrorist attack on the Armenian Parliament on 27 October 1999, in which the prime minister Vazgen Sarkissian, the speaker Karen Dermirchian, a minister and five members of parliament were assassinated by a group of extreme nationalists. Of the various explanations that have been put forward, the greatest credence has been given to those linking the Yerevan massacre with the question of Nagorno-Karabakh. This article examines in detail the territorial conflict that is still a long way from being settled and is contributing to an increase of tensions, which in the geopolitical context of the Caucasus already run high.

Despite its marginal position in political and geographical terms, Nagorno-Karabakh occupies a central geopolitical and geographical position in relation to the so-called »Great Game« over Caspian oil, this involves a conflict of interests between Russia and western countries, with particular regards to the United States. The major western oil companies are actively involved in exploiting the fields in the Caspian Sea and building a complex of pipelines for transporting the Azeri crude to European markets through Turkey. Consequently, the aim is to integrate the political and economic systems in the three republics of the southern Caucasus into the western sphere of influence (and here interests are political as well as economic, thus involving governments). Russia is committed to maintaining its ancient hegemony in relation to the exploitation and conveyance of Caspian oil and reasserting its influence over former Soviet Transcaucasia through the consolidation of its political, economic and military relations with Armenia. Clearly the system of oil pipelines running west rather than north, as desired by Washington but opposed by Moscow, would be further assisted by regional stability.¹

¹ An OSCE summit held in Istanbul took a significant step towards achieving this aim on 18 November 1999. Azerbaijan, Georgia and Turkey entered into an agreement to build a 1,700-km-long pipeline joining Baku and Ceyhan through Tbilisi, at a cost of 2.5 billion US dollars. It is designed to carry one million barrels of Azeri oil every day.

Armenia, although not officially involved in the armed conflict, has a fundamental role to play as one of the principal parties supporting the Armenian secessionists at the negotiating table.² The considerable effects of the Nagorno-Karabakh conflict on the Armenian economy, politics and public opinion must also be taken into account. Let us not forget that since 1989, Azerbaijan and later Turkey have been imposing a stifling economic blockade on Armenia. The first president of the republic, Levon Ter-Petrossian, was recently forced to resign for having adopted a smoother approach to the Nagorno-Karabakh question. I have personally witnessed the substantial emotional involvement of Armenians in the Nagorno-Karabakh situation and the fate of their fellow countrymen, and this sometimes spills over into extreme nationalism.

The social and geographic context of the disputed area

Nagorno-Karabakh is an enclave of around 4,400 square kilometers in southwestern Azerbaijan. This predominantly mountainous territory covers the southeastern section of the Small Caucasus, which is made up of mountains, plateau and hill country. In 1989, the population was 189,000, over half of which was rural. This number was made up of 146,000 Armenians (77 percent), 40,000 Azeris (21 percent) and 3,000 Kurds and other minorities (2 percent), but now that the Azeris have fled, the total population has been reduced to approximately 150,000.³ Therefore, it is a rather small and sparsely populated territory devoid of natural and energy resources of any strategic significance. There is little industry and the area is mainly engaged in grazing, agriculture and mining. The entire region, with the exception of its eastern rim, has been under the control of the self-proclaimed Republic of Nagorno-Karabakh (RNK), the capital of which is Stepanakert, since the end of the conflict that caused around 20,000 deaths and produced over a million between refugees and

² *Baku argues that the victory of the 150,000 Armenian secessionists against a country of over seven million inhabitants was only possible thanks to the massive strategic, logistical and military assistance from Armenia, which was in turn assisted by Russia, given the close political and military links between the two countries. The authorities in Yerevan and Stepanakert deny any armed participation on the part of Armenia and claim that the later support has essentially been of an economic, political, diplomatic and moral nature.*

³ *Source: USSR Population Census for 1989.*

Figure 1. Nagorno-Karabagh



Internal Displaced Persons (IDPs)⁴. Some azeri districts surrounding Nagorno-Karabakh are currently occupied by Armenian secessionists, who will release them in case of agreement. On the contrary, the RNK is determined to exercise some form of sovereignty over the »Lachin corridor«, a strip of land that connects Nagorno-Karabakh to Armenia, currently under RNK control. The so-called »road of life« runs along this strip. This is a road, constructed only recently, between Goris (an Armenian border town) and Stepanakert. It represents the only line of communication with Armenia and therefore with the rest of the world.

Entering Nagorno-Karabakh along the modern »road of life«, funded by the Armenian Diaspora, creates false expectations of prosperity. The 150,000

⁴ *The Republic of Nagorno-Karabakh is not officially recognised by any country, not even Armenia. However, for brevity, the acronym RNK will be used to indicate the Armenians' self-governing political entity in Nagorno-Karabakh, while accepting that, from the point of view of international law, the self-proclaimed republic has no legal status in the absence of a consensual resolution of the conflict and a formal recognition of independence by the international community.*

inhabitants of Nagorno-Karabakh are still living in an almost critical situation. There is not a single effective infrastructure in the region. Many towns have been completely destroyed. Others, including Stepanakert, are seriously damaged and reconstruction is proceeding slowly. The sides of the roads are littered with abandoned armored cars. The social fabric is highly militarized and at the same time suffering degradation. The standard of living is extremely low and consumer goods are difficult to find.

The origins of the conflict

The basis of the current conflict was consolidated under the Soviet regime. In 1921, the Nagorno-Karabakh region with its Armenian majority was annexed by the Soviet Socialist Republic (SSR) of Azerbaijan. In 1923, it acquired the status of an autonomous province. The discontent of the Armenians of Nagorno-Karabakh, prompted by the regrettable linguistic, cultural and economic discrimination from the Azeri leadership along with a demographic policy aimed at reducing the percentage of Armenian population, could only be openly expressed in the Gorbachov era through petitions and popular demonstrations in both Armenia and Karabakh. In February 1988, the Provincial Soviet of Nagorno-Karabakh voted almost unanimously for a demand to be annexed by Armenia, an unprecedented act in Soviet history. A crucial event in the development of the crisis occurred at the end of that month with the anti-Armenian program in Sumgait (an industrial suburb of Baku), in which according to the official figures, 32 people lost their lives, the great majority being Armenian. According to Armenian sources, on the other hand, there were several hundred victims, and the massacres took place under the noses of an unconcerned police and army. There followed a three-year period of heightened tension that witnessed the exodus of Armenians from Azerbaijan and Azeris from Armenia, demonstrations, reprisals and violence from both sides. This situation then developed into a genuine conflict. During the same period, there was a frenzied institutional struggle over the status of Nagorno-Karabakh that culminated in the self-proclaimed RNK's declaration of independence from Azerbaijan in September 1991.

The military conflict

The real military conflict between Azerbaijan and the separatist forces started in 1991 and continued until the armistice of 12 May 1994, which is still in force. The conflict, in which atrocities were committed by both sides, underwent changing fortunes and concluded with the secessionist forces in the stronger position. The Azeris besieged Stepanakert for a long time and in the summer of 1992 they controlled over half of the disputed territory. The Armenian counter-offensive gained the upper hand during the spring of that year and continued throughout 1993, with the capture of Shushi and many other towns, the opening of the »Lachin corridor«, and the occupation of Azeri districts that surround the territory of Nagorno-Karabakh. The final Azeri offensive, launched in December 1993, failed to reverse the direction of the conflict. To date, the parties have respected the undertaking made at the signing of the armistice, despite frequent and even recent skirmishes along the »cease-fire line« that divides the two armies.

The peace process

The proposals to resolve the conflict have been rejected by both sides, given that they contravene either the principle of self-determination of peoples invoked by the Armenians, or the principle of the territorial integrity of states invoked by the Azeris. However, negotiations often ignore the principles of international law and favor the laws of the »*Realpolitik*«. In the case of Nagorno-Karabakh, the troubled peace process is showing signs of international dynamics and power games that go beyond the specific context.

The peace process, which commenced in March 1992, was organized under the aegis of the OSCE (then the CSCE) through a group of eleven countries known as the »Minsk Group«⁵. The first concrete result of negotiating activity was a Russian initiative that promoted the signing of the armistice in May 1994. Following the early phase, when the OSCE's negotiating efforts were intermittent and not very effective, attempts at mediation became more intense as the western countries in general and the United States in particular took an increasing interest and became more committed economically to the

⁵ *The United States, Russia, France, Germany, Finland, Sweden, Italy, Belarus, Turkey, Azerbaijan and Armenia.*

oil and natural gas fields in the Caspian Sea. Washington, which up until then had remained rather detached, started to perceive the resolution of the Nagorno-Karabakh conflict as a question closely linked to its national interests. A key stage in the peace process came with the OSCE Lisbon summit in December 1996. On that occasion, the »Minsk Group« with Baku's support put forward a proposal that contained general principles on which to base the resolution of the conflict. These principles involved upholding of the territorial integrity of Azerbaijan and Armenia, the realization of the rights of the people of Nagorno-Karabakh to self-determination through provisions for the highest degree of autonomy within Azerbaijan as well as the guarantee of security for all the parties concerned. The proposal was brusquely rejected by Armenia, which exercised its right of veto and prevented its inclusion in the summit's final communiqués. According to Yerevan, ratifying the principle of the territorial integrity of Azerbaijan would amount to predetermining the status of Nagorno-Karabakh, given that it excluded a priori the prospect of its independence from Baku.

Throughout the following year, the »Minsk Group« pursued its negotiations despite the hardening Armenian position, by submitting new proposals for an agreement based on a step-by-step approach. This approach included the withdrawal of the Armenian forces from the occupied districts; dispatch of a multinational force made up of Russian, American and French troops; cessation of the economic blockade by Azerbaijan and Turkey, definition of the status of Nagorno-Karabakh while respecting Azerbaijan territorial integrity, and the right of the people of Nagorno-Karabakh to effective self-government as well as the need to establish a multinational society in the region (which implied the repatriation of the Azeris).

The draft agreement was greeted favorably in Baku but with reservations in Yerevan. Stepanakert blocked the proposal, given that a precondition was the principle of Azerbaijan territorial integrity, but above all because the Armenian troops were to be withdrawn before a clear decision was made on the status of Nagorno-Karabakh. Stepanakert's rejection was motivated by the fear that if they handed over the occupied districts, this would have allowed the Azeris to sabotage the negotiations on the question of »status«, declare the agreement void and threaten Nagorno-Karabakh's territorial security from the districts in question. In this *impasse*, the only shift came from the Armenian president Levon Ter-Petrossian, who during a press conference on 26 September 1997 expressed his support for the negotiation proposals put forward by the »Minsk Group«, on the grounds that the international community would

never accept Nagorno-Karabakh's unilateral demand for secession, and that an agreement was now essential for Armenia's economic interests. Again in November, Ter-Petrossian asserted that the international community could not for long tolerate the situation created around Nagorno-Karabakh, because it was threatening regional cooperation and security as well as the West's oil interests.

In Armenia, not only the public and the opposition attacked the pragmatic position of Ter-Petrossian, but also members of his government, including the Armenian prime minister and former RNK president Robert Kocharian. The political clash between the two opposing approaches to the Nagorno-Karabakh question concluded in February 1998 with Ter-Petrossian's resignation and Kocharian's appointment to the post of President of the Republic. The positions of Stepanakert and Yerevan, which had been growing progressively further apart during 1997, suddenly came much closer together. The then widespread fear that the predominance of a more intransigent and nationalistic political climate in Yerevan would suspend the peace process, or even encourage a renewal of hostilities, proved unfounded. However, Kocharian's firmer policy forced the »Minsk Group« to examine the crucial question of status in a more realistic manner. In November 1998, a proposal was put forward that for the first time confronted such a question at the preliminary stage. More specifically, it was proposed that a »common state« of Azerbaijan and Nagorno-Karabakh should be created in which the conflicting principles of territorial integrity and self-determination of peoples can be combined. It was an intentionally ambiguous formula that left room for many intermediate positions between simple autonomy and full independence, and that could be construed as something like a confederation with a particularly high degree of political and administrative decentralization.

Yerevan's reaction was extremely positive this time. Kocharian defined the proposal as »a victory for common sense«. He added that a common state does not imply that Karabakh is an integral part of Azerbaijan, but that Azerbaijan and Karabakh agree to exist within certain borders, but with their own laws and their own principles. For the first time, Stepanakert's reactions appeared pragmatic. Baku, however, rejected the proposal, believing that it could not accept a solution that created the premises for a *de facto* recognition of Nagorno-Karabakh's independence.

During 1999, the negotiating climate became gradually more relaxed, partly as a result of the efforts made by the »Minsk Group« to make the concept of a common state more acceptable. The development of the negotiations

was also favored by the direct talks held between Kocharian and Aliev on a fairly regular basis during 1999. The declarations issued on various occasions by the parties were increasingly directed towards détente and justified the feeling that a peace agreement was close. In particular, diplomatic efforts intensified in October, especially on the part of the United States, so that the parties could reach an informal agreement before the OSCE summit planned for the following November in Istanbul. Unfortunately, acceleration in the negotiations came to a sudden and dramatic end on 27 October with the massacre in the Yerevan Parliament. It is significant that the massacre took place a few hours after the American vice-secretary of State, Strobe Talbott, had left Armenia for Moscow. He had arrived in the southern Caucasus to finalize the negotiations aimed at smoothing the way to signing an agreement in Istanbul. The terrorist attack has undoubtedly dealt a terrible blow to the peace process. In the words of Kocharian himself, before proceeding with the signing of an agreement, it will be necessary to wait for Armenia to recover its internal stability and full international authority, which are indispensable to the successful conclusion of such delicate and crucial negotiations. As was foreseeable, the Istanbul summit ended with a vague declaration that was disappointing in the light of the genuine moves towards an agreement that had occurred in the preceding months.

The International Context

Recent developments (middle 2000) in the Nagorno-Karabakh question would be rather obscure and difficult to understand, if they were not examined in the light of the various international interests involved. Both Armenia and Azerbaijan had probably come to the realization that there was a lot to be gained from signing a peace agreement. For Armenia, an agreement would mean the end of the economic blockade by Azerbaijan and Turkey, the re-opening of its borders with these countries, and therefore the prospect to trade in an east-west direction. Moreover, there would be the possibility of becoming part of the »Great Game« over Caspian oil, by having the oil pipeline go through its territory over an undoubtedly shorter and possibly cheaper route than the Baku-Tbilisi-Ceyhan line, with all the subsequent proceeds from transit charges. The agreement would also have favored a closer relationship with the West, which is an increasingly overt aspiration in Armenian foreign policy, even though it conflicts with the dominant pro-Russian stance. In short, it was

an opportunity for Armenia to give its economy a considerable boost and to reduce its international isolation.

The end of the conflict would have allowed Azerbaijan to diversify the routes for exporting oil, renew links with its Azeri exclave of Nakhichevan, recover possession of the occupied districts and therefore return hundreds of thousands of IDPs (internally displaced persons). But above all it would have led to the repeal of Section 907 of the Freedom Support Act, a legislative clause whereby the American Congress, in which there is a strong Armenian lobby, prevents the American government from allocating financial aid to Azerbaijan while the economic blockade is damaging Armenia.

In the United States, the Nagorno-Karabakh question has in the past created conflict between the influential Armenian lobby, which is against any resolution disadvantageous to its fellow countrymen in Karabakh, and the oil lobby, which is obviously interested in supporting Azerbaijan. When it became clear that a peaceful solution was subject to the definition of Nagorno-Karabakh's status, the United States adopted a policy that somehow brought agreement between the two factions, and that, at the same time, conformed to America's strategic interests in the area. This policy involved supporting the proposal for a common state, which is rather more favorable to the Armenians but not unacceptable to the Azeris, and actively promoting peace negotiations by putting strong pressure on both parties. Clearly, a peace agreement, particularly one achieved through American mediation, could give Washington a leading role in stabilizing the entire region, and hence the United States would gain greater political influence to the detriment of Russia. This would also make the plan for a pipeline through Armenia more feasible, and many analysts believe this to be the quickest and cheapest way to transport Azeri oil to the West.

On the other hand, Russia's position appears very controversial. Officially Moscow has always shown itself ready to find a solution to the conflict and ways to stabilize the region. In the context of the »Minsk Group«, however, its persistent approach has been to counterbalance the influence of the western and favored a pro-Azeri faction with a critical position that has often appeared more interested in reaffirming its role in a region of the former Soviet Union than in fostering peace. Its position has often been little more than support for Armenian nationalism. The possibility of a second pipeline for Azeri oil would further reduce its room for maneuver in relation to the »Great Game«, which has been seriously undermined by the conflict in Chechnya. The »co-option« of Armenia into a web of interests and relations arising from the West would

tend to dilute Russia's links with its traditional Transcaucasian ally. All this would mean the entire region's gradual withdrawal from the Russian sphere of influence. According to some, Russia has all the time been working behind the scenes to foster instability in the region in order to prevent such a scenario. If you accept the logic of this argument, then it could be concluded that the terrorist outrage in Yerevan in October 1999 was favorable to Russia, as it provided a considerable obstacle to the prospect of a short-term agreement.⁶

Conclusion

Following the terrorist attack in Yerevan, the Nagorno-Karabakh conflict has entered another period of stalemate. The evolution of the negotiations will now depend on the relative strengths of the powers active in the region, and on the political climate and diplomatic orientations that will prevail in Armenia and Azerbaijan. It is difficult to say whether economic interests and integration into the West will count for more than nationalism and, in the case of Armenia, than its strategic dependence on Moscow. It is also difficult to know how long this impasse will continue. It has often been argued that sooner or later the unsettled question of Nagorno-Karabakh had to develop into an agreement based on mutual concessions or a renewal of hostilities. The second possibility is not very likely, since neither of the parties wishes to be involved in an armed conflict against everybody's interest and another war would be too disruptive for the difficult processes of political and economic development underway in the region. To achieve the first scenario, which momentarily seemed a lot closer than it really was we will have to wait for the regional balances to settle down both in geopolitical and geoeconomic terms.

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Nerešeno vprašanje Gornjega Karabaha: etnični in geopolitični problemi.

Povzetek

Gornji Karabah je območje Malega Kavkaza, ki so ga v Sovjetski socialistični republiki Azarbejdžan poseljevali Azeri in Armenci. Le-ti so bili večinsko prebivalstvo (77%). V obdobju razpada sovjetskega imperija (1991 - 1994) je bilo to območje prizorišče intenzivnih vojaških spopadov Azerbejdžanske armade in armenskih borcev za neodvisnost (oziroma secesionistov). Uspešnejši so bili slednji, ki poslej nadzorujejo to območje oziroma vladajo v samozvani Republiki Gornji Karabah. Večina Azerskega prebivalstva je pobegnila. Prispevek raziskuje vzroke medetničnega konflikta in opredeljuje območje tudi iz geostrateškega in ekonomskega vidika. Konfliktu daje posebno dimenzijo bližina naftnih nahajališč ob Kaspijskem jezeru.