

Nagorno-Karabakh: Unstable frozen conflict

SUMMARY

For more than 20 years, this frozen conflict has opposed Azerbaijan on the one side and the self-proclaimed Nagorno-Karabakh authorities and Armenia on the other side. The Nagorno-Karabakh enclave in Azerbaijan, mainly populated by Armenians, declared its independence in September 1991. The non-recognition by Azerbaijan of this proclamation prompted a full-scale military conflict resulting in the de facto autonomy of Nagorno-Karabakh and the occupation of seven Azerbaijani districts after the 1994 ceasefire.

The conflict has remained highly unstable since then because it is part of a complex regional 'game' between Turkey and Russia. The OSCE Minsk Group, co-chaired by France, the United States and Russia, remains the main forum in which to settle the conflict. Nevertheless, it has failed up to now to find a global peace agreement. Periodically, the situation on the ground becomes alarming, as it did in April 2016 when the conflict restarted, with dozens of people killed on both sides.

Since 1994, the EU is mainly implicated in the process through the participation of France in the Minsk Group. The EU's offers of association agreements to both Armenia and Azerbaijan have not made any progress so far. The EU's leverage in the conflict has therefore been limited.



In this briefing:

- The origins of an unstable frozen conflict in the South Caucasus
- Nagorno-Karabakh at the centre of a geopolitical game
- The mediation of the Minsk Group
- How the EU can contribute

Map – The South Caucasus region, and its conflict zones

Source: EPRS, 2016.

The origins of an unstable frozen conflict in the South Caucasus

The Soviet Union's nationalities policy aimed at defusing national tensions through the intricate overlapping of nations and territories. In many cases, ethnic nations were distributed among several soviet republics in an attempt to reinforce central control over the country. In 1921, following attempts to join Nagorno-Karabakh with Armenia, the central power decided to leave this region within the borders of Azerbaijan.

Since 1990: independence declaration, war and displaced people

For 60 years, tensions remained low until, in the context of Perestroika, the Nagorno-Karabakh Supreme Soviet [voted](#) a union with the Armenian Soviet Republic in February 1988. [Demonstrations](#) of support took place in Yerevan, while there was both anti-Armenian and anti-Azeri violence. Soviet interior troops faced difficulties in controlling the situation until independence was declared by the Supreme Soviet of Armenia in August 1990, by Azerbaijan a year later in August 1991, and then by Nagorno-Karabakh in September 1991. This prompted an escalation between Baku (Azerbaijan's capital) and Stepanakert, the capital of the Karabakh oblast dominated by Armenians. In November 1991, the Azeri Parliament revoked the autonomy of the oblast and in December 1991, a referendum in Nagorno-Karabakh supported independence, with more than 90% of the votes in favour. In February 1992, Azeri people were [victims](#) of massacres by Karabakh forces in the town of Khojaly, and the following month, the Minsk Group was created under the auspices of the CSCE (Conference on Security and Cooperation in Europe, now the Organization for Security and Co-operation in Europe – OSCE), with the mission to prepare a peace conference in Minsk. The war continued to rage in the region, and in April 1993, Turkey decided to close its border with Armenia in solidarity with Azerbaijan. In May 1994, a ceasefire was agreed upon and the Minsk Group intensified its efforts to find a solution to the conflict.

The Armenian Karabakh forces, supported by Armenians, [occupy](#) 16% of Azerbaijani territory, including seven districts between Nagorno-Karabakh and Armenia. According to the United Nations High Commissioner for Refugees ([UNHCR](#)), 300 000 Armenians fled Azerbaijan and 185 000 Azeris escaped from Armenia to Azerbaijan. In Azerbaijan, over 900 000 persons have been displaced by the conflict in Nagorno-Karabakh.

Since 1994, the Nagorno-Karabakh conflict remains the biggest [impediment](#) to security and stability in the South Caucasus, and experts note that the ceasefire has been less and less effective in the last five years, with very frequent skirmishes across the Line of Contact. Both Azerbaijan and Armenia continue to carry out provocative actions and sabre-rattling around the front line. In April 2016, tensions escalated significantly between the Azeri and Armenian Karabakh forces. Today, Nagorno-Karabakh is home to 134 000 inhabitants,¹ and 50% of its national budget is provided by Armenia. The links between the two entities are even deeper since the current and past Presidents of Armenia, Serge Sargsyan (since 2008) and Robert Kotcharian, were *de facto* leaders of Nagorno-Karabakh before their election in Yerevan.

Nagorno-Karabakh at the centre of a geopolitical game

The conflict is embedded in a complex regional environment. [Russia](#) is at one and the [same time](#) a peacemaker, war preventer and troublemaker in the region. Moscow played an important part in the international efforts to reach the 1994 ceasefire. In the following years, Moscow supported both sides in order to foster its influence. Armenia, and therefore Nagorno-Karabakh, is much more dependent than Azerbaijan on Russia. On the economic side, this reliance on Moscow is acute because of two closed borders (with Turkey and Azerbaijan) and the necessity to support Karabakh's economy. On the military side, the alliance with Russia is key to counterbalancing the huge military capacities [gap](#) between oil-rich Azerbaijan and Armenia. This is the main reason why Armenia decided to join the [Collective Security Treaty Organisation](#) and the [Eurasian Economic Union](#) (with Russia, Belarus, Kazakhstan and Kyrgyzstan).

Nevertheless Russia remains an important partner for Azerbaijan, especially in the field of [arms trade](#). Another regional power, Turkey, is also a firm supporter of Azerbaijan for reasons of cultural and linguistic ties between the two countries as well as [energy](#) interests. Although Armenian-Turkish relations improved in 2008 due to '[football diplomacy](#)', this was short-lived due to Turkish insistence on Armenia leaving occupied Azeri territories.

The mediation of the Minsk Group

Since 1992, the OSCE [Minsk Group](#), co-chaired by Russia, France and the United States, has provided the main conflict-resolution framework. The group organises informal and secret negotiations between the parties. Since the 1994 [Budapest conference](#), the problem of defining the parties to the conflict (Azerbaijan, Armenia and/or Nagorno-Karabakh) has to be dealt with in conjunction with disagreement over the method to resolve it. Two methods were discussed inside the group and with the parties: the 'step-by-step method' under which the Armenian Karabakh forces should leave the occupied territories and permit the return of displaced people, before the final status of Nagorno-Karabakh is discussed, and the 'global method', under which the security measures and the final status of Nagorno-Karabakh should be resolved together with other issues.²

After several failed propositions, the Minsk Group presented a '[Common State Proposal](#)' in November 1998 stating that 'Nagorno-Karabakh is a statal and territorial entity in the form of a Republic, which constitutes a common state with Azerbaijan within its internationally recognised borders'. But this time, the solution was [rejected](#) by Azerbaijan. Nevertheless, a 'step-by-step solution' was still being worked out by the Minsk Group and in November 2007, it made it formal and public for the first time during the Madrid conference. The [Madrid principles](#) propose to push the question of the final status to the end of the process, and establish confidence-building measures

step by step while designing an agreed method to decide on the final status, by referendum. But the Madrid principles could not be agreed upon because Armenia [refuses](#) to allow displaced people to take part in the referendum. On the other side, Azerbaijan refuses that any solution implying a change in the constitutional architecture of the country can take place without a nationwide referendum. Since the 2008 war between Georgia and Russia, the settlement of the conflict has not progressed. On 2-5 April 2016, Karabakh Armenian troops [clashed](#) with the Azerbaijani army, killing 77 soldiers in Nagorno-Karabakh and 31 on the Azerbaijani side. On 5 April, Moscow brokered a ceasefire between the two parties, outside the Minsk Group, something that has been [criticised](#) as an attempt contrary to the OSCE spirit, and for the intention to pressure Baku to join the Eurasian Economic Union in the face of Russian pressure.

How the EU can contribute

The EU has never been at the centre of the resolution process. However, both countries are part of the [European Neighbourhood Policy](#) (ENP). In the ENP action plans for [Armenia](#) and [Azerbaijan](#), the resolution of the conflict appears to be an important objective, with the help of the EU special [representative](#) for the region. Inside the [Eastern Partnership](#), the [Euronest](#) Parliamentary Assembly³ can contribute to a better understanding between the parties. Indeed, the European Parliament [called](#) in 2012 for an increased role for the EU in the conflict's resolution and inside the Minsk Group.

It appears though that the EU lacks leverage. An association agreement, a key part of the ENP approach, is stalled by [Azerbaijan](#), as well as with [Armenia](#), which preferred, under Russian pressure, to join the Eurasian Economic Union in 2015. Azerbaijan announced in 2015 its willingness to leave Euronest, a decision deeply [regretted](#) by the assembly. The same year, the European Parliament deplored Russia's constituting an impediment to stability in the region in a [resolution](#) on the state of EU-Russia relations.

Still, the EU remains the main [trading partner](#) of the two countries, and the European Commission invited Azerbaijan and Armenia to identify what areas of association agreements would be of interest for them. EU-Georgia relations are closely watched in the region and could provide a [model](#) for the two other countries.

Endnotes

¹ A 2005 estimate according to the [census](#) of the Nagorno-Karabakh government. Results of the 2015 census have not yet been published.

² *Ordre et désordres au Caucase*, dir. Aude Merlin et Silvia Serrano, Éditions de l'Université de Bruxelles, 2011.

³ The Euronest Parliamentary Assembly consists of the European Parliament delegation and delegations of the Eastern Neighbourhood partners (Armenia, Azerbaijan, Georgia, Moldova and Ukraine).

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