

Nagorno-Karabakh

Searching for a Solution

A United States Institute of Peace
Roundtable Report

Patricia Carley



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Contents

Key Points	v
Map	viii
Foreword <i>by Richard H. Solomon</i>	ix
1. Introduction	1
2. Sources of the Conflict and Attempts at Resolution	5
3. Obstacles and Opportunities for a Settlement: Comparisons with Other Conflicts	8
4. Politics and Identity in Armenia and Azerbaijan	15
5. An Alternative Settlement Plan	22
6. Conclusion	26
About the Author	29
About the Institute	30

Key Points

- ▶ Though the worst of the fighting ended in 1993, the conflict over the territory of Nagorno-Karabakh remains stalemated. Both Azeris and Armenians claim absolute historic ownership of the region, located within the boundaries of Azerbaijan but populated largely by Armenians. The latest flare-up of this long-standing conflict occurred toward the end of the Soviet period, when the autonomous region of Nagorno-Karabakh petitioned to become part of Armenia. Serious fighting erupted in 1991, and in the following two years Armenian forces not only gained control of Nagorno-Karabakh but also occupied almost 20 percent of Azerbaijani territory. The leaders of the Nagorno-Karabakh region have declared independence, though this status has not been recognized by any state. The fighting between Azeris and Armenians left more than 15,000 dead.
- ▶ Since 1992, the Organization for Security and Cooperation in Europe (OSCE) has been the primary forum for mediation efforts, led by a subset of OSCE members called the Minsk Group. Unfortunately, little progress has been made by the OSCE, as each side has insisted on incompatible conditions that the other will not accept. The Armenians will not discuss the withdrawal of their troops from Azeri territories until Nagorno-Karabakh is recognized as independent; Azerbaijan insists on its complete territorial integrity and demands the withdrawal of Armenian troops before it will discuss any other matters, including the eventual status of Nagorno-Karabakh.
- ▶ In September 1997, the Minsk Group proposed a “phased” approach plan, entailing an Armenian withdrawal from seven Azeri provinces followed by a discussion of the final status of Nagorno-Karabakh. The plan was accepted by Azerbaijan, accepted with reservations by Armenia, and rejected out of hand by Nagorno-Karabakh. In February 1998, the president of Armenia, who had conditionally accepted the plan, was forced to resign.
- ▶ The sources of the conflict are the subject of much debate. Many observers view it as an ethnic conflict fueled by nationalist intransigence. Others assert that the primary issue is geopolitical rivalries that involve not just Armenians and Azeris but Turks and Russians also, among others, and that this dispute is only a continuation of earlier ones between Armenians and Turks. Armenians believe their security to be severely threatened by Azerbaijan and Turkey and feel fully justified in taking measures that are viewed as aggressive by Azeris. Some observers maintain that Russia has played a far from benign role in the Nagorno-Karabakh dispute and that, in fact, Moscow has an interest in keeping the conflict alive in order to maintain its influence in the southern Caucasus region. Some observers contend that the Minsk Group process has been flawed from the start, not least by the group’s refusal to address these very considerations.

- ▶ There are a number of obstacles to reaching a settlement of the dispute. The mutual and historical mistrust between the Armenians and the Azeris and the character of the violence during the fighting have convinced both sides that it is the other side's people—not its government—that is the problem. Security issues and refugees on both sides are obstacles. Azerbaijan is not secure while Armenians occupy seven of its provinces, and Armenians feel extremely vulnerable surrounded by Azeris and Turks. The governments in both of the capitals remain highly suspicious of each other. Finally, the negotiating process itself is an obstacle, as one of the parties to the conflict most affected by the outcome, Nagorno-Karabakh, was not allowed a place at the negotiating table because of Azeri objections.
- ▶ There are also factors that provide a strong incentive to finding a solution. Nagorno-Karabakh is not central to the national or historical identity of either Armenians or Azeris. The topography of the region does much to prevent either side from launching another military offensive, and there are powerful economic pressures on both sides to reach a settlement. In addition to these incentives, the conflict over Nagorno-Karabakh has received considerable attention from the international community.
- ▶ There has been a tendency to overestimate the influence of oil and oil pipeline routes on that international attention. The existence of oil in Azerbaijan cannot be said to be driving the international community's interest in the conflict, for the involvement of the Minsk Group well predates the world's awareness of the oil reserves' significance. At the same time, Caspian Sea oil is not going to provide the primary incentive to reach a settlement over Nagorno-Karabakh; on the contrary, it may be a negative factor. Azerbaijan's oil wealth has sometimes made that country feel it has less impetus to compromise, while pipelines running through the Caucasus may offer the Armenians a kind of "hostage issue" they can manipulate for their own purposes.
- ▶ Though Armenia enjoyed a positive and democratic image in its first years of independence, the country was in fact suffering considerably. Economic ruin and corruption led to political demoralization among the populace. The weakening of the political leaders and their increasing illegitimacy among the Armenian people led also to a hardening of the official position toward the Karabakh dispute. As a result, Armenia has suffered an erosion of its once very positive image in the eyes of the West. Nevertheless, the Armenian position on the dispute remains unchanged, not least because for many if not most Armenians, Karabakh is now viewed as the "front line" against the Turks; if Armenia gives even an inch on its position, it believes it will be just as vulnerable as it was during the Armenian massacres in 1915.
- ▶ Azerbaijan must contend with its position as "loser" in the Karabakh conflict; in addition to the thousands of casualties, about 20 percent of the country's territory remains occupied. The knowledge that they essentially lost that war has led the Azeris to be fearful of the possibility that their nation could disintegrate, beginning with the loss of Karabakh. They thus believe the future of their integrity as a people lies in the favorable resolution of the Nagorno-Karabakh dispute. This feeling is intensified by the Azeris' relatively underdeveloped sense of nationhood. Armenians very likely do not appreciate the extent to which Azeris believe their very existence to be

threatened by the notion of independence for Nagorno-Karabakh. Unfortunately, given the presence of Soviet-era leaders and pervasive corruption in Azerbaijan's political system, future oil revenues will do little to change the situation.

- ▶ Clearly, the absence of security guarantees is a crucial obstacle to resolving this conflict. The Armenians may be justified in feeling surrounded, but as long as Armenian troops occupy 20 percent of Azeri territory, it is difficult for Azeris to be concerned about security guarantees for Armenia. Some kind of collective security arrangement would be beneficial; in fact, within the Euro-Atlantic Partnership Council, instruments are available to the former Soviet republics to establish security arrangements. It is unfortunate, however, that setbacks in democratic reforms in both countries have weakened the ability of either government to have the courage to forge a compromise.
- ▶ In the end, it is doubtful that there is any resolution possible other than the most recent plan proffered by the OSCE's Minsk Group. The three parties will have to agree that there should be a recognition of the territorial integrity of Azerbaijan, coupled with actual self-government for Karabakh by local Armenians. Only a settlement guaranteeing local Armenian sovereignty over Karabakh with *de jure* Azerbaijani control has a chance of lasting more than a few short years into the future, thus preventing the current dispute from being passed on to future generations. It is hoped that the continued high level of international attention to the Nagorno-Karabakh conflict will result in a final settlement.



— Contact line since 1994

■ Occupied territory



Source: Organization for Security and Cooperation in Europe

Foreword

Among the current violent disputes in the former Soviet Union, there is no doubt that the war over Nagorno-Karabakh has taken on the characteristics of a “protracted conflict.” That is unfortunate, for there seem to be many components of the dispute that provide the opposing parties enough flexibility to explore a variety of options toward a comprehensive settlement.

In that spirit, the United States Institute of Peace convened a roundtable of leading experts on the Nagorno-Karabakh conflict in late March 1998 to discuss and examine possible ways of resolving it. This report, written by Patricia Carley, a former program officer in the Institute’s Research and Studies Program, is a summary of the discussions. The Institute regularly canvasses area-studies specialists and other academics, as well as foreign-policy officials and representatives of the disputing parties, on these kinds of conflicts to isolate the elements of common understandings and assumptions on issues in the dispute, and to try to arrive at some conclusions on common interests that could support a settlement among the disputing parties.

In a few crucial respects, the roundtable’s participants had a sound comparative framework for analyzing this particular conflict. In fact, this war has followed a pattern found in other such conflicts between and within Soviet successor states, as expertly detailed by Galina Starovoitova in a previous edition of the Institute’s Peaceworks series, *Sovereignty after Empire: Self-Determination Movements in the Former Soviet Union* (No. 19, October 1997): Newly independent Soviet successor states or their internal “autonomies” challenge the artificial borders imposed by the Kremlin during the Soviet era; national minorities or other “identity” groups that populate these enclaves wage a battle for self-determination and independence from the state, which in turn cracks down on the secessionist movement in a protracted campaign of repression and outright warfare; in some cases, neighboring “mother countries” actively support the cause of their ethnic kin in the disputed territory.

The facts of the dispute examined in this roundtable discussion seem simple enough: Armenia supports the aspirations for independence of the predominantly ethnic Armenian enclave of Nagorno-Karabakh, located in the western regions of Azerbaijan. Azerbaijan seeks to preserve its national and territorial integrity, particularly since Nagorno-Karabakh’s armed forces have not only fortified their region, but have also occupied a large swath of surrounding Azeri territory in the hopes of linking the enclave to Armenia. As a result of the fighting—which has been tenuously halted by a 1994 cease-fire agreement—thousands of refugees and displaced persons live a desperate existence, unable to return home and complicating the prospects for a comprehensive peace settlement.

In short, the Nagorno-Karabakh war fits the pattern of conflicts in and around the former Soviet Union all too well. However, in some crucial respects, the conflict over Nagorno-Karabakh is unique when compared to the conflicts in Georgia, Tajikistan, Moldova, and in Russia’s ethnic republic of Chechnya. If nothing else, the conflict has

dominated electoral politics in the two principal Soviet successor states involved in the dispute.

Armenia's recent presidential elections—stemming from the February 1998 constitutional coup against President Ter-Petrosian—brought to power his prime minister and former “president” of the self-declared “Republic of Nagorno-Karabakh,” Robert Kocharian. Not surprisingly, Kocharian takes a more hardline position on Nagorno-Karabakh, but, as this report suggests, he may be the one leader who can mobilize his country around a peace agreement. Meanwhile, Azerbaijan's recently concluded presidential election, which maintained Soviet-era leader Heydar Aliiev in power, has been mired in charges of corruption and vote-rigging. The eroding legitimacy of the Baku regime will make it more circumspect about accepting an agreement that appears to give any sort of concessions to the Karabakh Armenians.

The international dimensions of this conflict also set it apart from other disputes in the former Soviet Union. Russia and Turkey, traditional rivals in this area of the Caucasus, back opposing sides in the dispute. The United States government has had to accommodate conflicting interests as well—its desire to respond to its own influential Armenian community, and the objective of the Clinton administration to secure alternative oil pipeline routes for Azerbaijan's sizable Caspian Sea oil reserves.

The one external factor that clearly distinguishes this conflict from others in the former Soviet Union is the active involvement of the Organization for Security and Cooperation in Europe (OSCE), whose so-called Minsk Group of member-states has endeavored to find a peaceful solution to the Armenian-Azeri dispute. As the discussion among the Institute's roundtable participants points out, the Minsk Group's September 1997 peace plan for settling the dispute—guaranteeing Nagorno-Karabakh's autonomy within Azerbaijan in a “phased” approach—elicited a solid rejection from Karabakh Armenians and an immediate acceptance from Azerbaijan; it also led to the ouster of Armenia's Ter-Petrosian, following his conditional acceptance of some aspects of the plan and his efforts to garner support from a skeptical nation.

As this report goes to press, the OSCE's Minsk Group has presented a new peace plan for the disputing parties to consider—one that promotes the notion of Nagorno-Karabakh and Azerbaijan existing in a “common state.” The new proposal drew another swift rejection—this time from Azerbaijan, which viewed the common-state approach as amounting to independence for Nagorno-Karabakh. Moreover, the new plan proposed that all outstanding issues be settled comprehensively—another apparent advantage for Karabakh's Armenians, since the issues of Azerbaijan's occupied territory and Nagorno-Karabakh's status would be negotiated simultaneously. Had Azerbaijan accepted the new plan, it would have lost the leverage it held in the previous plan's “phased approach” of linking concessions over the Armenian enclave's status to the withdrawal of Nagorno-Karabakh's forces from occupied Azeri territory.

As this report suggests, Russia continues to have a strong interest in the former Soviet republics of the Caucasus. And while many analysts point to Russia as the principal author of the new plan (which resembles Russia's own peace plan for Georgia's dispute with its separatist republic of Abkhazia), the fact that the other members of the Minsk Group consented to the new proposal suggests, at the very least, that the group discerned enough

change in the dispute's political dynamic to justify a different approach to concessions. Azerbaijan may not have been willing to go that far, but it has maintained its adherence to the Minsk Group process as a way of finding a solution to the Nagorno-Karabakh conflict. Indeed, informed observers see the next phase of the Minsk Group's mission as a search for a compromise between the group's September 1997 plan and its most recent proposal. The Institute will continue to monitor developments in the search for a settlement.

The Institute of Peace has devoted much of its recent work to analyzing the sources and possible solutions to these types of conflicts in the Soviet successor states. Besides Starovoitova's study, the Institute has published several works on the broader dimensions of these types of conflicts, including two Peaceworks also written by Patricia Carley—*U.S. Responses to Self-Determination Movements: Strategies for Nonviolent Outcomes and Alternatives to Secession* (No. 16, July 1997) and *Self-Determination: Sovereignty, Territorial Integrity, and the Right to Secession* (No. 7, March 1996). These two works summarize the discussions of an Institute working group that has examined issues of self-determination and sovereignty. In addition, Ambassador John Maresca details an attempt to mediate the Nagorno-Karabakh war in his case study in *Managing Global Chaos: Sources of and Responses to International Conflict* (United States Institute of Peace Press, 1996).

RICHARD H. SOLOMON, PRESIDENT
UNITED STATES INSTITUTE OF PEACE

Introduction

Although it has long since fallen out of the headlines, the conflict over the territory of Nagorno-Karabakh appears no closer to resolution than when the worst of the fighting ended six years ago. Hotly disputed between Armenians and Azeris, this tiny, barren area in the southern Caucasus region of the former Soviet Union has been the scene of some bitter fighting; though the military clashes have largely ceased, the political battles are as high-pitched as ever. Yet, in a way not dreamed of only a few years ago, the current fever over oil pipeline routes from Central Asia and the Caucasus regions has elevated the importance of this protracted dispute from obscure regional strife to a significant source of frustration for international political and business leaders.

Background

Both Azeris and Armenians claim absolute historic right to Nagorno-Karabakh and have battled over it periodically for generations. In this century, the dispute was pointedly and cleverly exacerbated by Soviet leader Josef Stalin. Stalin knew that by including the disputed and by then majority Armenian-populated region wholly within the boundaries of the new Soviet Republic of Azerbaijan, it would forever remain a sore spot between the two republics that would ensure Moscow's position as power broker (a divide-and-rule policy behind many border decisions in that region in the 1920s). The most recent flare-up of the conflict dates back to 1988, when, during the loosening of restraints under the rule of Mikhail Gorbachev, the Armenian majority in the Nagorno-Karabakh Supreme Soviet (the region's legislature) appealed to have the region join Armenia. Azerbaijan rejected the appeal out of hand. Violence was unleashed, with each side claiming that the other initiated the hostilities. Hundreds of thousands of refugees were created as both Armenians and Azeris fled to avoid the fighting or were expelled or forced out. In 1989, the Supreme Soviet of Armenia passed a resolution proclaiming the unification of Nagorno-Karabakh and Armenia which, to date, has not been rescinded.

In the spring of 1991, even more serious fighting broke out that involved Soviet troops, in addition to Armenian and Azeri forces. After the collapse of the Soviet Union, the autonomous region of Nagorno-Karabakh rejected unification with Armenia and declared complete independence in early 1992. The disintegration of the Soviet Union also resulted in a steep upgrade in the level of armaments and munitions available for use by both sides, sharply intensifying the lethality of the fighting. By mid-1992, the Armenians largely controlled Nagorno-Karabakh; the 20 to 25 percent of the enclave's population that was Azeri had fled; and the Lachin corridor, a land bridge from the region to Armenia, was established. The Armenians managed to go still further in 1993, when their forces occupied almost 20 percent of Azerbaijani territory outside of Nagorno-Karabakh. They have since refused to retreat from this land until the independence of Nagorno-Karabakh is recognized and

its security guaranteed. There the situation has been stalemated since 1994, when the bulk of the fighting ceased in the wake of a signing of a cease-fire in May of that year. The fighting between Azeris and Armenians over Nagorno-Karabakh left more than fifteen thousand dead.

Mediation Attempts

Early mediation initiatives between the two warring parties were attempted by Russia, Kazakstan, Iran, Turkey, and France. However, cease-fire agreements were routinely broken literally within minutes of their signing. When both Armenia and Azerbaijan joined the then Conference on Security and Cooperation in Europe (CSCE, now the Organization for Security and Cooperation in Europe, or OSCE) in 1992, the mediation baton was passed to that group, which continues to play the leading role in negotiation efforts. A subset of CSCE members, dubbed the “Minsk Group” of countries, so-called after the location of its first convening, was formed to participate in the negotiation talks. (The members of the Minsk Group are Armenia, Azerbaijan, Belarus, the Czech Republic, France, Germany, Italy, the Russian Federation, Sweden, Turkey, and the United States.) The Minsk Group is chaired jointly by Russia, the United States, and France.

Unfortunately, little progress has been made through the Minsk Group process. For nearly six years, the stalemate has remained in place and the situation appears immovable. Within the context of OSCE, each side is able to point to a principle enshrined in the Helsinki Final Act to underscore its position: Azerbaijan points to Principle IV, guaranteeing each member’s territorial integrity, and the Armenians of Karabakh point to Principle VIII, proclaiming the right to self-determination (which is not specifically defined). Even the framework for negotiating, much less the substance, proved highly problematic, as Azerbaijan for the most part refused to deal with Nagorno-Karabakh as a full party to any talks, demanding instead to negotiate only with Armenia directly. Armenia has insisted it had nothing to do with Nagorno-Karabakh’s struggle for independence and that the latter should have a place at the negotiating table. They settled, after considerable deliberation, for a “two plus one” strategy of negotiations, with the Karabakh Armenians present but not an official party to the talks. By 1997, however, Stepanakert (the capital of Nagorno-Karabakh) essentially had become a full party to the negotiations, and it is now understood that any agreement must be signed by all three players.

Nagorno-Karabakh continues to insist that it is an independent state entity, though it has not been recognized by any other country, including Armenia. The Armenians will not discuss the issue of troop withdrawals from the seven occupied Azeri provinces outside of Nagorno-Karabakh until that region’s status is determined in a way acceptable to its residents. Azerbaijan will not accept any change to its territorial integrity and, in any case, demands the withdrawal of Armenian troops from the other regions before serious negotiations on other issues can begin. At the OSCE’s summit in Lisbon in December 1996, all members save Armenia accepted the principle that Azerbaijan’s territorial integrity must be honored, though with a guarantee of maximum autonomy for Nagorno-Karabakh. Because of the organization’s consensus rule, the resolution was not formally adopted. Nevertheless, this vote prompted the Armenians in Armenia and Nagorno-Karabakh to suggest that the Minsk Group is not a neutral, objective mediator.

Though one of the three chairs of the Minsk Group, Russia has continued to proffer its own initiatives from time to time in ways that seemed pointedly to compete with OSCE efforts. Whatever its overall aims, Russia clearly has shown itself determined to retain the influence over the former republics of the southern Caucasus that it enjoyed while the Soviet Union was a single entity. This relationship has been easiest to maintain with Armenia, traditionally Russia's strongest ally in the region and clearly interested in maintaining that connection. Russia operates two military bases in Armenia, and the military alliance continues to expand. In fact, that relationship proved something of an embarrassment to the two countries when, in February 1997, it was revealed that the Russian Defense Ministry had supplied a considerable amount of military hardware to Armenia between 1994 and 1996, apparently in violation of the Conventional Armed Forces in Europe (CFE) Treaty. Azerbaijan, on the other hand, has steadfastly refused to allow Russia to operate any military bases on its territory, despite considerable Russian pressure. This combination of relationships has led some to question Russia's role as an objective player in this dispute.

The Latest Initiative

As is often the case in protracted disputes, one of the key obstacles in the search for a solution to the conflict over Nagorno-Karabakh is the issue of timing or sequencing. Each side has demanded that the other meet its primary requirement before discussion of any other issues. (Azerbaijan is demanding the withdrawal of Armenian troops from occupied Azeri lands before any discussion of Nagorno-Karabakh's status; Armenia and Nagorno-Karabakh are calling for a resolution on the region's status before any consideration of troop withdrawals from Azeri lands.) In an attempt to tackle this impasse, the most recent plan offered by the Minsk Group, in September 1997, proposed a "phased" approach as a political solution. This entailed an Armenian withdrawal from the seven provinces, followed by discussions on the final status of Nagorno-Karabakh. This proposal was, perhaps not surprisingly, accepted by Azerbaijan. Somewhat unexpectedly and signaling a slight shift in position, the proposal was accepted by Armenia as a basis for further talks, though with reservations. It was, however, rejected out of hand by Nagorno-Karabakh, which demanded that its independence be recognized and security guaranteed before any discussion of a withdrawal from other areas of Azerbaijan. Rather than accepting the phased approach to a settlement, the Karabakh Armenians demand that all issues be solved simultaneously.

Though the governments of Azerbaijan and Armenia agreed to continue talks (or, in the case of Armenia, at least in part) on the basis of this OSCE plan, the domestic political opposition in both countries strongly objected. In Azerbaijan, President Heydar Aliiev maintains firm enough control of government reins, but in Armenia, where President Levon Ter-Petrossian was already considerably weakened after a much-criticized presidential election, the government became even more vulnerable to all-out public and political hostility to even the slightest hint of a concession over Nagorno-Karabakh. Opposition to the phased approach and solidarity with Nagorno-Karabakh became so manifest that in February 1998, Ter-Petrossian was forced to resign from office. After a presidential election that was again deemed deeply flawed by international observers, including those from the OSCE, he was replaced as president by Robert Kocharian, the former "president" of Nagorno-Karabakh who in March 1997 had been appointed prime minister by Ter-Petrossian in an attempt

to shore up his enfeebled presidency. After the events of February and March 1998, the possibility of achieving a solution for the Nagorno-Karabakh dispute seemed as remote as ever.

This conflict is without a doubt one of the more intractable disputes in the world today and something of a conundrum for observers of and experts on this region. In view of this frustrating stalemate, coupled with domestic developments in Armenia that have a direct impact on the conflict, the United States Institute of Peace decided to re-examine the situation in Nagorno-Karabakh, looking for any possible roads out. On March 24, 1998, the Institute convened a one-day roundtable called "Nagorno-Karabakh: Situation Hopeless? A Search for Solutions to the Impasse." The primary purpose of the meeting was to provide an opportunity for scholars on and from the region to offer their ideas to American policymakers and negotiators on possible ways to move the situation in Nagorno-Karabakh "off the dime" on which it has been stuck since at least 1993. In addition to possible solutions to the present predicament, the roundtable sought to examine the ways in which domestic politics in Armenia and Azerbaijan influence (usually negatively) the ability to reach a settlement. Finally, there was an analysis of more complicated but equally crucial ingredients—such as national identities, self-perceptions, national myths, and nation-building—and how they have directly affected the motivation to battle over Nagorno-Karabakh and continue to have a profound influence on the attitudes of the parties to the dispute.

Sources of the Conflict and Attempts at Resolution

Nationalism vs. Geopolitics

According to Armen Aivazian, a Fulbright fellow from Armenia at Stanford University, international efforts have essentially failed to cope with the dispute over Nagorno-Karabakh. However, this failure is usually explained by Western observers almost solely in terms of the conflicting parties' intransigence and their willful determination not to seize the clear benefits of economic cooperation. Thus, Westerners, diplomats and scholars alike, are most likely to ascribe the origins of the conflict to nationalism, a nationalism that has become more uncompromising over the passing years.

In fact, Aivazian contended, nationalism is no more a cause of the Nagorno-Karabakh conflict than it was a cause of the U.S. war with Iraq. The role of nationalism is limited mainly to the mobilization and organization of the two conflicting societies in Armenia and Azerbaijan. As to the origins of the conflict, nationalism as a factor is subordinate to the much more predominant role of geostrategy and geopolitics; specifically, a clash of crucial interests between the immediate parties to the conflict, which, Aivazian says, are Armenia, Nagorno-Karabakh, Azerbaijan, and Turkey, and among the regional and world powers.

Of the "immediate" parties, Turkey has as one of its foremost strategic objectives the strengthening of its positions in the Caucasus and Central Asia by deepening economic, political, and even military relations with the five Turkic-speaking former Soviet republics: Azerbaijan, Turkmenistan, Kazakstan, Uzbekistan, and Kyrgyzstan. According to Aivazian, the primary strategic goal of Azerbaijan is to strengthen its independence by building and exploiting the oil and gas pipelines that bypass Russia, and to provide economic and military security to its province of Nakhichevan (a small territory bordered on three sides by Armenia). The strategic goals of Turkey and Azerbaijan converge at the point of desiring to shrink Russia's sphere of influence and eliminate the "narrow Armenian wedge" between them.

Conversely, the major strategic challenge facing Armenia is to withstand this pressure from Turkey and Azerbaijan in order to ensure its long-term security. The threat from Turkey is exacerbated, Aivazian said, by the fact that it refuses to establish diplomatic relations with Armenia. Only countries with severely antagonistic interests and openly hostile policies between them do not have diplomatic relations. The major problem for Armenia, Aivazian maintained, is to survive as a state and as a nation. Neither Turkey nor Azerbaijan has a similar problem. Western observers view the earlier historical conflicts between Armenians and Turks in the 1894–1923 period and the more recent Armenian-Azeri dispute over Nagorno-Karabakh as separate developments; in contrast, the Armenians, Azeris,

and Turks view the Karabakh conflict as a continuation of earlier conflicts, and their strategic calculations reflect this view.

It may be true, noted Philip Remler of the U.S. Department of State, that nationalism is not the direct cause of this dispute, that it is not an ethnic conflict in the strictest sense, but that may be a matter of semantics. After all, an ethnic conflict is essentially a dispute over resources, in which the sides are divided along lines of ethnicity; that is to say, mobilization for such conflicts is heavily influenced by psychological factors—in this case, forms of national identity.

Aivazian's view of the role of nationalism was disputed by Nasib Nasibzade, a Fulbright fellow at the University of Chicago. Nasibzade suggested that the Armenian Pan-National Movement, headed by former Armenian president Ter-Petrossian, played an enormous role in stirring up "extreme nationalism" among Armenians. Azeris became the targets of this promotion of Armenian nationalism, thereby easily providing the basis and incentive for Armenians to go to war against Azerbaijan. Nasibzade also rejected the notion that there is a "survival problem" for Armenia; on the contrary, he said, Armenia is an aggressor country.

Outside Interests

Aivazian asserted that the current shifting of spheres of influence means that, in addition to the immediate parties to the conflict, the larger powers (Russia and the United States) have roles in this dispute and thus also have a responsibility for helping to resolve the conflict. The opposing interests of these two countries puts them in an intensive, ongoing tug-of-war in the Caucasus region. Thus, any resolution of the dispute will require concomitant regional cooperation among the larger powers and other regional powers, such as Turkey and Iran.

Nasibzade agreed that there are outside strategic concerns behind the Nagorno-Karabakh conflict. In fact, Moscow has some clear essential aims in helping to create and keep alive this and other conflicts in the former Soviet Union, such as those in the Transdnestr region of Moldova, the Crimea in Ukraine, and Ossetia and Abkhazia in Georgia. After fomenting such conflicts, Moscow is able to step in as a "guarantor of peace and stability" and thereby maintain its influence and control. Moscow's direct role in the Nagorno-Karabakh conflict came to light last year when it was revealed that the Russians had given weapons worth more than a billion dollars to Armenia over the preceding several years. Nasibzade suggested that Russia, with its strategic (and ultimately imperial) aims, continues to be a negative force behind this conflict.

Michael Ochs of the Helsinki Commission confirmed that, at least in the view of many people in the southern Caucasus, events in that region are a reflection of Russian goals there. Furthermore, it is believed, one of those Russian goals is that none of the conflicts be resolved. Aivazian, however, disputed this notion, reiterating that Russia's role in finding a solution is critical.

The Minsk Process

The OSCE's Minsk Group process has until now dealt with the Nagorno-Karabakh conflict only on a superstructural level, Aivazian claimed, addressing only the immediate time and

territory of the hostilities. Thus, these negotiations have confined themselves to the narrowest possible framework, reaching only the proverbial tip of the iceberg, and leaving off the agenda the deeper conflicting patterns of behavior and strategic thinking of the various parties to the conflict.

From the Minsk Group's inception in 1992, its efforts have suffered from three fundamental shortcomings, Aivazian explained. First, the wider strategic aims of each of the parties, with all the accompanying historical and psychological components in the conflict, have not been addressed. Second, Turkey, which Aivazian said is one of the "immediate" parties to the conflict, is not identified as such but instead is included in the group of mediators. A third shortcoming stems from the fact that Armenia has failed to present openly and clearly its strategic and other concerns that arise in part from the genocide of 1915.

Aivazian's concern about Turkey's role in the Minsk process is similar to Nasibzade's skepticism about the value of Russia's position as one of the three co-chairs of the Minsk Group. In view of its explicit military support to Armenia, Russia cannot truly be seen as a disinterested observer to the conflict, interested only in finding a peaceful resolution. Instead, Nasibzade said, it is more the case that Moscow would thwart any solution that did not preserve its level of control of and influence in the southern Caucasus region. This is made clear by Russia's occasional attempts to bypass the OSCE process entirely and continue to pursue separate resolution efforts.

In any case, the Minsk Group's most recent plan is, according to Aivazian, structurally flawed. A primary problem is that the designated peacekeeping force outlined in the plan to help implement the settlement would be only a temporary one. For financial, political, and other reasons, this force would quickly leave the region, more than likely before any stability has been achieved. This is a long-term conflict that the Minsk Group insists on solving within a short-term framework. In any case, Aivazian said, the OSCE's general inexperience in peacekeeping, the force's small size and mandated limitations, and its decentralized command and control structure also call into question the value of the effort. Without a force for implementation, the plan is essentially unworkable.

Three

Obstacles and Opportunities for a Settlement Comparisons with Other Conflicts

Obstacles to Finding a Settlement

According to Edward Walker of Stanford University and the Hoover Institution, six factors present serious obstacles to reaching a settlement in the conflict over Nagorno-Karabakh. The first is the extent of mutual and historical mistrust between Azeris and Armenians. It has become commonplace for academics to attack the “ancient enemies” theory of ethnic conflict, which suggests that certain ethnic groups have harbored a mutual hatred for centuries and that only the strong hand of a repressive state can contain those hatreds. Most scholars of ethnic conflict in the post-communist world have refuted this notion, stressing the extent to which present-day conflicts are less the result of ancient hatreds than of more recent provocations by “political entrepreneurs” trying to stir up trouble. Rarely is either extreme the case, Walker argued, and though it is important not to reduce these conflicts to manifestations of ancient hatreds, it would be equally a mistake to claim that ancient feuds and mythological sources of enmity are simply irrelevant.

In fact, the extent to which mistrust between peoples involved in ethnic conflict is deeply rooted in history or is embedded in a culture that is spontaneously reproduced varies among conflicts. Each conflict has its own subjective characteristics that often have important behavioral consequences. In Chechnya, for example, the mythology surrounding Chechen resistance is primarily about resistance to the tsarist state and foreign occupation, not about Chechen victimization at the hands of the Russians per se. This is one of the reasons, Walker maintained, that Chechen fighters did not target Russian civilians during the recent war and why there has really been no “ethnic cleansing” there. Unfortunately, in the case of Nagorno-Karabakh, the mistrust between Armenians and all Turkic-speaking Muslims, whom Armenians tend to view as a single people, is profound, though arguably a more recent phenomenon than is sometimes assumed. The enmity dates back at least to the end of the last century and was greatly aggravated by the 1915 genocide and the subsequent unwillingness of the Turkish government to acknowledge it.

The consequence of this mistrust, according to Walker, is that the overwhelming majority of Armenians believe that the Azeri government cannot be trusted to keep its word, still less to govern Armenians in Nagorno-Karabakh fairly. At the same time, most Azeris believe that Armenians hate Azeris and are essentially racist. Thus, though the “ancient enemies” thesis is sometimes overstated, it would be inaccurate to suggest that the historical mistrust between Azeris and Armenians and the legacy of the genocide are irrelevant to this conflict.

These images pose another obstacle to finding a settlement in Nagorno-Karabakh. Regardless of the validity of the claims, Walker said, most Azeris and Armenians believe that the Karabakh conflict is between their two peoples; though "outside agitators" may have aggravated tensions, Armenians are basically convinced that Azeri civilians—not simply the government or the military—committed atrocities against them, and Azeris believe the same thing of Armenians. Thus, unlike the case of the Chechens, neither the Armenians nor the Azeris believe that it was primarily the government of the other side that was to blame for the war. On the contrary, each side remains convinced that the root of the conflict lies in attitudes and beliefs of the *people* on the other side.

A third obstacle is the problem of refugees. There are currently 600,000–700,000 refugees from the Karabakh region living in appalling conditions in Azerbaijan and another 200,000–300,000 in Armenia and Karabakh. Again unlike the Chechen case, Walker noted, the need to repatriate at least some of these refugees complicates the settlement picture—in particular, it makes it difficult for Azeri president Aliiev to be patient about reaching a settlement. On the other hand, and for reasons to be addressed below, the refugee problem in Nagorno-Karabakh is a less serious impediment than in other conflict situations, such as in Abkhazia, for example.

Security problems present another complication. Azerbaijan simply cannot feel secure while Armenians occupy six of its provinces. On the other hand, Walker said, if Azeri forces were to reenter those districts, Armenians in the southeastern part of their country would feel particularly vulnerable. In addition, Yerevan (Armenia's capital) has to be concerned about its long border with Turkey. This issue is a particular concern for the Armenians and is one of the main stumbling blocks in the attempts to find a settlement.

The character of the respective governments in the two capitals is a fifth impediment to efforts to reach a compromise agreement. The Armenians, Walker said, find it difficult to trust a government in Baku that they perceive as authoritarian, corrupt, and intolerant of minorities; Azeris, for their part, cannot bring themselves to trust the government of a state they believe is constructed on a strictly ethnic basis, a state that acts as if it believes that Armenia is for ethnic Armenians alone. While Chechen distrust of the Russian government could hardly be greater, Russia nevertheless has a more or less democratic government that has committed to a civic rather than ethnic understanding of citizenship and statehood, and one that has formally embraced multinationalism to the point of giving considerable autonomy to some republics (such as Tatarstan). Similarly, the Georgian government under Eduard Shevardnadze has made considerable progress in establishing democratic institutions that will, it is hoped, contribute in the long run to finding some accommodation with Georgia's Abkhaz minority.

The Nature of the Negotiating Process

Finally, the sixth obstacle to resolution of the Nagorno-Karabakh dispute is the asymmetrical nature of the negotiating process, though this factor has changed somewhat in the past year. In virtually all other secessionist conflicts in the former communist world, Walker stated, the national government has been willing to enter into direct negotiations with the secessionists, as in the cases of Chechnya, Abkhazia, South Ossetia, and the Transdnestr region. It was also true in Bosnia and the other parts of the former Yugoslavia, with the

exception of Belgrade's unwillingness to deal directly with the ethnic Albanians of Kosovo. In the Karabakh conflict, however, the three main parties, with varying degrees of enthusiasm, had been willing to accept an arrangement in which Baku and Yerevan—but not Stepanakert—had been represented at the negotiating table. In particular, they have been willing to allow Vafa Guluzade, Aliev's senior adviser, and Gerard Libaridian, Ter-Petrossian's senior adviser, to be the principal negotiators. The government representing the people being asked to take the most risks, the Karabakh Armenians, was not a direct party to the negotiations.

Clearly, Walker said, Baku made the decision at the beginning of the negotiating process to treat the Nagorno-Karabakh conflict as an interstate one, in which Azerbaijan was the victim of a war of aggression and subsequent occupation by a foreign power. From the start, Baku maintained that Stepanakert was only a puppet of Armenia and determined that it would deal only with Yerevan and would essentially ignore the Karabakh Armenians. This was in part so that the Azeris could explain away their military defeat (and their continued failure to reverse those defeats), especially when the extent of Russian military support for Armenia became clear. This stance also fit well with Baku's strategy of pressuring Karabakh indirectly by isolating Armenia politically and economically. Azerbaijan's refusal to deal directly with Stepanakert also had advantages for the Armenians. Yerevan was able to legitimize its claim that it had a direct interest in Karabakh and that its own strategic and security concerns had to be acknowledged, and Stepanakert was able to institutionalize its relationship with Armenia. In addition, Stepanakert was able to allow Yerevan to carry the burden of negotiating without having to justify any compromises to its own people.

Unfortunately, this arrangement probably produced more problems than it solved, Walker said. First of all, it created an almost impossible political dilemma for President Ter-Petrossian—and almost certainly was a factor in his downfall. In negotiating over Karabakh, Ter-Petrossian had to consider not only the position of Baku, but also the preferences of the Armenian electorate, the Armenian political elite (not one and the same thing), the Minsk co-chairs, the international community generally and Washington and Moscow particularly, and, most important, the leadership and populace in Karabakh. This required an extraordinarily difficult balancing act.

Second, it may have been better for Baku to state publicly from the beginning that Azerbaijan considers the Karabakh conflict to be an internal affair that needs to be worked out between Baku and Stepanakert. Baku could have accepted that the government in Stepanakert genuinely represents the Karabakh Armenians; that Stepanakert is, in fact, *the* party to the conflict in a way that Yerevan is not; and that the Minsk process should always have included the direct participation of Stepanakert. Furthermore, Walker contended, Baku could have taken the position that Armenia is interfering in Azerbaijan's internal affairs by its economic, military, and political support for Karabakh and by its failure to close the Lachin corridor, which passes through Azeri territory, and that until Baku and Stepanakert reach an agreement, Turkey's embargo on Armenia should stay in place.

The fact that Turkey has been pushing so hard to have a main export pipeline go from Azerbaijani oil fields to its Mediterranean port of Ceyhan should be sufficient leverage for Baku to keep the embargo in place. Walker noted that although Baku has been unwilling to deal directly with Stepanakert on the issue of status, there have been a few meetings

that have included representatives of these two governments in the past year. Nevertheless, these meetings were very much out of the public spotlight, leaving most people in Karabakh and Armenia with the perception that Karabakh is being left out of the Minsk Group process entirely. If that perception were addressed, it might change some attitudes. In fact, Remler said, it is the government of Nagorno-Karabakh that is refusing to participate in direct, institutionalized negotiations with Baku.

With a perspective from Baku, Jayhun Molla-zade of the U.S.-Azerbaijan Council pointed out that Azerbaijan considers that it made a great concession simply by allowing Karabakh representatives to be present at the Minsk talks. Baku would not object to sitting down to direct negotiations with Stepanakert; the issue is negotiations about *what*—the status of Nagorno-Karabakh? Security? Measures of autonomy? Anything but the matter of independence for Karabakh could be negotiated directly, Molla-zade said, and if Karabakh accepts Azerbaijan's territorial integrity, Baku will sit down with them and negotiate. Walker reiterated that it would be entirely in Azerbaijan's interests to negotiate directly with Stepanakert, noting that Russia is dealing directly with Chechnya and Georgia with Abkhazia in their disputes, and without any preconditions. In other words, neither the Russian nor the Georgian government has said that the Chechens or Abkhaz must accept the country's territorial integrity before they will sit down to negotiations. However, Molla-zade said, neither the Chechens nor the Abkhaz have the backing of a "mother country" that is the third party to the dispute, in this case Armenia. Nevertheless, said Walker, it would be in Azerbaijan's interest to deal directly with Stepanakert alone, with the understanding that the dispute is essentially an internal affair.

Opportunities

In spite of these considerable obstacles, there are factors in the conflict over Nagorno-Karabakh that provide a strong incentive to finding a settlement, Walker suggested. The first factor involves refugees. Karabakh Armenians now occupy a significant amount of territory outside Karabakh proper, from where most of the refugees in Azerbaijan come. Thus, Baku has a substantial incentive to agree to a first-stage settlement that will allow these refugees to return to their homes. Unlike the case of Abkhazia, where many more Georgians than Abkhaz lived before the war and where Georgians were dispersed throughout the territory, repatriation to the occupied districts in Azerbaijan would be relatively easy to effect, once Karabakh agreed to withdraw its forces from those territories. Moreover, the number of Armenians who fled to Karabakh from surrounding districts in Azerbaijan and the number of Azeris who fled from Karabakh are roughly the same, as are the numbers of each who fled to the other country. Thus, there will be a rough balance between refugee populations once the 500,000 Azeris from the occupied districts are repatriated, making it somewhat easier for both sides to accept that *full* repatriation, however fair, is probably an impractical goal.

Second—and very important in light of the profound and pervasive mistrust outlined above—Nagorno-Karabakh is rather peripheral to the national myths of both peoples, Armenians and Azeris, despite what they sometimes argue. In other words, Walker suggested, Karabakh is not centuries-old "sacred soil" to either people, except perhaps for those who actually grew up and owned property there. The traditional heartland of Armenia is,

after all, in eastern Anatolia, and while the town of Shusha may have been a significant Armenian settlement at one time, it is difficult now for Armenians to argue that Nagorno-Karabakh is somehow central to Armenian history or culture. In fact, Karabakh Armenians frequently point out that, until this recent war, they were looked down upon by Armenian nationals as provincials. Similarly, though there are some significant historical monuments and mosques in Karabakh, Azeris cannot genuinely claim that Karabakh has a central place in their national mythology. This makes it easier for Baku to accept a settlement that gives them *de jure* sovereignty over the region but gives *de facto* independence to Stepanakert (which was the essence of the Minsk Group proposal that was almost agreed to at the end of 1997).

The topography of the region presents a third opportunity to facilitate a settlement. The region's mountainous landscape would make it difficult for Azerbaijan to launch an offensive against either Armenia or Karabakh, Walker asserted. It would also give the Karabakh Armenians additional time to respond militarily should Baku decide to violate a first-stage agreement by moving troops into what will presumably be a demilitarized zone in the formerly occupied districts. Fourth, there are powerful economic pressures on both parties, especially on the Armenians, to reach a settlement. These kinds of pressures exist in other secessionist conflicts in the former Soviet Union, but they are particularly weighty in this case.

Finally, Walker said, the Karabakh conflict is getting more attention from the international community. The international community, as well as the United States, has been far more active in trying to promote a settlement in Karabakh than in Abkhazia, South Ossetia, Chechnya, Transdniestra, or even Tajikistan, which has increased the likelihood that a political settlement will be reached in Karabakh.

The Ter-Petrossian Resignation

It is possible, Walker suggested, to see Armenian president Ter-Petrossian's resignation in February 1998 as a negative consequence of the international attention mentioned above. Indeed, many observers of Armenian politics concluded that it was Ter-Petrossian's caving in to pressure from the OSCE's Minsk Group to accept a first-stage settlement that resulted in the widespread domestic pressure on him to resign. The implication of this interpretation is that the Minsk Group should not have put such pressure on the Ter-Petrossian government—or even that it should not have gotten involved in the first place. In fact, Walker said, it is not clear that there was any greater pressure on Armenia last year than in the past. Rather, Ter-Petrossian appears to have believed that it was in Armenia's and Karabakh's long-term interest, particularly economic interest, to accept the Minsk proposal as a basis for negotiation. Prime Minister Kocharian and the Nagorno-Karabakh leadership, however, disagreed. The conflict, then, was over different assessments of long-term interests, not over whether it was appropriate for Armenia to make compromises in the face of undue pressure from the international community. In any case, it is impossible to know fully the extent to which opposition to Ter-Petrossian was synonymous with opposition to the Minsk Group plan.

This is not to say that international pressure to reach a settlement has been inconsequential. It is important to understand exactly how close the parties to the conflict came

to accepting the Minsk Group's plan, Walker contended. Though it is true that outside actors are rarely able merely to impose solutions on the parties to secessionist conflicts, in this case the extent of international pressure on all parties moved them very close to a resolution, despite the fact that, of all the secessionist conflicts in the former Soviet Union, the Nagorno-Karabakh conflict seemed the *least* likely candidate for a settlement. What blocked the agreement in the end was the Stepanakert leadership's determination that the risks of compromise were not worth the gains, based on the conviction that their position would not weaken over time despite the oil revenues that are expected to be flowing into Baku in a few years. Different leaders in Stepanakert might have reached a different conclusion. The important point, Walker said, is that without the mediation efforts of the Minsk Group, or external pressure, it is unlikely that there would have been any chance for a settlement. Thus, it cannot be said that Ter-Petrosian's resignation is an indication that the Minsk process is or was somehow fruitless or even harmful.

The Oil Factor

There has been a tendency to misconstrue the importance that oil and pipeline-routing politics have had on the Nagorno-Karabakh conflict, Walker contended. A first misconception is that it is only oil that dictates U.S. policy in the region or that oil pushed the United States to put undue pressure on Armenia last year to compromise. Yet, the formation of the Minsk Group and other international efforts to mediate a settlement in Nagorno-Karabakh predates the signing of the "deal of the century" at the end of 1994, which was the time that Washington and other centers of power seemed to wake up to the realities of Caspian oil.

There were numerous reasons for the international attention this conflict received before the oil issue became salient, Walker said. These include the realization that, because Karabakh (unlike Abkhazia or South Ossetia) is not on Russia's border and (unlike Crimea or Transdnestr) was not populated by ethnic Russians, it would be easier for the OSCE to play a major role there without stepping on Russia's toes; a concern that Russia and Turkey, the latter a North Atlantic Treaty Organization (NATO) member, could be drawn into the conflict; the political weight of the Armenian-American community and its interests in ending the violence; and a general desire in Washington to protect and shore up the sovereignty of the newly independent Soviet successor states. Without doubt, oil has intensified the international community's desire to see an agreement reached, and it is also clear that oil interests have increasingly tried to influence U.S. policy in the region, not least by lobbying hard for a lifting of Section 907 of the Freedom Support Act, which limits U.S. aid to Azerbaijan. Nevertheless, Walker maintained, oil is not the only reason that the United States is interested in the region, nor has it tilted U.S. policy toward Baku in any significant way.

A second misconception, Walker continued, is that Caspian oil is going to provide the primary incentive to reach a settlement. In fact, oil has had at best an ambiguous effect on the negotiating process and perhaps, on balance, even more of a negative than a positive influence. First, Azerbaijan's oil wealth has contributed to a belief in Baku that time is on its side and that there is less need to compromise now because the country's position will improve in the future. More important, this situation may increase the risk that Baku will eventually resort to force if no progress is made at the negotiating table, because, once oil

revenues start to fill the national coffers, it will be harder for the Azeri government to explain to its people why Azeri lands are still occupied by the Armenians.

Furthermore, once Azerbaijan's oil and gas production facilities and pipelines are in place, they will be vulnerable in the event of an outbreak of hostilities, particularly as the main export pipeline is likely to run through Georgia close to the Armenian border. This may mean that the Armenians will be less likely to compromise, as they may believe that in the very near future they will have a "hostage" available to them.

Finally, Walker said, it is clear that Armenia's immediate economic future is bleak and that its current isolation from world markets could be ameliorated by opening up the border with Turkey and resuming rail traffic. This has nothing to do with oil. However, the constant talk about a "peace pipeline" and the widespread belief in Yerevan and Stepanakert that they were being forced to make unreasonable concessions because outside powers were competing for Azeri oil and gas contracts made Ter-Petrossian vulnerable to the charge that he was selling out to oil dollars—charges he was unable to counter. The Armenians, therefore, view the entire issue of oil pipelines with great suspicion, something that most Western observers do not fully appreciate.

Four

Politics and Identity in Armenia and Azerbaijan

Armenia

Armenia is in a deep political crisis, said Ronald Suny of the University of Chicago. In its first five years of independence, Armenia enjoyed an enviable image, particularly in the Western media and among Western diplomats, of a struggling yet vital democratic state. This image, together with the influence of the Armenian diaspora, especially in the United States, was able to elicit a considerable amount of sympathy and support for the new state, demonstrated most obviously in the highest amount of per capita U.S. aid among the Soviet republics and the clear pro-Armenian stance of the U.S. Congress in the Nagorno-Karabakh dispute. The Armenian government was seen as committed to democracy, a pro-Western foreign policy, and market reforms.

Yet, below the surface, the picture was considerably different, Suny said. Armenia was in fact suffering enormously during those years. As privatization was implemented and production waned and in some cases ceased, a growing, profound demoralization set in among the population. People came to believe that the government was not keeping its promises, that they had been deceived, and that they were getting poorer while cronies of the president were enriching themselves. There were two political consequences of this demoralization: a general political apathy and, at the same time, a number of attempts by opponents to exploit the growing discontent and incite people against those in power.

Though the highly educated urban population and intelligentsia were committed to Western-style political and economic development (with a nationalist agenda for the unification of Karabakh with Armenia), progress toward democracy suffered a series of sharp turns beginning at the end of 1994. First, Suny noted, the government outlawed one of the most prominent opposition parties, the Dashnaksun, accusing its members of participating in terrorist activities. This was followed by suspicious results in both a referendum on the constitution and parliamentary elections. Even more damaging was the September 1996 presidential election, about which the OSCE expressed serious concern. Thus, Armenia, which had enjoyed a positive image as a democratic state, now projected the image of a "typical" former Soviet republic, with dubious political practices organized by a Soviet-style government.

The failure to gain a clear, convincing majority in the September 1996 election, Suny continued, seriously weakened the Ter-Petrosian government and called his legitimacy into question. The perception that he was aloof and distant from the people was exacerbated immediately following the elections, when troops were called in to deal with thousands of protesters outside the parliament building. From this point, Ter-Petrosian had little legitimacy with the people and relied almost entirely on the support of the "power"

ministries—interior, defense, and national security. When the prime minister, Armen Sarkisian, became ill and resigned, Ter-Petrosian made the somewhat surprising move of appointing Nagorno-Karabakh president Robert Kocharian prime minister, a choice he made for a number of reasons. First, Kocharian was relatively removed from the political infighting in Armenian politics. Second, Ter-Petrosian, in an attempt to counter the criticism that he was soft on Karabakh, strengthened his own government by linking it more closely with the Karabakh cause. And finally, in Kocharian, Ter-Petrosian found a powerful ally and an effective leader to help run the country and, he hoped, enforce an agreement on Karabakh.

Unfortunately for Ter-Petrosian, Kocharian proved even less compromising on the Karabakh issue, Suny contended. When Ter-Petrosian held a press conference in the fall of 1997—in which he essentially argued in favor of a step-by-step solution on Karabakh, accepting OSCE guidelines that Karabakh unequivocally rejected—domestic politics in Armenia began a steady slide into crisis. Already weakened by chronic economic problems and lingering suspicions about the 1996 presidential election, Ter-Petrosian became very isolated, his tenure in office depending almost entirely on the support of his few allies. In February 1998, he resigned.

The Political Scene Today

Currently in Armenia, Suny maintained, a gulf is growing between the “ordinary people,” who are concerned about being out of work and other day-to-day problems, and those who could be called political players, who continue to push Armenia toward positions of intransigent nationalism. The result is that the political discussion about the Karabakh crisis and other aspects of Armenia’s foreign policy has become distressingly narrow. Yet, almost from the moment of victory in the war with Azerbaijan, a steady erosion began of Armenia’s once impeccable moral position. At the same time, Baku has improved its standing in the eyes of the West, not least because it is blessed with abundant reserves of oil. Unfortunately, oil frequently lives comfortably with despotism, and it is extremely likely that an oil-rich Azerbaijan will remain under the fists of President (and former Communist Party boss) Aliev and his family and friends, who would see little reason to move toward a genuine democratic system. Nevertheless, it is perhaps ironic, Suny said, that Armenia has lost its democratic patina just as Azerbaijan is no longer required to acquire one.

Ter-Petrosian made a realistic assessment of this situation. Given that Armenia would soon be facing a wealthy and powerful Azerbaijan, the Armenian military victory presented Yerevan with the opportunity to cut a deal that would guarantee Karabakh’s security and Armenia’s political and economic well-being. With this reasoning, Suny suggested, Ter-Petrosian’s views grew closer to those of the Minsk Group chairs, accepting the notion of a phased settlement package. However, political tensions in Armenia intensified, resulting in a “constitutional coup d’état.” Ter-Petrosian was forced from office by the power ministries, the prime minister, the opposition bloc in parliament, and the leadership of Karabakh. He left office, Suny contended, rather than risk an outbreak of violence. The prime minister, Robert Kocharian, became acting president, as it states in the constitution, until he was elected president in the subsequent elections.

The government now in place in Yerevan is made up of people who are more unyielding on the Karabakh issue than was Ter-Petrosian. They are far less willing to compromise and much more suspicious of Western meddling in Caucasian affairs. In fact, Suny said, one of Kocharian's first acts was to end the three-year ban on the Dashnaksun, a party with militant loyalty to Karabakh. At present, given the hard-line stance of the Armenian government on Karabakh, the only point of hope is the chance for a kind of "Nixon in China" scenario, in which only a Yerevan government with strength at home and a well-known militant stance on Karabakh could come to the table and agree to even the slightest concession. This is a scenario that Ter-Petrosian was simply unable to carry out. But an essentially democratically elected government with a hard-line platform represents the last alternative to a president with a moderate stance.

Looking at the recent presidential elections, Suny continued, the surprising fact is that the Communist candidate, Karen Demirchian, did remarkably well. This was not simply a vote for nostalgia or for the old order, though. Demirchian is seen by many Armenians as a competent man and a known quantity. However, it is impossible to know for certain whether people based their votes primarily on the Karabakh issue or on economic factors. Nevertheless, the most important factor is that power in Yerevan still lies with the so-called power ministries, Suny maintained. The majority faction in parliament (called Yerkrpah) is loyal to Vazgen Sarkisian, the defense minister, making him the power behind the throne.

Unfortunately, there is a real possibility of a renewed war in Karabakh, as many people in Armenia are even more militant than the current leadership, Suny said. It is particularly worrying that the defense minister in Karabakh has made various inflammatory statements about settling the issue through a preemptive attack of some kind, arguing that this is the only way to force Azerbaijan to make the necessary concessions. One can imagine a scenario in which, just short of a declaration of war, there might be a dramatic gesture made, an ultimatum, such as the announced merger of Armenia with Karabakh or Armenian recognition of Karabakh's independence, which will render a negotiated settlement on Nagorno-Karabakh virtually impossible.

Armenian Self-Identity

It may be true that, in one sense, Karabakh is peripheral to the Armenian nation and its history. In fact, Suny pointed out, Nakhichevan was always more important to Armenians historically than Karabakh ever was. Nevertheless, Nagorno-Karabakh has attained a place of great importance in today's Armenia. Karabakh is now associated, Suny said, with the central theme in Armenian self-identity, the 1915 genocide. As a result, a sense has developed that Karabakh is the "front line" against the Turks, and if they lose this battle for Karabakh, Yerevan—and the Armenian nation itself—is in danger. Whatever Karabakh was historically, it is no longer peripheral in the Armenian psyche. For many Armenians, the victory over Azeri troops in Nagorno-Karabakh represents a kind of redemption after a very long period of defeat at the hands of the Turks, and this image has been extremely important in reaffirming their national identity and nationhood, particularly in the early period of independence.

Azerbaijan

Azerbaijan has the image before the world of both winner and loser, said Audrey Altstadt of the University of Massachusetts. When one looks at the oil issue, Azerbaijan is a winner. It has large reserves of oil, suggesting that it is a soon-to-be-prosperous state. However, with regard to the Nagorno-Karabakh issue, Azerbaijan is quite emphatically the loser in a number of ways. First, a great many lives have been lost. Second, about 20 percent of the country's territory is occupied, resulting in almost a million refugees living in squalid conditions in other parts of the country. Third, Altstadt contended, Azerbaijan has been the loser with respect to the public relations war on the Karabakh issue, both in Europe and the United States. Even with regard to domestic politics, Azerbaijan is the loser, because the country's presidents and governments do not die on the job or lose elections but become victims at the "graveyard of Nagorno-Karabakh" when they are perceived by the population to be losing military battles or compromising during negotiations.

This matter of image—as either winner or loser—is extremely important in this dispute, Altstadt noted. Each side has a self-image that the other side does not fully appreciate, and it clearly affects how each side deals with the other. Azerbaijan's image as a winner in the oil game is a matter for the future, as it will be at least five years before Azerbaijan sees a return on today's investments. Currently, there is no getting around the fact that Azerbaijan is in the position of loser, and Azeris are very sensitive about this negative image of their country. They are also extremely fearful about the possibility of territorial disintegration, something that they believe will happen along a proverbial slippery slope in which Nagorno-Karabakh is only the first step. They believe the future of their national and state integrity lies in the favorable resolution of the Karabakh conflict.

Azerbaijan also has a tremendous fear of isolation, Altstadt continued. The country believes itself isolated from Europe and the United States; pacts between Armenia and Russia, such as last year's mutual defense agreement, only exacerbate these concerns. The Armenian-Russian alliance also gives rise to fears that this is a sort of "Christian" alliance against Azeris that could involve other countries. At the same time, however, most Azeris (as well as other parties to the conflict) understand that the dispute over Nagorno-Karabakh is not a religious one.

Attitudes toward a Karabakh Settlement

Because Azerbaijan is the "loser," it has a strong incentive to find a permanent resolution to the Karabakh dispute. It needs a settlement, Altstadt maintained, not least because it needs domestic stability to enact internal reforms and development. If Azerbaijan is going to reap the rewards of its oil reserves, it will need the internal order required to channel incoming funds in ways that will benefit the country. The country also needs a resolution to the Nagorno-Karabakh dispute to solve its very dire refugee problem.

On the other hand, its status as loser creates some obstacles to reaching a settlement, Altstadt continued. First, it must reclaim the large part of its territory that is occupied. In addition to this very practical matter of occupied land, however, is a very strong sense of humiliation among the Azeris stemming from the military defeat, and the great dishonor that goes along with it. There is thus a very strong desire not to pursue a compromise

settlement, but to seek revenge, to avenge the deaths of those who lost their lives in the conflict.

Another obstacle, Altstadt said, is that the Azeris seem to be waiting for someone else to settle the Karabakh problem—for someone to do right by them, to “rescue” them. This mentality is in part a legacy of the Soviet period, but it is also a reflection of the Azeri perception of their own powerlessness, coupled with the conviction that they are right and everyone else should be able to see the dispute in that light. Many Azeris believe that their oil wealth is sufficient motivation for the U.S. government to come to their deliverance, somehow forcing Congress to face down the Armenian lobby in the United States. Perhaps not fully understanding how the different branches of government in the United States work, the Azeris seem to believe that if there are oil interests, U.S. government interests will be right behind them. Many people in Azerbaijan, Altstadt said, are surprised that events have not yet played out in this way; it is difficult for them to believe that the United States is not necessarily going to come to their country’s rescue.

Azeri Sense of Nationhood

One Azeri conviction with regard to the Karabakh dispute that is shared by much of the international community is that the country’s territorial integrity must be preserved and defended, not least for the sake of international precedent. A factor involved in this fierce determination to preserve their territorial integrity, suggested Suny, is the weak or underdeveloped sense of nationhood among Azeris. Azerbaijan was a relatively newly formed state, and discussion about the nation did not begin until the nineteenth century; it did not fully “congeal” until the Soviet period. Armenia has a longer history of consolidated nationhood—indeed, much longer than most nations in the world today—which made it much easier to motivate the people to fight in the Nagorno-Karabakh conflict. The Azeri nationalist language seemed to be a reactive nationalism against a perceived and actual Armenian threat.

It is true, Altstadt said, that the Azeri sense of nationhood is weaker, though this is caused in part by the many larger identities that engulfed them for much of their history. The Azeris have at various times been aware of belonging to a larger Turkic world and a wider Islamic one and, to a certain extent, even an Islamic-Turko-Iranian world. The difficulty for Azeris has always been paring down those identities into one that is rooted expressly in where they live. They were close to doing this at the turn of the century, Altstadt pointed out, having finally gained for themselves the components of modern twentieth-century statehood. Then came the Bolshevik Revolution, followed by the civil war, forced incorporation into the Soviet Union, and the brutalities of the Stalin era, when virtually all Azeri intellectuals were killed. Throughout the Soviet period, a strong course of Russification was promoted in Azerbaijan (stronger than in Armenia and Georgia, in part because of Moscow’s fear of the Islamic religion), during which the Azeri alphabet was changed twice to cut the people off from their history. It is no wonder, Altstadt said, that their sense of nationhood is somewhat weak.

In the 1970s, there was something of a national reawakening in Azerbaijan, mainly in literary journals that were written in the Azeri language to avoid incurring the disapproval of the Soviet rulers. Unfortunately, this movement was cut short by the Karabakh crisis,

forcing people out of the necessary process of discourse and into political action. The result is that far more of the Azeri sense of identity is wrapped up in the Karabakh issue than might otherwise be the case. Molla-zade agreed that the Azeri sense of nationhood before the twentieth century was feeble, as the identity was more Turk or Muslim than Azeri. However, the 1918–20 period of independence was very powerful for Azeris in their understanding of themselves as a people, and for most Azeris that period remains a pivotal point in their history and nationhood that they have not forgotten. Azeris are very aware that Azerbaijan was the first democratic republic in the Islamic world.

Perceptions of the Other

In addition to this matter of self-image, there is the issue of the image or perception of the other, which is a strong factor in the Nagorno-Karabakh conflict. It is very possible, Altstadt said, that Armenians perceive that there is less at stake for Azeris in the Karabakh conflict than Azeris actually believe to be the case. Azeris, in their concern for their state's integrity, fear for the very existence of their nation, something that is perhaps not fully appreciated by the Armenians. At the same time, Azeris seem to see Armenians purely as aggressors, without being able to understand that Armenians also believe fervently that their own survival is at stake in this conflict. Somewhat ironically, Armenia sees Azerbaijan much as the Azeris would prefer—that is, strong and well organized. Yet the reality is that Azerbaijan is neither economically strong (though its economic potential may be promising) nor politically well organized.

There are also conflicting views of other players in this conflict, especially Turkey, Altstadt said. During the Soviet period, Azerbaijan harbored an almost romantic view of Turkey and was very open to Turkey's influence and actions after independence. Since independence, President Aliev has cultivated good relations with Turkey but at the same time has recognized the need to balance those relations with ties to other countries, namely Russia and Iran. As a result, relations with Turkey have cooled somewhat, not least because of Turkey's response to the Nagorno-Karabakh conflict. Despite what Armenians think, Azerbaijan has been disappointed by Turkey, having expected much more assistance than ever materialized. Thus, what appeared to Armenians to be active Turkish aid for Azerbaijan, resulting in behavior threatening to them, was to Azeris inadequate and indifferent support. Azeri disappointment has been exacerbated by the realization that the help they expected to flow from the United States as a result of oil interests has not appeared either.

Realities about the System

When the oil revenue begins to flow into Azerbaijan—five, seven, ten years from now—where will that money go? If conditions in the country do not change significantly, Altstadt said, then without a doubt that money is going to go into the pockets of the political and economic elite. There is not even a chance that the money will be used to raise a powerful army that could retake the occupied provinces—not unless there are meaningful changes in the government structures in Azerbaijan. At present, there is simply not enough of a consensus in the country on its goals, still less on the means to carry them out. And the necessary changes will not come about through one or even two clean elections; there

was a clean election held once and it did not present the country with a legitimate and stable government.

When Aliev came to power in 1993 under questionable circumstances, it was after a brief period of instability, Altstadt said. He spent the first part of his rule restoring some semblance of order in the country, including the balance in foreign relations mentioned earlier. Unfortunately for Azerbaijan's long-term development, Aliev also reestablished political and economic control reminiscent of his era as first secretary of the Communist Party, though without the constraints and limits that would have, in the old days, come from Moscow. Thus, the ability of the circles around him to engage in corruption has in fact become greater since independence. Though one could make the case, Altstadt continued, that some forms of corruption are less damaging than others, or at least can be constructive in establishing economic structures, the kind of corruption that is flourishing in Azerbaijan is almost entirely debilitating and destructive—and almost completely out of control.

Five

An Alternative Settlement Plan

According to Aivazian, two other solutions have been proposed since 1992 in addition to the plan offered by the OSCE's Minsk Group. The first involved the recognition of Nagorno-Karabakh as an independent state and the simultaneous withdrawal of Armenian forces from all occupied territories except the Lachin corridor. However, this solution has been completely rejected by Azerbaijan and would not be supported by the international community. A second proposal involved a territorial swap between Armenia and Azerbaijan that would have united Karabakh with Armenia but also would have resulted in the loss to Armenia of some of its provinces in the south, making it unacceptable to Armenia. Another possibility, according to Aivazian, would have been a different swap—essentially of Nakhichevan for Karabakh—but this would be opposed by both Azerbaijan and the Armenians of Nagorno-Karabakh; it would also be opposed by Turkey, which would be separated even more from Azerbaijan. In any case, none of these proposals would be desired by the international community, because all would require border changes of some sort. Nevertheless, Aivazian maintained, the Nakhichevan–Nagorno-Karabakh swap may still contain the best strategic solution to this conflict and should be kept in mind, especially as other solutions prove to be unacceptable or unworkable.

An Alternative Plan

Aivazian proposed an entirely different settlement plan, consisting of three interrelated agreements: political, military, and legal. This plan, he said, would give Armenia the necessary level of defense; Karabakh, *de facto* (but not *de jure*) independence and security guarantees; and Azerbaijan, the return of all currently occupied territories (except the Lachin corridor) and the preservation of its territorial integrity. All of these outcomes would have to be implemented simultaneously.

The Political Framework

The political elements of the plan, Aivazian said, would begin with a tripartite agreement among Armenia, Turkey, and Azerbaijan, each recognizing the territorial integrity of the others. Second, the currently self-proclaimed Republic of Nagorno-Karabakh would be renamed the Nagorno-Karabakh Armenian Republic (NKAR) and recognized by Armenia as a part of Azerbaijan. Relations between the NKAR and Azerbaijan would be established on a confederative or horizontal basis. Third, the United States, Russia, Armenia, and Azerbaijan would sign an agreement recognizing Armenia as a guarantor of the NKAR's security. (This is similar to the Moscow Agreement of 1921, which recognized Turkey and Russia as the guarantors of Nakhichevan.) Fourth, there would be no mention of the Armenian genocide in any of these documents.

The fifth element of the political framework of this plan, Aivazian continued, would be a tripartite defense agreement among Armenia, Russia, and the United States, guaranteeing the long-term strategic security of Armenia. Anything less than this, Aivazian maintained, will not serve the security needs that Armenia requires, given its current security predicament. This security arrangement should include the provision that any attack on the Republic of Armenia will be considered an attack on the United States and Russia; the United States would not make this commitment unilaterally—nor, in any case, would it be accepted by Russia.

The current security agreement between Russia and Armenia is not sufficient for a number of reasons. First, Russia remains an unpredictable state, perhaps bound for disintegration; second, after the withdrawal from the occupied territories of Azerbaijan, Armenia's geostrategic importance would diminish, causing Moscow to lose interest in its defense accord with Yerevan; and third, Russia's financial position in the foreseeable future will remain dependent on Western loans and other support. It should be pointed out, Aivazian continued, that as part of this three-way agreement the United States would not need to engage combat troops directly, which it would be unlikely to do. American political and diplomatic backing would be enough to ensure Armenia's security. Furthermore, this agreement would be of great geostrategic importance, in that it would be the first Russian-American military pact since World War II, possibly paving the way for greater—and much needed—Russian-American military cooperation.

Military and Legal Dimensions

The other stipulations of the settlement plan proposed by Aivazian involve military and legal provisions within the political framework outlined above. Regarding military matters, the NKAR military forces would withdraw from the six provinces of Azerbaijan that they currently occupy, and the army of Azerbaijan would withdraw from certain areas of Nagorno-Karabakh. The NKAR, nominally under Azeri sovereignty, would maintain separate armed forces as a defensive military force and a 25,000-man army during peacetime. (Limits on armed forces can be negotiated within the confines of the CFE Treaty.) The Lachin corridor would remain under the control of the NKAR defense force, which could not maintain certain offensive weaponry. Armenia, Azerbaijan, and the NKAR would sign a limitation-of-forces agreement under which demilitarized zones would be established along the most sensitive and potentially tension-filled borders. The zones would be patrolled by a small OSCE or UN monitoring force. And Armenia, Azerbaijan, and the NKAR would hold talks on the border issues with the understanding that some of the more "unnatural" borders would be revised to provide certain Armenian regions (Nagorno-Karabakh and Siunik) with a greater depth of defense.

The proposed plan would also contain the following legal provisions, Aivazian continued. First, the NKAR would receive the right to have its own government, constitution, flag, and coat-of-arms, and could determine on its own the extent of its trade and other economic relations with Azerbaijan. However, its financial institutions would be governed by Azerbaijan's central bank. The citizens of Azerbaijan, or at least those residing in the NKAR, would have the right to dual citizenship. Finally, the extent of the NKAR's cooperation and coordination with the foreign policy of Azerbaijan and its defense, security, and

law enforcement apparatuses would be determined according to negotiations between Stepanakert and Baku.

According to Aivazian, the implementation of this settlement plan would give all parties the necessary prerequisites to ensure their security and access to economic development. Armenia would see the end of the blockade against it, enabling it to build its badly damaged economic, social, and other spheres and to benefit from the development of the Azeri oil industry. Nagorno-Karabakh would receive security guarantees, a permanent land corridor to Armenia, and *de facto* (though not *de jure*) independence. Though Nagorno-Karabakh has rejected such status, it has not as yet been offered this kind of horizontal relationship with the government of Azerbaijan. Azerbaijan would preserve its territorial integrity and regain the six occupied provinces. Nakhichevan's future security as part of Azerbaijan would also be guaranteed.

In addition, Aivazian continued, Turkey would acquire Armenia as a more friendly neighbor on its border, ensuring the ease of the development of the Baku-Ceyhan pipeline, among other things. Russia would continue as the most influential power in Armenia, but U.S. involvement in the security pact would reassure Azerbaijan. Finally, the United States would see the realization of two of its key foreign policy goals: a safe and practical export route for Caspian oil and the consolidation of the independence and political development of both Armenia and Azerbaijan.

Reactions to the Plan

It is perhaps ironic that Aivazian's plan is almost identical to the one presented to the parties to the conflict by the Minsk Group co-chairs in May 1997, Remler said. That plan was accepted as the basis of negotiations with reservations by both Armenia and Azerbaijan; it was, however, rejected out of hand by Nagorno-Karabakh. Thus, it is not clear, especially after recent domestic developments in Armenia, how or why the position of the Karabakh government could be expected to change. The idea of a joint American-Russian security guarantee is unlikely to be acceptable to Nagorno-Karabakh. Though there is a lot in the Aivazian proposal that is compatible with the suggestions of the Minsk Group, the main stumbling block continues to be the outright rejection by the Nagorno-Karabakh government.

Armenia's need for security guarantees against Turkey was disputed by Molla-zade. In fact, Turkey is extremely unlikely to take any action that would risk military engagement with Russia, with which Turkey has a very good relationship. Despite some occasional nationalist rhetoric, Turkey generally has a *de facto* policy of staying away from Russia's sphere of influence. Indeed, Turkey's reluctance to become engaged militarily in any way in the Nagorno-Karabakh dispute has forced Azerbaijan to change its perception of Turkey and what Turkey can or would be willing to do to help Azerbaijan. The Azeris have had to adapt their own policy toward Turkey to take into account the limits on how far Turkey will go to come to their aid. At the same time, however, Armenians can be very sure of Russia's military guarantee; historical precedents demonstrate that Russia will be there to help them.

Aivazian responded that though there are several similarities between his plan and that of the Minsk Group, there is a crucial difference: the issue of security. Security, he said, is

the touchstone of the entire search for a solution. The security solutions outlined in the Minsk plan call for a small peacekeeping force, along with meager guarantees that few believe will resist even the slightest pressure. Any plan that calls for a peacekeeping mission that is only temporary—whether for one, two, or ten years—is fatally flawed, for it is what happens *after* that mission leaves that is most important. A temporary mission simply does not give the necessary security guarantees for either Armenia or Nagorno-Karabakh.

Six

Conclusion

Security

Clearly, the absence of security guarantees is a crucial sticking point in resolving this conflict. As Charles Fairbanks of the Central Asia Institute pointed out, the Armenians believe, justifiably or not, that the rest of the world is ganging up on them, a sentiment that is further fueled by the memory of the 1915 genocide and the Turkish refusal to acknowledge it. At the same time, it is hard for Azeris to be concerned about security guarantees for Armenia as long as more than six provinces of Azerbaijan are occupied by Armenian troops. Unfortunately, it is difficult to see how this impasse is going to be broken, at least in the immediate future. An easing of the blockade—even by Turkey—would do a significant amount to break the deadlock, possibly easing the feelings of insecurity on both sides. There are Turks who would like to see their border with Armenia opened for commercial reasons, but, as Aivazian pointed out, Turkey continues to proclaim that it will not open its border with Armenia until there is a resolution to the Nagorno-Karabakh conflict, throwing the idea back again to the quagmire.

Suny suggested, with an acknowledgment of its remote possibility, that perhaps some kind of collective security arrangement for the Caucasus could be organized. This could be within NATO, or a sideline of NATO, or something wholly separate, but it would be an arrangement in which the three countries of the Caucasus would be compelled to cooperate militarily for the purposes of their own security. It may require an initiative from the United States, though it need not obligate direct U.S. participation. An official from the U.S. Department of State added that the notion is not as remote as many people may think, since within the Euro-Atlantic Partnership Council instruments are available to the newly independent states to establish collective security arrangements. Georgia is already involved, for example, in an ever-expanding network of Partnership for Peace and other related activities. Further progress in the Nagorno-Karabakh peace talks would offer new opportunities for Armenia and Azerbaijan to integrate themselves into broader European security structures.

Altstadt noted that it would be particularly helpful if some confidence-building measures could be established, not necessarily specifically relating to Nagorno-Karabakh but with the wider aim of building trust in the Caucasus. One example would be cooperation on environmental problems, which all parties to the conflict share.

Democracy Is Threatened but Remains Essential

It is perhaps ironic, Molla-zade said, that though both Armenia and Azerbaijan moved forward on democratic reforms because of the international attention paid to the Nagorno-Karabakh conflict, it is this same conflict that is now causing steps back from democracy. Today, it appears that the antagonism is an obstacle to further democratic

reforms in both countries. Oil wealth itself will not help Azerbaijan to develop as a nation, Molla-zade noted; only democracy can do that. Only the ability of both peoples to change their governments in free and fair elections will help in finding—and preserving—a long-term solution to this conflict.

Though there have been setbacks in democratic reforms in both Armenia and Azerbaijan since they gained independence in 1991, Suny said, the leaders in both countries managed to consolidate the state and its authority, bringing much-needed order and stability. It is only with a strong state that foundations such as democracy, rule of law, and market reforms can be built, as the state must have the necessary legitimacy to keep order, protect private property, enforce contracts, and so forth. Yet, at the same time that the state was being consolidated in Armenia and Azerbaijan, the governments in both countries were losing legitimacy. It may be that only after the two countries have held their next presidential elections will the necessary combination of state authority and government legitimacy will be in place to reach a settlement on Nagorno-Karabakh.

Ultimately, Suny contended, there is only one genuine and long-term solution to the Karabakh dispute: The three parties must agree that there should be a recognition of the territorial integrity of Azerbaijan, coupled with actual self-government for Karabakh by local Armenians. This matter of territorial integrity must be brought together with national self-determination and self-government. Because there is no other solution that is short of inflammatory, it is hoped that the new government in Armenia will eventually come to this conclusion itself. Sooner or later, Suny said (though unfortunately it will likely be later), Armenians and Azerbaijanis will realize that neither side can have the whole “cake” in Karabakh. The Armenians are perhaps now learning that military victory does not necessarily bring peace; Israel’s victory in the Six Day War in 1967, for example, only led to a generation of war and resistance. Only a settlement guaranteeing Azerbaijan’s sovereignty over the region, with *de facto* Karabakh Armenian control, has a chance of lasting more than a few years. This could perhaps be the beginning of an understanding of new forms of state sovereignty and self-rule, forms that are more appropriate in a post-nation-state era.

Walker agreed, maintaining that the most that can be hoped for in finding a resolution to this dispute is some form of staged agreement. The Armenian position that only a packaged settlement, or an insistence that an agreement on status must come before an agreement on other issues, is simply unrealistic. Furthermore, success will come only with direct negotiations between Baku and Stepanakert.

In the end, for a lasting settlement to be reached between these two peoples, Altstadt said, both sides must look to the future instead of the past. Instead of trying to right historical wrongs, on which there is no agreement, or avenging the deaths of ancestors, Armenians and Azeris should look to their children’s generation and devote their energies to ensuring that their children do not continue to fight and die for the same causes, passing the conflict yet again on to the next generation.

Looking to the future and not the past, however, may be a more American way of viewing human experience and not one that is easily understood by peoples so resolutely defined by their history. It is clearly and unfortunately the case that Armenians and Azeris are currently not prepared to put the past behind them. As long as these conditions remain, it

is difficult to see how the dispute between these two peoples will be resolved in such a way that it does not become ingrained in the individual and national identity of future generations. It is clear that the most plausible and realistic solution to the dispute is found in the most recent plan proffered by the OSCE's Minsk Group; it is hoped that the continued high level of international attention to the conflict over Nagorno-Karabakh will bring the parties to a lasting settlement.

About the Author

From 1994 to 1998, Patricia Carley was a program officer for the former Soviet Union and Turkey at the United States Institute of Peace, where she also worked on broader issues such as the Organization for Security and Cooperation in Europe and Western relations with the Islamic world. She is the author of several Institute publications, including *Greek-Turkish Relations and U.S. Foreign Policy: Cyprus, the Aegean, and Regional Stability* (with Tozun Bahcheli and Theodore A. Coulombis); *U.S. Responses to Self-Determination Movements: Strategies for Nonviolent Outcomes and Alternatives to Secession*; *Self-Determination: Sovereignty, Territorial Integrity, and the Right to Secession*; *The War in Tajikistan Three Years On*; *Turkey's Role in the Middle East*; and *The Future of the CSCE*. She received her B.A. in Soviet studies from the University of Texas at Austin and an M.A. from George Washington University. Her other publications include the Central Asia section of *Human Rights and Democratization in the Newly Independent States* (1993), "Turkey and Central Asia: Reality Comes Calling" in *Regional Power Rivalries in the New Eurasia: Russia, Turkey, and Iran* (M. E. Sharpe, 1995) and "The Legacy of the Soviet Political System and the Prospects for Developing Civil Society in Central Asia" in *Political Culture and Civil Society in Russia and the New States of Eurasia* (M. E. Sharpe, 1995).

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