

# Internationalising The Enclave

By Hrach Tchilingirian

**W**ith the collapse of the Soviet Union, the dispute over Nagorno-Karabakh was transformed from a domestic Soviet conflict into an international issue. Besides Russia, a number of countries—including regional players such as Turkey and Iran—and international organisations proposed various unsuccessful initiatives. The most important of these, if not the most successful, has been the Organisation for Security and Cooperation in Europe (OSCE), which, since the summer of 1992, has been actively facilitating negotiations in the form of its 11-state Minsk Group, whose co-chairmanship became a triumvirate of Russia, France and the US earlier this year.

The Nagorno-Karabakh conflict, dating from the 1920's, is one of the oldest conflicts in the former Soviet Union. Flaring up again in 1988 as a movement for unification with Armenia, by 1991 it had become a full-scale war. As the USSR crumbled, Nagorno-Karabakh declared independence in September 1991, as the "Republic of Mountainous Karabakh." It has not been recognised by any state, not even Armenia. The war claimed more than 25,000 lives on both sides, created more than 450,000 refugees in Armenia and 750,000 in Azerbaijan, and destroyed hundreds of villages. The war is not officially over; but May 12, 1997, was the third anniversary of the ceasefire. The key difficulty of the Karabakh conflict is the competing claims of Azerbaijan's territorial integrity, and Karabakh Armenians' right to self-determination. While the international community is more inclined to uphold the former, Karabakh Armenians have persistently argued that just as Azerbaijan had the legal right to self-determination through secession from the Soviet Union in 1991, they also had the right to secede from Azerbaijan.

Their leaders maintain that any solution leaving Karabakh within Azerbaijani jurisdiction is unacceptable. Baku is willing to grant a high degree of autonomy to Karabakh as part of the Azerbaijani state, but considers full independence as an infringement of its sovereignty and hence, of its territorial integrity.

Azerbaijan's refusal to recognise the Karabakh Armenians as negotiating partners remains a significant obstacle to the negotiations. Baku has consistently portrayed the conflict in purely bilateral terms, even though Karabakh representatives have been present at virtually all meetings between the two sides sponsored by the OSCE.

In more than a dozen Minsk Group meetings, the two sides have focused without results on drawing up a grand political agreement between the Armenians and the Azerbaijanis. The agenda begins with the most complex and contested issue, which is determining Karabakh's political status in the negotiations. Azerbaijan objects to anything except "broad autonomy," while Karabakh Armenians refuse any formula that would give Azerbaijan legal, political or security jurisdiction over them.

The other contentious issues are the security of Nagorno-Karabakh and its population, the guarantees to be provided by international observers and peacekeeping forces, and the establishment of a permanent land connection between Karabakh and Armenia—the Lachin corridor.

A new twist occurred at the end of 1996 when Nagorno-Karabakh figured prominently at the OSCE's Lisbon Security Summit on December 2-3. Azerbaijan wanted its territorial integrity reaffirmed in the final summit declaration, and threatened to veto the entire communiqué. Armenia then vetoed these demands. To avoid embarrassment, all reference to the Nagorno-Karabakh dispute was removed from the final document. Instead Azerbaijan's demands were included in a separate statement, drawn up against Armenia's wishes.

The statement of the OSCE Chairman-in-Office, attached as an annex to the Lisbon summit communiqué, states three key principles: 1) that the territorial integrity of the Republic of Armenia and the Republic of Azerbaijan is inviolable; 2) that the legal status of Nagorno-Karabakh will be defined in an agreement based on self-determination, conferring on Nagorno-Karabakh the highest degree of self-rule within Azerbaijan; and 3) that the security of the population of Nagorno-Karabakh will be guaranteed, including mutual obligations to ensure compliance by all parties with the provisions of the settlement.

All 53 states of the OSCE, except for Armenia, supported these principles, which became the framework for future negotiations. Although the OSCE overall lacks power to resolve the conflict, the involvement of Russia as a regional player, the US as an international player, and France, representing European interests, has given new impetus to the negotiations. In late May, the co-chairmen, including US Deputy Secretary of State Strobe Talbott, director of political and security affairs at the French Foreign Ministry Jacques Blot, and head of the Russian delegation Valentin Lozinsky, visited Yerevan, Baku and Stepanakert and presented supposedly new proposals to the conflict parties. The contents of the proposals were not made public, but a political advisor at the French Embassy in Armenia described them as "neither pro-Armenian, nor pro-Azeri, nor pro-Karabakh." Currently, the co-chairmen are waiting for responses from the sides to restart the negotiations.

In mid-June, Minsk Group negotiators Yuri Yukalov (Russia), George Vojiet (France), and Lynn Pasco (US) also visited the region to get responses from the May proposals. Details of these were leaked to the press by Azerbaijani State Adviser Vafa Guluzade. According to him, under these proposals Karabakh would receive autonomous status within Azerbaijan, with its own constitution, and with its security guaranteed by the international community. Karabakh would



Downtown Stepanakert . . . damage in Nagorno-Karabakh during the war

Credit: Martin Adler/Panos

reduce its own armed forces and withdraw from five regions in Azerbaijan, including Shusha and Lachin, which will be leased and policed by the OSCE. Finally, Karabakh would become a free economic zone.

On previous form, the Karabakh leadership is unlikely to accept these provisions as they stand, particularly the prospect of remaining within Azerbaijan. While the responses received from the parties to the conflict are being processed by the co-chairmen, a test of the Minsk Group's effectiveness will be whether it can shift the current negotiations from multilateral to direct talks between Azerbaijan and Karabakh.

**An OSCE Peacekeeping Mission?** In December 1994, at the Budapest Summit, the OSCE established a High Level Planning Group (HLPG) under the direction of the Chairman-in-Office to plan a peacekeeping mission to Nagorno-Karabakh and the conflict region, based on "traditional peacekeeping" missions, such as the UN Protection Force (UNPROFOR) in Croatia and Bosnia.

To date, the HLPG has produced documents that include basic concepts for the operation and an assessment of the work of previous groups and a report on the conflict zone based on two-week reconnaissance trip to the area.

Major-General Heikki Vilen, head of the HLPG, commented that "there can be no deployment of peacekeepers unless a political agreement is signed assuming the cessation of hostilities and ceasefire in the area. The operation will be launched only with the consent and at the request of the parties, which means that they will actively cooperate with the peacekeeping forces and thus guarantee their security". This mission would "last for a certain period of time only."

OSCE military observers believe that the basic conditions are present in the enclave to allow the forming of a peacekeeping mission, since both Armenians and the Azerbaijanis are tired of the conflict and the war has caused enormous economic difficulties.

**Three Years of Ceasefire.** The ceasefire process has provided a cooling-off period and has afforded time to strengthen governmental infrastructure in Azerbaijan, Armenia and Karabakh. In addition to the war, these new republics have had to embark on the transition from state-controlled to free market economies, and, since independence, the state-building process. Unfortunately, both sides have used the ceasefire to re-arm.

The ceasefire has particularly helped Azerbaijan's economy, which registered record growth in the last two years. Foreign investment rose five-fold in 1996 to \$342 million, mostly in the oil sector. The European Bank for Reconstruction and Development estimated that after five years of decline, Azerbaijan's economy grew 1.2 per cent in 1996, rising toward 5 per cent in 1997. This pace of expansion could accelerate in 1998 and 1999 to between 7 and 8 per cent.

As for Karabakh, in April 1995 the government in Stepanakert estimated that the war has caused an estimated \$2.5 billion damage to its economy and infrastructure. Unlike Azerbaijan, Karabakh's economy is shrinking, and it relies heavily on Yerevan for financial assistance. Its state budget for 1997 is \$20 million, \$13 million of which will come from Armenia in the form of long-term credit, to cover basic needs such as social welfare, education and health.

Despite recent military tensions, a return to open hostilities between Armenians and Azerbaijanis remains unlikely for now. Each side knows that any offensive attack would entail heavy losses and very few gains and that it would also threaten both Armenia's fragile economic recovery and the prospective oil-based boom in Azerbaijan.

The OSCE will continue to serve as the primary forum for negotiations. But it seems that Russian and US influence, exercised through the triumvirate chairmanship, will provide the most likely means to bring the conflicting sides to compromise positions and the road to agreement.

## The OSCE's Minsk Group must now try to open direct talks between Karabakh and Baku

Hratch Tchilingirian is a Ph.D. candidate at the London School of Economics.