

Regional Security and the Nagorno-Karabakh Conflict*

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Resumo

Existente há mais de uma década, o conflito entre a Arménia e o Azerbaijão sob o enclave de Nagorno-Karabakh tem afectado a segurança e a estabilidade da região. Enraizada em aspectos étnicos, políticos e económicos, as pretensões distanciadas dos partidos e posições intratáveis, dificultaram a busca de uma solução política. A combinação de uma situação permanente de conflito, com os movimentos em massa da população, a instabilidade económica, as dificuldades sociais e as práticas autoritárias, constituem um enorme desafio para a segurança da região. Aliado aos interesses competitivos dos poderes externos, incluindo o Irão, a Turquia, a Rússia e os Estados Unidos, a situação permanece altamente volátil. Neste contexto de tensão e inter-relação dos desafios e riscos, a conjugação de interesses e exigências em conflito tornou complexo o alcance de um entendimento político. Isto, juntamente com as implicações humanas e materiais do conflito, foi discursado fundamentalmente pelos esforços de mediação da Organização para a Segurança e Cooperação na Europa (OSCE), pelo Grupo Minsk e pelas actividades do Alto Comissariado das Nações Unidas para os Refugiados (UNHCR).

Perante uma situação política, socio-económica e humanitária problemática, quais foram as principais posições e limites destes esforços internacionais? Até que medida pode a conjugação de actores internos e externos promover a segurança e estabilidade regional, contribuindo para o estabelecimento político do conflito de Karabakh. E como é que o contexto regional de instabilidade afecta o processo de negociações e as iniciativas operacionais promovidas por estas organizações internacionais? Ao procurar respostas para estas questões, este artigo pretende perceber os esforços internacionais rumo à descoberta de um entendimento político para o conflito de Nagorno-Karabakh, como um aspecto fundamental para a promoção da estabilidade e bom governo no Cáucaso, questionando meios e procedimentos, clarificando progressos e falhas e sugerindo possíveis alternativas.

Abstract

Raging for more than a decade, the conflict between Armenia and Azerbaijan over the Nagorno-Karabakh enclave has been affecting the security and stability of the region. Rooted in ethnic, political and economic aspects, the distanced parties assumptions and intractable positions have rendered difficult the finding of a political solution. The combination of an enduring conflicting situation with massive population movements, economic imbalances, social difficulties and authoritarian practices constitute a major challenge to the region's security. Allied to the competing interests of outside powers, including Iran, Turkey, Russia and the United States, the situation remains highly volatile. In this context of tension and interrelation of challenges and risks, the conjugation of conflicting interests and demands has rendered complex the achievement of a political agreement. This, together with the human and material implications of the conflict have been addressed particularly by the mediating efforts of the Organisation for Security and Cooperation in Europe (OSCE) Minsk Group and by the activities of the United Nations High Commissioner for Refugees (UNHCR).

In the face of a problematic political, socio-economic and humanitarian situation, which have been the main possibilities and limitations of these international efforts? To what extent might the conjugation of internal and external actors promote regional security and stability, contributing to the political settlement of the frozen Karabakh conflict? And how does the regional context of instability affects the negotiations process and the rendering operational of initiatives promoted by these international organisations? In searching answers to these questions, this article aims at understanding the international efforts towards the finding of a political agreement to the Nagorno-Karabakh conflict, as a fundamental aspect for the promotion of stability and good governance in the Caucasus, questioning means and procedures, clarifying advances and failures, and suggesting possible alternatives.

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Introduction

The end of the Cold War and the dismemberment of the Soviet Union had profound implications on the geopolitical and strategic policies of the Caucasus, with the emergence of new states along with new opportunities and difficulties. The collapse of Soviet ruling, which provided an artificial sense of order and stability, allowed the surfacing of old disagreements and rivalries that, in several places, have escalated into armed confrontation. Raging for more than a decade, the conflict between Armenia and Azerbaijan over Nagorno-Karabakh inscribes itself in the post-Soviet scenario of instability, affecting the security and stability of the region.

The combination of an enduring conflict situation, rooted in ethnic, political and economic aspects, and involving massive population movements with economic imbalances, social difficulties and authoritarian practices constitutes a major challenge to the region's security. Allied to the competing interests of outside powers, including Iran, Turkey, the European Union (EU), Russia and the United States (US), and to the fact that the last two are part of the official mediating team led by the Organisation for Security and Cooperation in Europe (OSCE), the situation remains highly volatile. In this context of tension and interrelation of challenges and risks, the conjugation of conflicting interests and demands has rendered complex the achievement of a political agreement. This, together with the human and material implications of the conflict have been addressed, in particular, by the mediating efforts of the OSCE Minsk Group, which became involved in 1992 aiming at the promotion of security and the building of the necessary confidence to the finding of a political settlement, and by the activities of the United Nations (UN), and in particular those of the High Commissioner for Refugees (UNHCR), whose role focus on the various facets of humanitarian assistance, in particular refugees and large-scale internal displacement, as an important dimension of the political settlement.

In the face of a problematic political, socio-economic and humanitarian situation, which have been the main possibilities and limitations of these international efforts? To which extent might the conjugation of internal and external actors promote regional security and stability, contributing to the political settlement of the frozen Karabakh conflict? And how does the regional context of instability affect the negotiations process and the rendering operational of initiatives promoted by these international organisations? In searching answers to these questions, this paper aims at understanding the international efforts towards the finding of a political agreement

to the Nagorno-Karabakh conflict, as a fundamental aspect for the promotion of stability and good governance in the Caucasus, questioning means and procedures, clarifying advances and failures, and suggesting possible alternatives.

Background to the conflict

Nagorno-Karabakh or “mountainous black garden”, an ethnically Armenian enclave within Azerbaijan, voted in February 1988 to secede from Azerbaijan and join Armenia. The demands for independence rested on claims about Azerbaijani ethnic aggression and discriminatory political and economic practices towards the area. Baku rejected the Karabakh Armenian demands and in a scenario of increasing instability, including the declaration of independence of the Nagorno-Karabakh republic on 2 September 1991, armed hostility became unavoidable. Initially, Azerbaijani forces controlled Stepanakert, the enclave’s capital, and occupied most of the territory. However, the 1992-1993 Armenian counter-offensive led to the seizure of the whole enclave and adjacent areas, a situation extended to these days, resulting in the Azerbaijani loss of about twenty per cent of its territory. In the armed clashes between 1988 and 1994 more than 30 thousand people died and thousands other abandoned their homes.

After the 1994 cease-fire brokered with the intervention of the Russian Federation, the search for a political settlement to the conflict has been difficult due to the parties’ distanced assumptions and intractable positions. While Nagorno-Karabakh demands full independence, Azerbaijan conceives only of granting a broad autonomous status to the enclave. In addition, Azerbaijan demands the withdrawal of the Armenian forces and the restoration of the country’s territorial integrity before discussing issues relating to the Karabakh status or the re-establishment of economic relations with Armenia. The core of the conflict is territorial and a solution must preserve Azerbaijan’s territorial integrity and sovereignty, granting self-governance to the people of Nagorno-Karabakh within the Azerbaijani state. Moreover, Baku considers Nagorno-Karabakh not to be a party to the conflict, since the latter is a dispute between Armenia and Azerbaijan, thus it does not envisage conducting negotiations with the enclave’s self-proclaimed leaders. All official acts taking place in Nagorno-Karabakh, including elections and referenda, are not recognised by the Azerbaijani authorities, which describe them as having no international legal effect. This posture has substantially conditioned

advances in the negotiations due to the exacerbation of the parties' different positions, described as pursuing an "all or nothing strategy"¹.

For Armenia, Nagorno-Karabakh "will never be a part of Azerbaijan"². Yerevan is not willing to discuss withdrawal from Azerbaijani territories until Nagorno-Karabakh is recognised as independent. For the Nagorno-Karabakh authorities, a peace settlement must have the republic's consent, thus its participation in the negotiations is considered mandatory, and must not entail vertical subordination to Baku. For Askadii Ghukasian, president of the unrecognised republic, Nagorno-Karabakh has to be a part in the talks³.

Armenia has been supporting Stepanakert with economic and military assets, rendering the secessionists position more inflexible, and aiming at the country's participation in any relevant oil transportation systems that might be defined for the area. The natural resources of the region, particularly the discovery of large hydrocarbon fuel reserves and the construction of pipelines in the proximity of the area in conflict, are fundamental elements in the protracted character of the negotiations, where both parties demand economic, strategic and political advantages from a negotiated solution, opposing interests that have been hard to reconcile. In addition, Karabakh Armenians have been "independent" for more than ten years, calling into question the advantages of signing an agreement worse than the present compromise. The attributes of statehood, internal sovereignty and empirical statehood are therefore no longer negotiable in practice⁴. This bargaining and concessions versus demands process has been taking place in a context of economic difficulties, social problems and authoritarian practices by the ruling governments, both in Armenia and Azerbaijan. These, by not having diplomatic or economic relations, render more complex the geoeconomic bargains in the area.

In fact, landlocked Armenia has scarce natural resources, faces political mismanagement and corruption, is engaged in a difficult transition process towards a market economy and the majority of its population lives below the poverty line⁵. The violent 1988

1 Rexane Dehdashti (1997), "Nagorno-Karabakh: A Case-Study of OSCE Conflict Settlement" in Michael Bothe, Natalino Ronzitti and Allan Rosas (eds), *The OSCE in the Maintenance of Peace and Security: Conflict Prevention, Crisis Management and Peaceful Settlement of Disputes*, The Hague: Kluwer Law International, p. 477.

2 Armenian President Robert Kocharian cited in "Armenia/Azerbaijan: OSCE to rekindle Nagorno-Karabakh talks", Radio Free Europe/Radio Liberty (RFE/RL), 6 March 2002.

3 "Azerbaijan again rules out talks with Karabakh officials", RFE/RL, 2 July 2003.

4 Dov Lynch (2002), "Separatist States and Post-Soviet Conflicts", *International Affairs*, Vol. 78(4), p. 848.

5 68% of the population lives below or only marginally above the poverty line, European Union - Country Strategy Paper 2002-2006 and National Indicative Programme 2002-2003, Republic of Armenia, 27 December 2001, p. 9.

earthquake that affected 40% of Armenian territory and one-third of its population, further aggravated the existing difficulties. In addition, the Karabakh conflict prompted a severe energetic crisis and an economic blockade which has led to the collapse of Armenian industrial capacity. Azerbaijan is doing slightly better, benefiting from its natural resources and access to the Caspian sea, though it also faces serious economic and social problems, which in part are a result of the prolonged conflict situation, in particular the issue of refugees and internally displaced persons (IDPs).

The understanding of the complexities entrenching the conflict requires also the analysis of the role of external players, which might either constitute an adjuvant force or instead hamper the rapprochement of the parties in conflict. "The new 'great game' for Caspian oil made the three states of the region 'local players' in the geopolitics of the South Caucasus", rendering the political setting to follow economic and geopolitical lines rather than cultural and geographical aspects⁶. Regional powers, such as Iran and Turkey, as well as Russia, the United States and the European Union have all voiced their concern for the continuing hostility. The search for a settlement as a precondition for stability in the Caucasus is generally understood by these states as a prerequisite for the building of security. The content of this settlement, however, reveals the differences regarding politico-economic and strategic options and the overlapping interests of these countries regarding the area's energetic resources.

Turkey and Iran as neighbouring countries of the conflicting area are concerned about the possible resumption of armed hostility as a way of deepening antagonism, rendering more difficult the achievement of a political settlement, and most probably causing a new wave of refugees, with direct consequences in their economies and domestic stability. While Turkey has been pro-Azerbaijani, supporting Baku militarily, economically and diplomatically, the Iranian pro-Armenian positioning prefers a weak Azerbaijani republic on its northern flank, given the presence of a large Azerbaijani minority in the country⁷.

Turkey has joined Azerbaijan in its economic blockade over Armenia, and, along with Baku, Ankara also refuses to re-establishing diplomatic relations with Armenia. Turkey has been linking the lifting of the blockade to Armenia to the settlement of the Karabakh conflict despite the Turkish business community appeals for reactivation of the trade links

6 Revaz Gachechiladze (2002), "Geopolitics in the South Caucasus: Local and External Players", *Geopolitics*, Vol. 7(1), pp. 114-115.

7 "The Nagorno-Karabakh Crisis: A Blueprint for Resolution", A Memorandum Prepared by the Public International Law and Policy Group and the New England Center for International Law and Policy, Washington DC, June 2000, p. 12.

across the border with Armenia. Turkey's main economic interest in the area is the construction of an oil export pipeline from the Azeri oil fields to the Turkish Mediterranean port of Ceyhan. Politically, Turkey aims at strengthening ties with the Turkic-speaking former Soviet republics of Azerbaijan, Turkmenistan, Kazakhstan, Uzbekistan, and Kyrgyzstan, thus supporting Azerbaijan, a country ethnically close to the Turks. Nevertheless, this Turkish policy is bound to certain restraints. On the one hand, Turkey has to be careful not to endanger its relation with Russia, where it has important commercial interests. On the other hand, Turkey should not distance itself too much from the American and European policies, out of consideration of its military dependence on the US and of its intention to become a member of the EU. Thus, Ankara has to carefully balance its interests in the area.

Iranian leaders fear that an independent, oil-rich and affluent Azerbaijan might negatively influence the well-integrated Azerbaijani minority in the country (10 to 20% of the Iranian population) and that Azerbaijani nationalism might put into jeopardy the integrity of the Iranian state in the long term. Therefore, the partiality of these countries towards the Nagorno-Karabakh conflict does not allow hopes for a constructive neutral engagement in any resolution proposals.

As for Russia, its interests in the area are well known. For the past two centuries Russia has been the protector of Armenia and its most important ally. It envisages to keep control of energetic resources and to maintain its military bases in the country, while avoiding an enlarged involvement by third states. The existing strategic and military cooperation between Yerevan and Moscow is seen in Armenia as an important factor for the country's economic progress and as a guarantee of its security⁸. The territories of Georgia, Armenia, Azerbaijan and the secessionist Nagorno-Karabakh serve as a buffer for Russia against intrusion from Turkey and Iran. Therefore, it is in the interest of Russia to minimize the influence of the latter two countries in the region and to extend its military power in the Caucasus. Additionally, Russia not only seeks to profit economically from the recently discovered oil and gas reserves under the Caspian sea, but also to gain domination over the energy sources and lines of supply from the Caspian basin as an instrument of global power⁹. Thus, Moscow carefully balances its relationship with the west, with the maintenance

8 Ministry of Foreign Affairs of the Republic of Armenia, "Armenia's Foreign Relations in 2003: A Summary", p. 3.

9 "The Nagorno-Karabakh Crisis: A Blueprint for Resolution", A Memorandum Prepared by the Public International Law and Policy Group and the New England Center for International Law and Policy, Washington DC, June 2000, p. 11.

of political, military and economic influence in the Caucasian region. In addition, Moscow and Ankara face serious secessionist threats within their countries, thus their support for the expeditious political settlement of the conflict respecting the territorial integrity of Azerbaijan.

As for the US and the EU, stability in the Caucasus is fundamental as concerns an alternative provider of energetic resources, and in the global fight against terror, justifying their increased involvement in the region's problems. While Washington has been able to influence developments both at the politico-diplomatic and economic level, the EU has been extending its support to the area, mainly through economic channels. The EU's political engagement grew only when the conflict threatened to spill over to other areas in the region, and in direct relation to the increased western interest in Caspian oil. It has been framed within the Union's "European Neighbourhood Policy", as a general commitment to assist these countries in implementing political and economic reforms. Moreover, the EU states seek for an alternative transportation route for trading oil and gas from the Caspian and Central Asia to Europe, therefore the EU has clear political interests in fostering regional cooperation and in the finding of a political settlement to the Karabakh conflict. "In all of these conflicts, we have not had substantial progress for too long, and we think that this is not only a great problem for the populations concerned - both politically and economically - but a source of threat to the international community, which the international community can no longer afford"¹⁰. However, none of the EU member states has been able to exert notable influence on the peace process¹¹.

As for the US, it has been seeking for long-lasting stability in the southern Caucasus, facilitating its participation in the exploitation of Azerbaijani oil and gas resources, while allowing the establishment of an energy corridor through Azerbaijan, Georgia and Turkey as an alternative to supply lines through Iran, Iraq and Russia. Nevertheless, in the pursuit of its objectives, the US has to take into account the interests of its NATO ally - Turkey - as well as the fact that the region is known as the "backyard" of Russia, demanding the incorporation of Moscow's interests in the peace-building process. The US has been assisting Armenia regarding the implementation of programmes of regional cooperation, the development of a free market economy, democracy building and the provision of

10 Diego D'Ojeda, European Commission spokesman cited in "Caucasus: Is the EU neglecting the region's strategic importance?", RFE/RL, 13 March 2003.

11 Tigran Martirosyan, "A job half done: mediators have contributed considerably to conflict management in Nagorno-Karabakh but have so far failed to address the goals of conflict settlement", Transitions Online, 5 June 2003.

humanitarian and development assistance. Armenia is the highest per capita recipient of US aid among the former soviet republics. As for Azerbaijan, Washington understands that if the country becomes a democratic state it might have impact on other Muslim countries. Being a US ally, this can be seen as a benchmark for prospects of democratisation in the Islamic world, especially in oil-rich countries¹². Nevertheless, Washington supports Baku only in political terms, since the Azeri blockade on Armenia, declared illegal, impedes US economic aid to the Azerbaijani government.

Underlining the advantages that might arise from the finding of a political settlement, particularly regarding economic aspects and social development, the US and the EU's pressure over the energetic assets of the region might constitute a catalyst for progress in the Karabakh negotiations. In fact, the international market for Azerbaijani oil has been growing, demonstrating the prospects of economic recovery if peace prevails¹³. The economic factor might, therefore, be a fundamental bargaining element towards the finding of a political settlement, all the more that the economic situation of the parties directly involved in the conflict is not encouraging.

In parallel to these competing interests, international involvement in the conflict has extended to international organisations, such as the OSCE and the UN, which have been directly dealing with the politico-military and human aspects of the conflict. Underlining their activities is an encompassing understanding of security, as comprising not only a hard military dimension, but also a softer one involving social and economic aspects. This means a shared approach regarding the multidimensional character of the conflict as well as of an eventual solution to it. Therefore, agreement on a political solution should entail besides the traditional diplomatic bargaining and negotiable proposals, measures to diminish distrust and improve the general socio-economic conditions, raising awareness about the benefits arising from the finding of a final solution. These initiatives should include human and material aspects as confidence-building measures (CBMs) aiding in the political process.

Searching for an encompassing solution, involving the political settlement, demilitarisation and human-related measures, these international efforts have found many obstacles to their actions. The following section focuses on these international organisations' involvement, by analysing their mandates and operational capability, and

12 See Ministry of Foreign Affairs of the Republic of Armenia, "Armenia's Foreign Relations in 2003: A Summary", p. 3; and Zeyno Baran (2003), "Way Ahead", *Baltic Defence Review*, Vol. 3 (special issue), p. 65.

13 Brenda Schaffer (2003), "Nagorno-Karabakh: Writing a UN Wrong", *Christian Science Monitor*, www.csmonitor.com.

questioning possibilities and limitations regarding their contribution to the building of stability and regional security.

International involvement

The UN and the OSCE involvement in Nagorno-Karabakh has proceeded in a spirit of cooperation. The UN did not become a direct mediator to the Nagorno-Karabakh conflict, delegating the mediation mission to the OSCE and offering its support regarding the deployment of an OSCE peacekeeping force once a peace accord was signed. Although the Security Council remains aware of developments and the Secretary-General is requested, in consultation with the CIO of the OSCE and the chairs of the Minsk Group, to continue to report to the Council concerning the situation in Nagorno-Karabakh, the Security Council has not acted further on the conflict, opting instead to allow the OSCE (through the Minsk Group) to pursue the settlement process between the parties to the conflict.

In the field, the OSCE offices have been collaborating with UN personnel, particularly from the UNHCR regarding the promotion of human rights and democracy, the return of displaced persons, and police training¹⁴, benefiting from UN expertise and experience. Regular meetings, exchange of information on the humanitarian situation and CBMs are the main areas of co-operation. The inputs the OSCE Personal Representative is able to provide on the situation in Nagorno-Karabakh are of particular importance since the UN agencies have no access to these areas, conferring on the OSCE's involvement a particular comparative advantage.

The following sections analyse the role and activities of these organisations in the field, matching the wording of their mandates with the fieldwork they have been carrying out, allowing the discussion of their possibilities and limitations in the Karabakh issue.

The United Nations

Within the ample scope of UN activities, humanitarian action emerges as a fundamental pillar in the organisation's aim to give peace a more secure foundation. Article I of the

¹⁴ See for example, Christophe Beau and Jens-Hagen Eschenbacher (2004), "The OSCE and Internal Displacement: A New Momentum", *Helsinki Monitor*, Vol. 15(1), pp. 13-22.

UN Charter proclaims that one of the purposes of the organisation is achieving international cooperation in the promotion of human rights and fundamental freedoms for all without distinction as to race, sex, language or religion¹⁵. Established by the General Assembly in 1951, the United Nations High Commissioner for Refugees has assumed an important role in the protection of refugees and IDPs, and in the promotion of durable solutions to their problems, as further analysed. More recently, in 1992, in response to the growing international concern at the large number of IDPs throughout the world and their need for protection, the UN Commission on Human Rights requested the Secretary-General to appoint a Representative on Internally Displaced Persons. His work has been focusing on the development of a normative framework, since while there is a clear legal framing for the situation of refugees, the same does not apply to IDPs; and on the provision of the necessary means for assessing the extent to which the protection, assistance and development needs of IDPs are being met and for engaging in solution-oriented dialogue with the governments and institutions concerned¹⁶. Without a clear mandate for concrete actuation, the UN Representative on IDPs work in Armenia and Azerbaijan has amounted to monitoring and reporting, in close collaboration with the UNHCR, which has been the leading institution.

The problems with refugees and IDPs are central to the political settlement of the Karabakh conflict, since the massive displacement of populations resulting from the armed hostility, and which has extended to these days, poses serious strains to the Armenian-Azerbaijani relationship¹⁷.

15 United Nations (1992), *Basic Facts about the United Nations*, New York, p. 151.

16 See UN, Representative of the Secretary-General on Internally Displaced Persons (Mandate and Activities), and Guiding Principles on Internal Displacement, UN Doc. E/CN.4/1998/53/Add.2, 1998, www.un.org.

17 According to the 1951 UN Convention on the Status of Refugees, “refugee” refers to a person who “owing to a well-founded fear of being persecuted for reason of race, religion, nationality, or membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country”. See United Nations Convention on the Status of Refugees, 1951, article 1. As for the notion of “internally displaced person”, the international community has not yet established a formal and legal definition of the term. IDP is, however, used to denote those persons who, as a result of persecution, armed conflict or violence, have been forced to abandon their homes and leave their usual place of residence, though remaining within the boundaries of their own country. See Teresa Cierco (2002), *O Conceito de Refugiado e o Asilo na Perspectiva das Relações Internacionais: O Caso da União Europeia*, Universidade do Minho, Braga.

The UNHCR: addressing the human implications of the conflict as a fundamental dimension towards the building of regional stability

The world's response to the problem of forced displacement, and the UNHCR's role in relation to that problem, have significantly changed during the past decade. Until the mid to late 1980s, the international community was primarily concerned with cross-border refugee movements, and devoted most of its efforts to providing protection and assistance to refugees in the countries of asylum to which they fled. During this period, there was a broad international consensus that the UNHCR could only fulfil its humanitarian and non-political status by confining its activities to those countries of asylum and by responding to refugee movements once they had taken place. Any effort to address the problems of human insecurity and displacement within countries of origin, it was agreed, would have involved the organisation in activities which fell beyond the scope of its mandate.

In recent years, a number of different factors have combined to bring about a fundamental reassessment of this traditional approach to the refugees problem¹⁸. This includes the mounting concern of host and donor countries about the financial and other costs incurred in providing refugees with indefinite protection and assistance, and their growing unwillingness to admit large numbers of displaced people; a growing awareness that refugee movements can constitute a serious threat to national, regional and international security; the changing military and strategic value of refugee populations in the post-cold war period; an initial willingness amongst some of the world's more powerful states to intervene in countries affected by acute political and humanitarian crisis, particularly when those states are weak or have some strategic significance; a recognition of the need to protect, assist and find solutions for groups of uprooted and vulnerable people other than refugees, especially those who are displaced within their own countries; and, a desire to consolidate peace and prevent the recurrence of violence in war-torn societies through measures designed to ensure the return and effective reintegration of displaced populations.

As a result of these and other developments, a new international consensus has emerged, recognising the need to address humanitarian problems within countries of origin and to avert those situations in which people are obliged to abandon their homes in order to survive. Thus it has been proposed that the traditional right to asylum,

18 UNHCR (2000), *The State of the World's Refugees: A Humanitarian Agenda*. Oxford: Oxford University Press, p. 40.

as enshrined in the Universal Declaration of Human Rights and other international instruments, should be joined by the right to stay in one's own country and community, in conditions of physical, material, legal and psychological security. There was a widespread belief at the beginning of the 1990s that the international community would be able to uphold its commitment to maintain peace and security in the world's less stable regions, thereby addressing the problem of forced displacement in a more proactive manner and realising the right of people to live safely in their home country. The UN Secretary General's 1992 "Agenda for Peace", for example, evoked the establishment of a collective security system which would be capable of bringing stability to troubled regions by, if necessary, imposing the peace upon conflicting parties. Since that time, however, the mixed results of UN-mandated military operations in countries such as Somalia and former Yugoslavia have led to a very evident retreat from the more ambitious and interventionist approach of the early 1990s. As these examples suggest, the world's more powerful states are becoming increasingly reluctant to take the decisive action that is sometimes required to avert political crises and bring an end to massive human rights abuses.

UNHCR involvement in Armenia and Azerbaijan

Given the artificial relevance of the legal status of the uprooted populations in the Caucasus, the UNHCR should not attempt to make its continued presence there contingent upon traditional mandate considerations. Instead, the organisation should plan the engagement of limited resources to address selectively actual and potential population displacement problems in the region. In fact, the IDPs and refugees situation in Armenia and Azerbaijan differ, requesting a different approach from the organisation. This, not taking place in isolation, is pursued in a complex framework, where national policies, political will and external pressures play their part, affecting the UNHCR's role and performance in the area.

Armenia

According to Armenian sources, an estimated total of about 72 000 people were displaced as a result of military operations in areas bordering Azerbaijan due to the Nagorno-Karabakh conflict. By the end of 2001, more than 264 000 persons - virtually all ethnic Armenians who fled Azerbaijan during the 1988-1993 war - were living in refugee-like

circumstances in Armenia. The vast majority was eligible for Armenian citizenship, faced little or no threat of forced return to Azerbaijan, and had largely integrated into Armenia. Ten years passed over the cease-fire agreement and most of the refugees from Azerbaijan have opted to locally integrate in Armenia.

In the absence of a peace settlement with Azerbaijan over the status of Nagorno-Karabakh, Armenia has taken steps to locally integrate the more than 300 000 ethnic Armenians who fled Azerbaijan in the early 1990s, offering them citizenship, a process in which it enjoys support from the UNHCR. Under article 10 of the 1995 Law on citizenship ethnic Armenians who are registered with the government as refugees from Azerbaijan may apply for Armenian citizenship. The government completed regulations to implement the citizenship law in 1998. Since then, more than 48 000 Armenian refugees have naturalized, a number that, nevertheless, represents less than 20% of the eligible refugee population.

Many are hesitant to naturalize because they fear relinquishing property left behind in Azerbaijan, losing subsidized housing and other assistance (which is actually needs-based, regardless of status), or being conscripted into Armenia's military (from which refugees are exempt). To allay fears among refugees that acquiring citizenship would result in the loss of social benefits, the government adopted a new law in December 2000 to provide social and economic guarantees for Armenian citizens who had been forcibly displaced from Azerbaijan. In this regard, the UNHCR's overall role in Armenia might be described as one of quality assurance. In the field of asylum development, the UNHCR has been providing its expertise and advice through its analysis of "gaps" between the national legislation and international standards and norms, allowing the setting out of a roadmap for further improvement of the existing asylum framework. The scope of such legislative advice has also extended to comments on various forms of draft constitutional amendments as part of the ongoing constitutional reform process. Concurrently with legislative improvement, the UNHCR has also been working closely with the government of Armenia to ensure access to fair and effective asylum procedures.

Of particular concern to the UNHCR in the legislative domain, has been a lack of focus on protection mechanisms for housing rights, since the physical construction of permanent shelter units alone will not solve the housing problem of refugees. There has to be an accompanying legal framework to protect the housing rights of vulnerable individuals. Only when the "hardware" (physical construction of housing units for most vulnerable refugees) and the "software" (legal protection of housing rights) are combined can there be an overall solution to refugee shelter as an important component of local integration.

UNHCR activities in Armenia have significantly contributed to bring a durable solution to the refugee's problem in Armenia. After providing emergency relief to many refugees in the country, UNHCR assistance shifted in the course of 1994 towards local integration. In addition to providing adequate shelter to some of the most vulnerable refugees, the housing construction programme has also contributed to the stabilization of these populations and prepared the ground for rehabilitation and development work. Much of the positive impact made by the UNHCR in Armenia might be attributed to effective project planning, delivery and monitoring that has extensively involved nationals. Solid cooperative relations with government authorities have allowed for the development of a reliable local needs assessment and monitoring capacity. Later, it has encouraged the governmental deployment of refugee officers throughout the country. The UNHCR field staff has been working together with these refugee officers to assess local needs, formulate small projects and monitor their implementation.

Azerbaijan

In Azerbaijan, about ten percent of the total population is designated as IDPs, with the UNHCR having registered about 7 000 refugees and asylum seekers. Because Armenian forces continue to control Nagorno-Karabakh and the surrounding provinces, the vast majority of the displaced cannot return to their home regions. However, the Azeri government will not engage in the permanent resettling of these refugees because that would amount to a tacit acceptance of defeat in the still unresolved conflict with Armenia. The result is that Azerbaijani refugees from the Karabakh war are "trapped in limbo"¹⁹, firstly as victims of a conflict forcing them out of their homes, and now victims of a political game which is not of their making. The human problem has been used to show the international community the dramatic consequences of the conflict and the urgent need for financial aid. But that limbo cannot continue for much longer. Foreign aid agencies which have poured food and materials into the refugee camps for years are pulling out, arguing that they can no longer justify the expenditure when there is more urgent need elsewhere. As Knut Kaspersen, head of the International Red Cross in Azerbaijan argued, "now that the support is dwindling... the government is faced with real problems because they are having to deal with this themselves"²⁰.

19 Christian Lowe, "Trapped in Limbo: Azerbaijan's forgotten refugees", Agence France Press (AFP), 15 August 2001.

20 Ibid.

In May 1999, the Azeri government passed a law on the “Social protection of forcibly displaced persons and persons equated to them” which, on paper, grants refugees, IDPs, and formerly deported Meskhetian Turks access to health care, primary and secondary education, and social services equalled to those of national citizens. However, in practice, refugees and IDPs have been reporting the payment of fees for the services, including schooling and medical care, services which were supposed to be free under the wording of the law. However, neither the means nor the facilities to implement the law have yet been allocated by the government and the UNHCR has been obliged to pursue its work of providing basic assistance to refugees.

The ambiguous attitude of the government of Azerbaijan towards the UNHCR’s assistance to the populations displaced from Nagorno-Karabakh is an example where continued humanitarian assistance may serve unintended political objectives. Authorities in Baku are reluctant to allow the local integration of the displaced populations, which they fear would be tantamount to accepting the territorial status quo, and favour instead emergency relief. While the legitimacy of the Azerbaijani claim to territorial integrity is understandable, the UNHCR cannot in the longer term meet expectations that discount the welfare of the displaced populations. In this case, the conflicting parties have attempted to use the UNHCR to achieve greater political leverage. Clearly, such situations are not uncommon and may be unavoidable. It is important, however, that UNHCR conveys to all concerned that it is willing to be a party to solutions, not to protracted confrontation.

The local conditions have set the UNHCR to continue its activities to improve the living conditions of urban IDPs within the Poverty Reduction Strategy Programme of the government of Azerbaijan with the support of the World Bank, although on a reduced scale, and to phase down its direct assistance to IDPs by the end of December 2004. In fact, the UNHCR has been working towards the gradual handover of its assistance to IDPs to development agencies, and to focus on providing protection and assistance to the increasing number of asylum seekers and refugees. While the absence of a solution to the conflict over Nagorno-Karabakh demands a continued involvement, the UNHCR has considerably scaled down the programme, advocating a greater involvement by other actors. A concrete outcome was the establishment of the Social Investment Fund for IDPs in close collaboration with the World Bank, UNDP and bilateral partners. The shortage of funding has, nevertheless, limited the UNHCR’s ability to induce further involvement by other partners.

The OSCE's Minsk Group: searching for a political solution

The Conference on Security and Cooperation in Europe (CSCE)²¹ became involved in the Karabakh issue through the Minsk Process, back in 1992, at a time when the armed hostilities between Armenia and Azerbaijan marked the unstable situation in the region. With the mandate to define the framework for negotiations, the Minsk Process aimed at obtaining the parties' agreement on the cessation of the armed hostilities, allowing the convening of the Minsk Conference to discuss the settlement of the conflict, and promoting the peace process by deploying OSCE multinational peacekeeping forces²². The Minsk Conference, however, never took place. Disagreement regarding the status of Nagorno-Karabakh in the negotiations – either participating directly or being represented through the Armenian delegation –, a major impediment to progress, has been overcome in the July 1992 meeting of the Minsk Group²³, which decided on the direct participation of representatives from the enclave in the meetings relating to the settlement process. Nevertheless, this participation has been marked by several interruptions, generally following the advances and setbacks in the negotiations. This has been a difficult aspect in the overall process towards the finding of a political settlement given the often contradictory positions of Nagorno-Karabakh, supported by Armenia, and of the Republic of Azerbaijan.

On 12 May 1994, the parties agreed on a cease-fire brokered by the Russian Federation in cooperation with the Minsk Group. The intervention of Russia was conducive to the halting of hostilities, achieving what the CSCE had not been able so far, a cease-fire. However, it did not lead to a final settlement and the CSCE participating states showed concern for a situation of “neither war nor peace”²⁴. Encouraged by the cessation of hostilities, the idea of organizing a peacekeeping force to the area under CSCE auspices gained strength. The High Level Planning Group (HLPG) was set up in December 1994 to prepare recommendations in that regard. However, consensus was never achieved within the OSCE, due to financial and technical aspects, such as the composition of such a force, and to the fact that it would be conditional to the finding of a settlement.

21 The Conference on Security and Cooperation in Europe (CSCE) became the Organisation for Security and Cooperation in Europe (OSCE) after the 1994 Budapest Summit, with effect from 1 January 1995.

22 CSCE 1st Additional Council of Ministers, Helsinki, 24 March 1992.

23 The current tripartite Co-Chairmanship of the Minsk Group includes France, Russia and the United States.

24 OSCE 1st Senior Council Meeting, Chairman's Summary, Annex to SC(1/95) Journal 2, 31 March 1995.

To increase its possibilities in the area, in the summer of 1995 the OSCE Chairman-in-Office (CIO) appointed a Personal Representative to the conflict, based in Tbilisi and assisted by five field assistants. His mandate includes assisting the parties in implementing and developing confidence-building, humanitarian and other measures to facilitate the peace process, such as monitoring the situation along the front line. This allows the clarification of incidents, constituting a fundamental confidence-building measure for increased cooperation between the two republics²⁵. With the nomination of the Personal Representative, the OSCE involvement became more explicit, including the permanent monitoring of events in the field, and complementing in an operational way the Minsk Group mediating activities.

The discussion of the problems at the organisation's meetings, both at the level of permanent representatives and at the highest level, complements the OSCE efforts at mediation of the conflict. At these forums, the difficult relationship between Armenia and Azerbaijan has often become clear, through mutual exchange of accusations and much cynicism²⁶. These exchanges of sour words between Yerevan and Baku have been accompanied by difficulty in adopting resolutions concerning the Nagorno-Karabakh issue since OSCE decisions are made on the basis of consensus. The OSCE states have repeatedly asked for the finding of a political solution to the conflict, urging the parties to intensified dialogue and openness to necessary concessions. The OSCE position envisages the finding of an agreement respecting the sovereignty and integrity of the Azerbaijani territory. However, the course of the negotiations has been the reflex of the troublesome relationship between the parties in conflict.

The OSCE's involvement in the peace talks for more than a decade has not been capable of producing an acceptable settlement plan for both sides. Various proposals have been put forward, which despite not leading to compromise, have served as working tools for further discussion. The common state model regarding the political status for Nagorno-Karabakh, the exchange of territories and withdrawal of military personnel as necessary steps for the building of confidence and the implementation of an agreement, have been topics discussed at the OSCE mediated meetings. These include conferring on the Nagorno-Karabakh Republic a broad autonomous status, not independence, remaining therefore under Azerbaijani jurisdiction; suggestions relating to territorial exchanges

25 See "All Quiet Along the Line of Contact?", OSCE Newsletter (2000), Vol. 7(2), pp. 1-3.

26 See for example Statement by the Minister for Foreign Affairs of Azerbaijan, 10th meeting of the OSCE Ministerial Council, Porto, 7 December 2002; Statements by the Delegations of Armenia and Azerbaijan, 11th Meeting of the OSCE Ministerial Council, Maastricht, 2 December 2003.

whereby, for example, Armenia would cede its southern region of Meghri in return for Nagorno-Karabakh and the Lachin corridor, or other envisaging the recognition of Lachin as a part of Armenia while Azerbaijan would have only unrestricted access to its exclave of Nakhichevan via Meghri, which would remain Armenian territory – proposals rejected by the parties in conflict²⁷; and CBMs, including the monitoring of the contact line and the development and deepening of economic ties. This latter aspect is fundamental, particularly given the fact that the OSCE offices in Armenia and Azerbaijan are unable to develop cooperation since cross-border activities are forbidden²⁸.

In addition, the fact that the mediators have competing interests in the area affects developments concerning the settlement process. After the 1994 cease-fire, Washington put a great diplomatic effort into mediation of the conflict in an attempt to maximize the possible market share of US oil companies wishing to operate in the Caspian and to stabilize the region in order to reduce political risks and the Islamic threat. The Russian interests in the area are also well-known and its “manipulations of the ethnic conflicts serve as a good excuse for external meddling, and a way to maintain influence in South Caucasian affairs”²⁹. These differences become also a part of the bargaining process, adding to the party’s conditions, and therefore turning the discussions over concessions harsher.

2003 witnessed an escalation in tensions both in the field and at the diplomatic level. Shooting incidents along the line of contact have become more frequent and military officers from both sides have been wounded or killed³⁰. In addition, the OSCE monitoring activities in the area have been hampered. Though not a novelty, the recurrent character of these incidents contributes to the hardening of the already difficult situation, by raising distrust and animosity. The OSCE Minsk Group has expressed concern over the increasing tensions and acknowledged the “frustration in the region with the peace process”³¹, calling

27 “Has the focus of Karabakh talks shifted?”, RFE/RL Caucasus Report, Vol. 5(28), 26 August 2002. See also “Nagorno-Karabakh: Official says Turkey backs Azerbaijan over territorial exchange”, RFE/RL, 27 June 2002.

28 Mient-Jan Faber and Andrzej Kasprzyk (2003), “How Should the OSCE deal with the Nagorno-Karabakh Conflict?”, Helsinki Monitor, Vol. 14(1), p. 2.

29 Revaz Gachechiladze (2002), “Geopolitics in the South Caucasus: Local and External Players”, Geopolitics, Vol. 7(1), p. 131.

30 “Armenia/Azerbaijan. Karabakh cease-fire under strain”, Institute for War and Peace Reporting, 7 August 2003.

31 “OSCE Chairman meets Armenian leaders, urges continuation of dialogue on Nagorno-Karabakh”, OSCE Press Release, 17 March 2004; Mikhail Evstafiev (2004), “Charting a conflict-free course for the Caucasus: On the road with the Chairman-in-Office”, OSCE Magazine, Vol. 1(2), pp. 29-30.

for “direct dialogue” accompanied by political willingness to solve differences³². The international community has also been giving signs of concern over the deteriorating situation given the area’s importance as a crossroads for oil exports³³. Nevertheless, due to the lack of diplomatic relations between Armenia and Azerbaijan, the promotion of cross-border cooperation has revealed extremely difficult, further limiting the reach of the OSCE efforts.

Regional security and the Nagorno-Karabakh conflict: an assessment

Many issues combine to render intricate the process of negotiation towards the finding of a political settlement to the Mountainous Karabakh conflict. Inner aspects to the negotiations, such as their format or the status of the Nagorno-Karabakh Republic in the talks add to the already complex issues on the table, including the definition of the Karabakh political status, demilitarisation issues, the return of refugees, and international guarantees. Moreover, the juxtaposition of the interests of regional powers in the area, along with other international actors showing increased interest for the Caucasian area, such as neighbouring Russia, Turkey and Iran, and the United States and the EU have to be acknowledged. Thus, regional security results from the combination of internal and external factors, traverses the various levels from the government to local authorities and the population, and crosses a complex array of issues, including politico-military, economic, social and human aspects.

The UNHCR has been assisting the Caucasian governments in developing structures compatible with recognised international standards, mainly through training and capacity-building activities. While recognising that these governments have other urgent priorities, the organisation should undertake long-term programmes both for targeting the development of asylum institutions and for promoting general awareness of human rights standards, tolerance and communication, which activities are also preventive in nature.

Contingency planning and developing the capacity of national institutions in anticipation of future population movements should now be the main focus of the UNHCR in the

32 Ibid.

33 “Chirac calls for fresh talks on Nagorno-Karabakh conflict”, AFP, 16 July 2003. See also “Kocharian calls for international help for Karabakh solution”, Deutsche Presse Agentur, 27 February 2002; “US to be ‘more energetic’ on Nagorno-Karabakh conflict: Ambassador”, AFP, 14 March 2003.

region. Clearly, there remain in the Caucasus a number of unresolved situations that could either lead to the return of some of the uprooted populations to the disputed areas, or spark new displacements. In anticipation of such developments, the UNHCR could work in cooperation with the governments at establishing realistic contingency plans, including the identification of capacity-building activities and the necessary training and material support.

The humanitarian crisis that has developed in the Caucasus at the beginning of the 1990s has by now subsided. UNHCR considers that others could now better assume the role it developed in the emergency phase, since the needs of the uprooted populations have changed from emergency relief to rehabilitation assistance. Perhaps the most effective contribution the UNHCR could make to these changes would be the sharing of its experience with those agencies that are now developing programmes in the region. After more than 10 years of its presence, however, the UNHCR is finding it increasingly difficult to remain a viable humanitarian alternative given the lack of political will to find a durable political solution to the conflict. With or without an overall solution to the root causes of the conflict in sight, activities related to the local integration of refugees will have to be absorbed into the overall development agenda of the country, in order to complete their local integration.

In this context, the issue of refugees and IDPs, which has assumed dramatic proportions, should encompass socio-economic (permanent housing for refugees, employment, and access to social welfare and health care) and cultural elements in any solution. Although in some areas, particularly in Azerbaijan, conditions remain harsh, the type of assistance generally required in the region calls for large-scale and long-term involvement. The leading humanitarian role performed by the UNHCR in the emergency phase has encouraged a number of international non-governmental organisations to step in either under the financial umbrella of the UNHCR or on their own, as an important confidence-building step fostering civil society principles and practices, fundamental for the stabilisation of the area. This might allow the most probable scaling down of the UNHCR involvement, while demonstrating effective improvements in practices despite the remaining adversities, most importantly the unsettled conflict over Nagorno-Karabakh.

The format for negotiations in the Nagorno-Karabakh dispute, through the establishment of a limited body within the OSCE framework (the Minsk Group) to mediate in the negotiations has revealed the flexibility of the organisation and has allowed the discussion of the issues in a more restricted forum. In addition, the

nomination of a CIO Personal Representative to the conflict has rendered consistency to the OSCE presence in the field, through onsite monitoring of developments and regular monitoring of military moves along the contact line. However, this new approach has not led to real progress in the negotiations, and many interruptions in dialogue could not be avoided.

Peace talks sponsored by the OSCE Co-Chairs have taken place, the most delicate issues have been put forward and solutions are being sought, nevertheless inflexibility has prevailed. The “frozen” character of the Nagorno-Karabakh conflict and the OSCE’s inability to surpass difficulties is the result of the irreconcilable positions of the parties as regards the political settlement, as well as of misperceptions about the OSCE in the field. The complexity of the issues, allied to the parties’ different perceptions, reveals the limits to the OSCE’s involvement. Despite improvements, since the parties are negotiating and confidence-building measures have been implemented, such as the exchange of hostages and prisoners of war, the OSCE’s difficulties have surpassed its possibilities in the Nagorno-Karabakh issue. However, though it has not fulfilled the political settlement goal of its mandate, the OSCE’s involvement is nevertheless a confidence-building factor and a signal of the international community’s willingness to solve the dispute.

With regard to the negotiations format, the OSCE mediation efforts through the Minsk Group and the OSCE’s Personal Representative have been target of criticism. While Armenia and Karabakh Armenians favour the negotiation of a “complete package” including the political status of Nagorno-Karabakh, Azerbaijan prefers a “step-by-step” approach. The OSCE’s phased approach searching for agreements on less complex areas, such as economic cooperation and refugees related matters, aiming at raising confidence and paving the way for increased overture with regard to the status question, has been criticised for inviting further difficulties due to the cross-cutting character of the problems. The phased approach supported by the OSCE, leaving the status question for later discussions, has not resulted because it attempts to resolve the consequences of the conflict without addressing its causes, which relate essentially to security and the definition of the Nagorno-Karabakh Republic political status³⁴.

34 Armenian Assembly of America, “Nagorno-Karabakh - A White Paper”, The Armenian Centre for National and International Studies, Yerevan, March 1997. This problem has been common to the OSCE approaches in the former Soviet space, such as in the case of Moldova and the Transdniestrian separatists. See M. R. Freire (2002), “Crisis Management: The OSCE in the Republic of Moldova”, *Journal of Conflict, Security and Development*, Vol. 2(2), pp. 69-90.

Azerbaijan has made clear from the early involvement of the OSCE that it would not accept any changes to its territorial integrity, and has accused the OSCE of taking a “soft position towards Armenia and putting its head in the sand”³⁵. Moreover, criticism of the OSCE work has been recurrent, including charges of inefficiency and lack of innovative ways to enhance the negotiations, along with a partial approach to the problems³⁶. The Republic of Armenia has also shown concern for the lack of progress in the negotiations, as well as for the OSCE Group decision to suspend its mediation activities until after the Presidential elections which were held in the fall of 2003 in Armenia and Azerbaijan. The OSCE has reaffirmed its belief that “there has to be a decision by the leaders of Armenia and Azerbaijan to sit down at the table and negotiate the right package to suit both sides”, since the OSCE is not capable of miracles and can’t impose a ready-made solution³⁷.

The Nagorno-Karabakh authorities welcome the OSCE involvement, affirming its commitment to a negotiated settlement, resulting from balanced concessions from both parties³⁸. “We believe in the sincerity of the OSCE Minsk Group mediators aspiration for finding an optimal format of negotiations, establishing stable peace in the region, and we are ready to assist it in every way”³⁹. However, the Karabakh Republic considers the starting point for the negotiations under the OSCE auspices is unfair and a one-sided concession since the organisation is tied to the principle of the inviolability of the Azerbaijani territorial integrity. This has become clear, for example, in the OSCE Chairman statement issued at the Lisbon Summit, which described the elements that should form part of the settlement, including the respect for the territorial integrity of the Republics of Armenia and Azerbaijan⁴⁰. Stepanakert criticised the statement, charging the OSCE of endorsing the Azerbaijani

35 Azerbaijani Foreign Minister Vilayat Guliev cited in “Azerbaijan: Foreign Minister says OSCE failing in Karabakh”, RFE/RL, 7 March 2002.

36 “Azerbaijan losing hope of Karabakh peace settlement: President”, AFP, 28 September 2002; “Azerbaijan President criticises Armenia, Karabakh mediators”, RFE/RL, 19 February 2003; “Tension between Armenia, Azerbaijan rising over Nagorno-Karabakh”, EurasiaNet, 29 July 2003.

37 OSCE CIO Solomon Passy in “OSCE’s activities in Armenia”, OSCE Press Release, 17 March 2004.

38 Naira Malkoumian, Foreign Minister of the Republic of Nagorno-Karabakh statement, “The Nagorno-Karabakh Conflict and the New Geopolitical Realities of the Caucasus”, CISS Russian and Eurasian Program, Corporate Briefing Series, 2 March 1998, www.csis.org/ruseura/cs980302.html.

39 Naira Melkoumian, Minister for Foreign Affairs of Nagorno-Karabakh, Press Conference, Stepanakert, 2 May 2002, www.nkr.am/eng.

40 OSCE Lisbon Document 1996, “Statement of the OSCE Chairman-in-Office”, Annex 1 and “Statement of the Delegation of Armenia”, Annex 2.

position and demanding unilateral concessions from Nagorno-Karabakh, an unfortunate situation causing further difficulties to the negotiations since Azerbaijan refused to sign any documents not mentioning the country's territorial integrity. The lessons to be drawn are clear for the Nagorno-Karabakh representatives. The OSCE must act as a neutral mediator refraining from partial actions or preconditions that might jeopardise the peace process⁴¹.

The OSCE crisis management efforts regarding the Nagorno-Karabakh conflict have thus been embedded in complexity. As analysed, many elements combine to render the process intricate, being these both endogenous and exogenous to the OSCE, but definitely affecting the organisation's role in the area.

Conclusion

The intricacy of the issues regarding the Nagorno-Karabakh conflict demands an innovative approach ranging between broad autonomy and independence. "Historically, there has never been a real alternative path for groups seeking sovereignty other than the use of violence, and no attractive alternatives to full independence"⁴². The international community faces, therefore, the task of creating a new logic that addresses the logic driving the self-declared states⁴³, in order to be able to respond effectively to the current demands. The most demanding issues include the definition of a formal status for the Nagorno-Karabakh Republic; the addressing of Stepanakert demands as regards security guarantees as a condition for the Armenian withdrawal from the occupied territories; provisions for the safe return of refugees; and the role and composition of the peacekeeping forces to monitor the agreement as well as international guarantees.

A long-term solution to the conflict must be broad, i.e. not confined to the breakaway region, but encompassing the general geopolitical framework of Armenian-Azeri relations,

41 Nagorno-Karabakh Foreign Minister Naira Melkounian, "The Nagorno-Karabakh conflict and the new geopolitical realities of the Caucasus", Russian and Eurasian Programme, Centre for Strategic and International Studies, Washington DC, 2 March 1998. See also Statement by the National Assembly of the Nagorno-Karabakh Republic, Ministry for Foreign Affairs, Statements of the NKR Parliament, 11 December 1996, www.nkr.am/eng.

42 Ambassador John Maresca, former US Representative to the Minsk Group, cited in Armenian Assembly of America, "Nagorno-Karabakh - A White Paper", The Armenian Centre for National and International Studies, Yerevan, March 1997.

43 Dov Lynch (2002), "Separatist States and Post-Soviet Conflicts", *International Affairs*, Vol. 78(4), p. 848.

and must entail a balanced response to the opposing demands of the parties, in order to gather the necessary consensus to be acceptable and accepted. Within the OSCE framework, a proposal envisaging the granting of a high degree of self-government to the Nagorno-Karabakh Republic, while remaining under Azerbaijani jurisdiction, seems the most likely. In the way towards the definition of a broad autonomous status, joint commissions for the solving of fundamental problems, such as military aspects, the return of refugees and internally displaced persons, property exchange, and the respect for human rights should be established, allowing the progressive resolution of these aspects as concrete steps for the overall settlement. In addition, an Armenian-controlled corridor linking Karabakh to Armenia might be created, while Azerbaijan would be linked in return by a similar stretch of land to the ethnic Azerbaijani enclave of Nakhichevan, sandwiched between Armenia, Turkey and Iran⁴⁴. Moreover, the implementation of a substantial number of CBMs would also be essential for diminishing tensions, including military-related measures, such as intensifying military contacts along the border to avoid incidents, and economic cooperation as an incentive to further cooperation initiatives between the parties. A referendum regarding the future status of the Nagorno-Karabakh Republic should be carried out. Once a final agreement is signed, the OSCE could provide the necessary international guarantees, possibly deploying a peacekeeping force, with UN support.

The prospects for the settlement of the conflict are not bright, and the “frozen” character of the conflict might give place to a “burning” situation if the current signs are not inverted. The OSCE mediators have drawn attention to the escalating tensions and have been urging the parties to refrain from the use of force, but there is not much they can do in case the parties chose violence as their option for breaking the negotiations stalemate. In this context of growing instability, regional economic initiatives could, however, constitute a positive form of pressure over the parties for the finding of a political settlement, and enhancing regional stability.

This is more so as Nagorno-Karabakh remains an unrecognised entity where uncontrolled practices of an illicit nature are of international concern, particularly in the broader context of the fight against terrorism and of the tendency of radical Islamic or terrorist groups to take shelter in these “black holes”. The September 11 terrorist attacks in the US have prompted US representatives to argue that a “window of opportunity” was opened to solve the Karabakh issue, while also warning the parties

44 “Caucasus: more time needed to finalise Nagorno-Karabakh peace deal draft”, RFE/RL, 29 May 2001.

directly involved that in the face of continuous political unwillingness, both resources and attention could be shifted to other areas of the globe, reflecting the belief that prolonged uncertainty would lead to economic frustration. Certainly, the finding of a final solution would prevent or at least reduce these illegal activities further contributing to the fostering of regional security.

According to the OSCE Minsk Group⁴⁵, to be effective, a stable and long-lasting peace must be endorsed by all regional countries, which has been rendering even more complex the finding of a settlement due to the clear collision of differences, particularly regarding economic and geostrategic options – over the control, exploitation, distribution and delivery of Caucasian natural resources. This reasoning demonstrates the inter-linkage of political, military and socio-economic aspects in the building of overall security in the Caucasus, and the relevance of resolving the Karabakh issue in an integrated way in order that the solution found might be absorbed by the region's structures as a further step in the building of regional stability.

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45 OSCE Minsk Group Co-Chairman Philippe de Suremain cited in "Caucasus: Iran offers to mediate in Nagorno-Karabakh dispute", RFE/RL, 25 July 2001.

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