

THIRD PARTY MEDIATION IN NAGORNO-KARABAKH: PART OF THE CURE OR PART OF THE DISEASE?

Bahar BAŞER*

"To my great regret, the war between Armenia and Azerbaijan long ago ceased to be a war between two rivals from the Caucasus. This is a war in which the combating peoples have become the pawns of mightier powers." Former Azerbaijani President Elchibey¹

"It is easier to bring the positions of Baku and Yerevan closer to each other than to reach an agreement between the mediators- Russia and the Minsk Group." An Armenian Diplomat²

ABSTRACT

The dissolution of the Soviet Union has caused conflicts of many different types in the Caucasus region. Among them, the conflict in Nagorno-Karabakh turned out to be the most intractable dispute since it had the properties of a modern global conflict in terms of territorial, ethnic and national dimensions, intertwined with a historical burden of ancient grievances. Many major states and regional actors such as Iran, Russia, Kazakhstan, Turkey and OSCE, initiated third party mediation efforts in order to resolve the conflict and to terminate violence. Today, many critics argue that the mediators were to blame for the delay of a peaceful settlement since they gave first priority to their own interests and stalled the negotiation process. Thus this case is important as it allows testing whether mediators are always beneficial to negotiations.

Key Words: *Third Party Mediation, Nagorno Karabakh, Azerbaijan, Armenia, OSCE Minsk Group*

* She is a visiting researcher at the Department of Peace and Conflict Research in Uppsala University. E-mail: bahar.baser@gmail.com

¹ Former Azerbaijani President Elchibey, May 1993.

² Kristine Barseghyan & Zainiddin Karaev, "Playing the Cat-and- Mouse: Conflict and Third Party Mediation in Post Soviet Space", *The Online Journal of Peace and Conflict Resolution*, Vol. 6, No. 1, Fall 2004, p. 13.

INTRODUCTION

Nagorno-Karabakh (NK) conflict is considered to be one of the most brutal and prolonged conflicts of the post-Soviet era. It has the properties of a modern global conflict in terms of territorial, ethnic and national dimensions; intertwined with a historical burden of ancient grievances. The dispute brought Azerbaijanis and Armenians (both from Armenia and NK) into a violent conflict nearly two decades ago, and it is still considered unresolved.

Interestingly enough, the dispute in NK is not just between Armenia and Azerbaijan but has effects on Turkey, Iran and Russia; and currently due to the newly emerging Caspian and Caucasus policies, receives attention from the USA and some of the European countries. By its nature, the conflict is out with the category of civil wars. It is unique in a sense that it has always been a conflict that cannot be solved exclusively on an intra state level and requires combination of intra-state measures with inter-state and supra-state measures.³ However, the mediation efforts initiated by several actors have turned out to be empty hopes.

Today there is neither war nor peace, ceasefire violations are increasing, people continue to die and there is a real risk of new large scale fighting.⁴ The current situation is that 20% of Azerbaijani territory is under Armenian occupation and as a result, the dispute has created more than 1 million refugees and IDP's (Internally Displaced People). It is surprising that after multiple mediation efforts and negotiations that the parties might go to war again in order to obtain what they could not achieve through negotiations. Azerbaijan has upped its war rhetoric and increased its military budget by 122% between 2003 and 2005. In 2006 it doubled it, to 600 million USD, the equivalent of 60 percent of Armenia's planned 2006 budget.⁵ As a recent report states, a comprehensive peace agreement is now unlikely and while they engage in an arms race and belligerent rhetoric, there is a risk of increasing ceasefire violations in coming years. The same report also mentions the lack of political and economic pressure that could have been put for a peaceful

³ Tabib Huseynov, "Mountainous Karabakh: Conflict Resolution through Power-Sharing and Regional Integration", *Peace Studies Journal*, No. 6, January 2005, p. 2; (<http://www.peacestudiesjournal.org.uk/docs/Mountainous%20Karabakh%20final%20version%20edited%203.pdf>).

⁴ International Crisis Group (ICG), *Nagorno Karabakh: A Plan for Peace*, Europe Report, No. 167, 11 October 2005, p.1

⁵ From 135 million to 300 million USD. Jean Christophe Peuch, "Caucasus: Top Armenian General Slams Azerbaijan over Defence Spending, *RFE/RL*, 29 June 2005.

settlement by the EU, the US and Russia. It claims the anticipated focus on domestic politics in the warring countries as well as in some of the Minsk Group countries in 2008 might lead to the loss of the incremental diplomatic progress.⁶ It seems like the resolution of the conflict will be crucial for regional security in the following years.

This paper is an attempt to understand to what extent various mediation efforts contributed to the negotiation failures in the NK conflict. Currently, there is a debate on whether mediation necessarily works for the benefit of a peace agreement or not and in the light of these discussions, this paper will analyze the NK conflict's mediation efforts.

Nagorno Karabakh Conflict

The break up of the USSR has stimulated a number of concerns over national identities, state borders and then political and economic stability within almost all independent states of former Soviet territories.⁷ The reason for this messy dissolution is due to the Soviet suppression of ethnic identities, all sorts of grievances and disputes among the groups under the USSR umbrella. According to Cornell, during the Soviet times nothing had been done to overcome those grievances between peoples and the conflicts were left simmering at a "low fire."⁸ When the umbrella holding all those populations together was gone, conflicts were inevitable in the region.

After the end of WWI, three Trans-Caucasian countries; Georgia, Azerbaijan and Armenia declared their independence. At that time NK was under Azerbaijani control. However, in 1920 the newly independent states were submerged under Soviet control. Consequently, all issues among them became Soviet Union's internal problems including the NK conflict, which was transformed from an inter-state issue to an internal matter.⁹ In 1923, The Nagorno Karabakh Autonomous Oblast (NKAO) was restored, re-establishing the Azerbaijani rule over the region. NKAO had authority over its internal affairs in terms of cultural and educational matters, but it was a part of Azerbaijan Republic. The status of the region throughout the Soviet rule and

⁶ International Crisis Group (ICG), *Nagorno Karabakh: A Plan for Peace*, p. 3.

⁷ Guner Ozkan, "Nagorno-Karabakh Problem: Claims, Counterclaims and Impasse", *Journal of Central Asian and Caucasian Studies*(USAK Publication), No. 1, Vol. 1, 2006, pp. 118.

⁸ Svante E. Cornell, "Conflict Theory and the Nagorno Karabakh Conflict: Guidelines for a Political Solution?", (Broma Sweden: Triton Publishers, 1997), p. 1.

⁹ Michael P. Croissant, *The Armenia- Azerbaijan Conflict, Causes and Implications*, (London: Praeger, 1998), p. 18.

the claims, hatreds and grievances of the parties remained silent yet alive for decades.

Until the middle of the 1980s, Armenian politicians have been making declarations about the status of Karabakh and the unjust decision of the Soviet Union in making NK a part of Azerbaijan. When Gorbachev came to power in 1985, he planned to reform the Soviet Union with his two famous policies “Perestroika” and “Glasnost.” The former mostly concerned economic reform but the latter had given many groups the opportunity to make their voices heard since it meant openness. Glasnost gave Soviet citizens a limited freedom in a sense to express their criticisms openly. This “golden opportunity” was taken advantage of by Karabakh Armenians. In 1987, Gorbachev’s advisor, Aganbegiyan, in a speech made to Armenian veterans in Paris, referred to Nakhichevan and Karabakh as historic Armenian territory, to be reunited with Armenia.¹⁰

In January 1988, Karabakh and ArSSR Armenians signed a petition (80,000 signatures) and delivered it to Moscow for the transfer of NK to ArSSR (Armenian Soviet Socialist Republic). In February 1988, in Yerevan, the capital of ArSSR and in the NKAO they held numerous demonstrations, industrial strikes or boycotts protesting Azerbaijan’s control of NK and its alleged discrimination against the Karabakh Armenians. The immediate grievances of the Karabakh Armenians in 1988 were: that their region was starved of resources by Baku and that they were denied proper cultural rights. Their initial demand was for transfer from Azerbaijani to Armenian jurisdiction.¹¹ In February, the parliament of Karabakh which consisted of 110 Armenian and 30 Azeri members took a decision to unite Karabakh to Armenia, but USSR did not accept this decision in order not to give room for ultra nationalisms in an area where different ethnic groups are located. After Gorbachev’s efforts to calm the demonstrators down, the events seemed to lose its intensity nevertheless the Azeris who have been suffering from harassments by Armenians started immigrating to Baku, the capital of the Republic of Azerbaijan. The demonstrations turned into random violence between the

¹⁰ Aganbegiyan’s speech was reported in *L’Humanite* on 18 November 1987, cited in Tim Potier, *Conflict in Nagorno Karabakh, Abkhazia and South Ossetia*, (The Netherlands: Kluwer Law International, 2001), p. 6.

¹¹ Edmund Herzig, *The New Caucasus: Armenia, Azerbaijan and Georgia*, (London: The Royal Institute of International Affairs, 1999), p. 67.

Azeris and Armenians as Azerbaijani government refused to transfer a part of its territory to Armenia.¹²

The years up until the dissolution of USSR have witnessed several occasions which brought the parties in conflict in addition to ‘the war of laws’ between the parties.¹³ Actions taken by each side has caused escalation of hostilities among the communities. The conflicts arrived to a point where bloodshed was inevitable. The undeclared full-scale war between Karabakh Armenians and Azerbaijan started immediately after the dissolution. In February 1992, the Karabakh Armenian Army seized the small but strategic town of Khojaly, initiating a massacre on civilian Azeris.¹⁴ In the following months, various Azeri provinces such as Lachin, Shusha, Kelbajar, and Fizuli

¹² For more details please see, Svante E. Cornell, “Conflict Theory and the Nagorno Karabakh Conflict: Guidelines for a Political Solution?”, (Broma Sweden: Triton Publishers, 1997). See also Stephane Yerasimos, “Caucase: Le Retour de la Russie”, *Politique Etrangère*, Vol. 59, No. 1, 1994, pp. 61-86.

¹³ In March 1988, Karabakh Armenians passed a similar law that foresaw NK’s unification with Armenia. Moscow, in order to make an attempt to prevent future conflicts, replaced the First Secretaries in both republics yet it did not make any progress towards peace. In June, the Armenian Supreme Soviet passed a unanimous decision to claim the transfer of Karabakh to Armenia from the Presidium of the Supreme Soviet of the USSR. The Armenian side based their claims on Soviet Union’s constitution and the self-determination principles in some articles (especially in the 70s) of the constitution. Two days later, Azerbaijani Supreme Soviet unanimously rejected the decision basing their arguments on another article of the constitution (78) based on territorial integrity of the republics under Soviet Union. Those events are usually referred as the “war of laws” in Karabakh conflict terminology. In January 1989, Karabakh has been taken under a “special government administration” under Soviet control. However, the oblast was declared to be a part of AzSSR (Azerbaijan Soviet Socialist Republic). The Soviet control in the region was criticized since there had been no improvements towards a solution and in November 1989, Soviet control was abolished by the Soviet leaders. Please see, Svante Cornell, “Conflict Theory and the Nagorno Karabakh Conflict: Guidelines for a Political Solution?”, p. 8. On 1 December 1989, the Supreme Soviet of ArSSR and the Nagorno Karabakh Regional Council (Soviet) adopted a joint resolution “On the Reunification of NK with Armenia”. For more information see, International Crisis Group (ICG), *Nagorno Karabakh: A Plan for Peace*, p. 4. This declaration caused serious demonstrations in Baku and paramilitary organizations seemed to be more effective by that time in giving signals of potential hostilities. Subsequently, in view of the international difficulties this step would cause for Armenia, the demand was changed to one for independence. For further details please see, Edmund Herzig, *The New Caucasus: Armenia, Azerbaijan and Georgia*, (London: The Royal Institute of International Affairs, Chatham House Papers, 1999), p. 66. On 2 September 1991 the regional council in Stepanakert (Khankendi), the capital of non-recognized NK Republic, declared independence from AzSSR. In response the Azerbaijani government abolished its autonomy.

¹⁴ Svante Cornell, “Conflict Theory and the Nagorno Karabakh Conflict: Guidelines for a Political Solution?”, p. 9.

were captured and cleansed from their Azeri population leading to refugee flows. In September 1992 NK petitioned the UN, The Commonwealth of Independent States and individual countries for recognition of the 'Nagorno Karabakh Republic', which has never happened, not even by Armenia.¹⁵

A Plan for Peace

Russian President Yeltsin and Kazakh President Nazarbayev made the first attempts towards a solution in NK. in September 1991. They proposed a ceasefire, new elections, refugee returns and finally a constitutional government to be formed in NK. This attempt did not bring success since both sides aimed to gain advantage through military victories before the bargaining process. It was followed by Iranian mediation attempts, which did not take the peace process further. In August 1992, there had been another attempt by Kazakhstan's Nazarbayev. However this effort was perceived as unacceptable by the Armenian side since Nazarbayev was making it clear that he supports territorial unity and the preservation of existing borders.

The conflict was perceived as important both by regional powers and international organizations. Starting from 1992, when the former USSR (Union of Soviet Socialist Republics) states entered into the CSCE, to December 1994 when the ceasefire was signed, the CSCE¹⁶ intervened as a third party mediator. It was also a chance for the CSCE to gain prestige by brokering such a peace deal and thus become a conflict prevention/ settlement organization according to Druckman. In March 1992, the CSCE Council of Ministers held an emergency meeting in Helsinki where they designated the organization to be the main instrument in settling the conflict.¹⁷ A committee¹⁸ was formed to find a peaceful solution to the conflict. However they could not even hold a conference to assess the issues arising from Minsk. From that time on, the OSCE negotiation group took the name "the Minsk group." The Minsk group had couple of short comings to deal with as Mooradian and Druckman argue: the "CSCE's lack of experience with these type of conflicts and reduced

¹⁵ Terhi Hakala, "The OSCE Minsk Process: A Balance after Five Years", *Helsinki Monitor*, No. 1, 1998, pp. 5-14.

¹⁶ Until 1995 the OSCE was called CSCE (the Conference on Security and Cooperation in Europe).

¹⁷ International Crisis Group (ICG), *Nagorno Karabakh: A Plan for Peace*, p. 9.

¹⁸ Consisting of; Armenia, Azerbaijan, Belarus, Hungary, Switzerland, France, Germany, Italy, Russian Federation, Sweden, Turkey and the USA.

solidarity among its members, combined with Russia's regional ambitions and Turkey's advocacy role serve to weaken the intervention..."¹⁹ The CSCE's role was relatively weak compared to Russia's and it in fact made it difficult for them even to create an agenda for a potential meeting.

In 1992, there was fairly high level Western interest in the Karabakh conflict, and it was "this high level American intervention" that insisted on the creation of the Minsk group.²⁰ At the beginning of 1993, in an attempt to restart the stalled CSCE negotiations, Russia, Turkey and the USA held a series of private discussions resulting in what became known as the "3+1 initiative."²¹ According to their proposal, Armenian forces would withdraw from Kelbajar in two months; this term would be accepted as ceasefire and during this time new peace talks would start. Azerbaijan and Armenia accepted the plan. However, Armenia declared some of its concerns about the Karabakh Armenians' point of view. In May 1993, Karabakh officials rejected proposals due to their lack of "guarantees for the Karabakh Armenians and the proposals exclusion of the elimination of the embargo put on Karabakh by Azerbaijan."²²

On the other hand, in October 1992, the Freedom Supports Act 907a was passed by the United States Congress.²³ Whilst Armenia was on the top of the list of the countries that received US aid in the region, Azerbaijan was left out of US aid distribution. US foreign policy towards the conflict stayed in favor of

¹⁹ Moorad Mooradian & Daniel Druckman, "Hurting Stalemate or Mediation? The Conflict over Nagorno-Karabakh, 1990-95", *Journal of Peace Research*, Vol. 36, No. 6, 1999, pp.709-727.

²⁰ John J. Maresca, "Resolving the Conflict over Nagorno-Karabakh", in Chester A. Crocker and Fen Osler Hampson with Pamela Aall (Ed.), *Managing Global Chaos, Sources of and Responses to International Conflict*, (Washington DC: US Institute of Peace Press, 1996), p. 260.

²¹ Private US.-Russian-Turkish talks grew to "3+1 initiative" when the Italian Minsk group chair joined the discussions. Armenia and Azerbaijan were then invited to join, preceding the reopening of talks in the Minsk Group. These talks led to a proposal commonly known as the "3+1 initiative."; cited in Wendy Betts, "Third Party Mediation: An Obstacle to Peace in Nagorno Karabakh", *SAIS Review*, Vol. 19, No. 2, 1999, pp. 161-183. Later still, Armenia and Azerbaijan joined (5+1), then finally the Minsk group met together; cited in David D. Laitin & Ronald Grigor Suny, "Armenia and Azerbaijan: Thinking a Way Out of Karabakh", *Middle East Policy*, Vol. 7, No. 1, October 1999.

²² Omer Lutem, "Facts and Comments", *Armenian Studies*, No. 3, September, October, November 2001, p. 14; (<http://www.eraren.org/index.php?Page=DergiIcerik&IcerikNo=162&Lisan=en>).

²³ With this act, Azerbaijan was denied all forms of governmental US aid, unless it respects international human rights standards, abandons its blockade of Armenia and Nagorno Karabakh, and searches a peaceful solution to the conflict. Svante E. Cornell, "Undeclared War: The Nagorno-Karabakh Conflict Reconsidered", *Journal of South Asian and Middle Eastern Studies*, Vol. 20, No. 4, Summer 1997, p. 10.

Armenian side until Caspian oil arrangements came on the scene. By that time, July 1993, the UN Security Council passed Resolution 853 regarding the Armenian-Azeri fighting. The Resolution condemned seizure of Agdam and called on all parties to cease supplying weapons to the belligerent sides, especially to the Armenians, because military assistance by third parties, especially by Armenia and Russia, intensified the fighting and resulted in the continued occupation of Azeri territories. The resolution also called on Armenia to use its influence with the Karabakh authorities to comply on the UN Resolutions and Minsk Group initiatives. The resolution also called for the lifting of all economic and energy blockades in the region.²⁴ However, Karabakh authorities rejected the resolution declaring that it was biased. From 1993 to December 1994 Russia was influential in brokering peace in the region. Russian diplomats and Russia's special envoy to the Minsk Group started applying shuttle diplomacy between the conflicting parties. However, in contrast to other contributing peace efforts in the region, Russia's role undermined the CSCE's role and caused confusion among the parties and the mediators. In terms of settling the dispute, Russia's role challenged the CSCE's agenda in many aspects.²⁵ Moreover, Yeltsin made it clear that Russia had a "vital interest" in the territory of former USSR. His points made it clear that Russia will move from a multi party mediation to unilateral one.

The Commonwealth of Independent States (CIS), as a peacemaking structure entered the mediating process when Azerbaijan accepted the invitation to enter the CIS Tashkent Agreement on security in May 1992. Armenia was already a member before Azerbaijan and the CIS became a legitimate peace building force when Russia declared that OSCE could not even secure a cease-fire in the region.²⁶ The CSCE also confirmed the CIS participation in the peace process. Finally in 1994, the CIS, Russia and the CSCE managed to convince the parties to sign a cease fire agreement and terminate violence although most of the disputes between the parties stayed unsolved. After the cessation of hostilities Armenia and Azerbaijan entered a state of frozen conflict, in which mass violence had ended but the political dispute was unresolved.²⁷

²⁴ Vedat Gurbuz, "The Nagorno Karabakh Conflict and Azeri Policies, 1988-1994", *Review of Armenian Studies*, Vol. 1, No. 4, 2003, p. 55.

²⁵ This issue will be dealt in details in the analysis part.

²⁶ Kristine Barseghyan & Zainiddin Karaev, "Playing the Cat-and- Mouse: Conflict and Third Party Mediation in Post Soviet Space", p. 10.

²⁷ Thomas De Waal, *Black Garden: Armenia and Azerbaijan through Peace and War*, (New York: New York University Press, 2003), p. 251.

In Budapest in 1994²⁸, the OSCE held a summit and appointed co-chairs to lead the Minsk Group. Until 1995, Russia and Sweden took the initiative to be the co-chairs. The Budapest Summit declaration made it clear that the OSCE would expediate the negotiation process and work until a fair and just agreement was achieved by both parties. The Karabakh intervention marked the first time in history that the OSCE committed itself to resolving a conflict as a mediator in a peace conference.²⁹ Due to its lack of experience, the OSCE tried to act cautiously and in every declaration made it clear that the OSCE does not advocate any position or favor one party over another.

The OSCE failed to bring parties to any preliminary statement of general principles, to guide the process of conflict settlement.³⁰ At the Lisbon Summit in 1996, the main peacemaking proposal in NK was accepted by all the participating countries except Armenia.³¹ Since the OSCE resolution supported territorial integrity of Azerbaijan, the Armenian side found it unacceptable. “Though a blow of the Armenians, Lisbon represented the belated assertion by the OSCE of the fundamental conditions to which resolution of ethno territorial disputes would be required to adhere.”³² In 1995, Sweden vacated its co-chair position to Finland and when Finland ceased to be the co-chair with Russia in 1997, a French representative was appointed to succeed the Finish position. This initiated opposition from the Azerbaijani side since the Azeris requested an American representative instead. The dispute was resolved by appointing an American as third co-chair and since then this troika has not changed.³³

Unfortunately, Russian-OSCE coherence problems did not end after the ceasefire. Until the time when Swedish co-chairs left their position to Finland, Jan Eliasson’s efforts of shuttle diplomacy were challenged by Russian

²⁸ Since 1994, the Minsk Process also includes the Vienna-based High Level Planning Group (the HLPG) for the peace keeping operation, as well as a field mission in the region in the form of a personal representative of the OSCE Chairman-in-Office since May 1995. Please see; Terhi Hakala, “The OSCE Minsk Process: A Balance after Five Years”, p. 6.

²⁹ Moorad Mooradian, “The OSCE: Neutral or Impartial in the Karabakh Conflict?”, *Helsinki Monitor*, No. 2, 1998, pp. 5-17.

³⁰ Kristine Barseghyan & Zainiddin Karaev, “Playing the Cat-and- Mouse: Conflict and Third Party Mediation in Post Soviet Space”, p. 10.

³¹ The proposal was envisaging a clause on territorial integrity of members which was unacceptable for Armenia since the clause included Azerbaijani territorial integrity as well. Therefore, the plan was rejected although it got 53 out of 54 votes.

³² David D. Laitin & Ronald Grigor Suny, “Armenia and Azerbaijan: Thinking a Way Out of Karabakh”, p. 164.

³³ International Crisis Group (ICG), *Nagorno Karabakh: A Plan for Peace*, p. 10.

diplomacy. Russian diplomats have arranged meetings with Armenian and Azerbaijani ministers and unilaterally came up with resolution plans, which endangered OSCE's capacity to convince both sides for a settlement in OSCE terms. Increasing criticism of the Russian attitude towards the conflict caused several Russian boycotts of Minsk group meetings. On the other hand, it was well known by the international community that a settlement without Russian support would have been a dream.

Overall the passed 13 years, the Minsk group has come up with several proposals for a stable peace settlement. The proposals that were elaborated by the OSCE have been rejected once by Azerbaijan and twice by Armenia. The three proposals were; package plan, step by step plan and finally common state proposal.³⁴ After the rejection of these three main proposals the OSCE changed its negotiation strategy in 1999. It started giving more priority to face-to-face meetings between Azerbaijani and Armenian officials.³⁵

³⁴ *Package Plan-June 1997*: It was presented in the capitals of Armenia, non-recognized state NK and Azerbaijan. According to the plan there should have been immediate steps to end the armed conflict, troops should have been withdrawn, there should have been a peace keeping force deployed. The plan also included the return of refugees, guarantee of security of all populations in the conflict region and lifting of all sorts of blockades and embargoes so as to normalize the relations between the conflicting parties. Furthermore, it included clauses to settle a formal conference to make steps towards determination of the final status of Nagorno Karabakh. The plan was rejected by Armenia since Armenia sought to find a settlement for the status of the disputed province before withdrawing the troops from the occupied areas.

Step-by-Step- Dec. 1997: The second proposal faced the same problem as the previous one since it did not match the ambitions of both of the conflicting parties. The plan envisaged the withdrawal of Armenian forces to the borders of Republic of Armenia and the withdrawal of military forces of NK to the previous borders of 1988. It also included several solution clauses about the return of refugees and free transport between Azerbaijan and Armenia. The Lachin-Shusha corridor and NK were to be discussed after the parties resolved various military complexities. The Armenian side again rejected the proposal due to the same reasons as above.

Common State-Nov. 1998: This proposal was partially different from the previous ones since it was offering a "common state" formation between Azerbaijan and Karabakh and the establishment of horizontal relations between Baku and Stepanakert (Khankendi). This time Azerbaijani authorities rejected the proposal since Azerbaijan had no will to compromise on its territorial integrity. See; Fariz Ismailzade, "The OSCE Minsk Group and the Failure of Negotiations in the Nagorno Karabakh Conflict", *Caspian Brief*, No. 23, April 2002.

³⁵ There had been dozens of meetings and among them the French facilitated meeting is outstanding. In March 2002, they agreed to assign "Personal Representatives at the Level of Deputy Foreign Ministers".³⁵ There had been another meeting in Key West, Florida, which outlined another peace deal between the two parties. Although the Minsk group representatives and co-chairs were present at those meetings, the results did not give what was expected after such efforts.

According to some authors, the leaders' inefficiency to prepare their public for the compromises they might have to make may be a problem. This is why lately secrecy has become the priority of the talks. In March 2002, the Minsk group co-chairs offered another peace plan to the representatives of Azerbaijan and Armenia. The talks were held in privacy and the plan was not disclosed to the public.³⁶ After a decade of fruitless talks, a new format of the meetings, the Prague Process, involving direct bilateral contact between the foreign ministers of Armenia and Azerbaijan was initiated in 2004. The year 2006 was considered to be the "golden year" of the negotiations in NK since it was perceived to be the right time to initiate a peace agreement due to the absence of elections in both countries, Armenia and Azerbaijan. The resignation of Ter Petrosyan was a good example and a warning for politicians to be careful in what they are promising to the mediators without undermining public opinion.

During 2006, Minsk Group's bureaucrats declared that 2006 could be the "ripe moment" for a settlement. The co-chairs believed that the proposals developed through 2004-2006 negotiations hold the best potential for achieving a just and lasting settlement.³⁷ Especially after 2004 when direct bilateral talks have been given a start, the Presidents of both sides have met more than four times, and the Foreign Ministers have met more than a dozen times.³⁸

The mediators tried to convince Azerbaijan to accept a referendum just within NK; however this was unacceptable for the Azeri side since it definitely means the separation of NK from Azerbaijan if one considers the fact that after 1990 Azeri ethnic groups entirely left the region and lived as refugees, which continues to this day. In contrast, the Azeri side offered to hold a nationwide Azerbaijani referendum on the final status of NK. This was immediately rejected by the Armenian side, as it would have been a complete failure for Karabakh Armenians. In June 2006, the mediators publicly presented the core principles. The principles were formulated as fair, balanced and workable, which in practice is far from revolutionary.³⁹

³⁶ Fariz Ismailzade, "The OSCE Minsk Group and the Failure of Negotiations in the Nagorno Karabakh Conflict", p. 4.

³⁷ Arie Bloed. "Dispute Concerning Nagorno-Karabakh Continues.", *Helsinki Monitor*, No.4, 2006, p. 346.

³⁸ Kamil Aġacan, "Dağlık Karabağ: 2006 Altın Fırsat mı?", *Stratejik Analiz*, February 2006, p. 84.

³⁹ Arie Bloed, "Dispute Concerning Nagorno-Karabakh Continues", *Helsinki Monitor*, No. 4, 2006, pp. 344-346.

Part of the Cure? Part of the Disease?

Today many researchers agree that mediation efforts in NK, turned out to be a complete fiasco and the mediation efforts themselves prolonged the conflict resolution.⁴⁰ Do mediator's motives highly affect the peace process as external powers become involved upon their own agendas in the Caucasus? Do they prioritize their own aims at the expense of finding a peaceful solution and ending the conflict?

Essentially, Russia is a paradoxical actor within this conflict. In some situations it seemed to act as a secondary party backing Armenia, but in others it became an active third party willing to solve the conflict peacefully. Although the timing of mediation efforts made it harder for Russia to be as influential as it has assumed. From the beginning of the conflict, Russia perceived itself to be in a unique position to other mediators as both disputants were once part of the USSR. It is easy to find proof to back up this claim, especially if one examines the speeches of Russian Presidents and politicians⁴¹. Its relations with the disputant parties had also been in a different dimension due to the historical ties between them. During the negotiations, Russia's aim is considered to be an attempt to increase its sphere of influence by having military bases in both countries. Besides from the military bases, having control over the oil pipelines was tempting for Russia. After oil pipelines came to the agenda, Russian support shifted towards Azerbaijan. At first the Russian government tilted toward Baku (until October 1992) then it turned more favorably toward the Armenians. Considering the arguments in Armenia and NK and also the reaction of Azerbaijan because of the assistance for Armenians, Russia's reputation as the impartial and just mediator interested in solving the problem has been seriously damaged during the conflict. Even though in the beginning, Moscow sided with the Azerbaijani regime not to jeopardize his reform program, both parties blamed Russia for discriminatory policies.⁴²

⁴⁰ See; Wendy Betts, "Third Party Mediation: An Obstacle to Peace in Nagorno Karabakh", *SAIS Review*, Vol. 19, No. 2, 1999. Moorad Mooradian, "The OSCE: Neutral and Impartial in the Karabakh Conflict?", *Helsinki Monitor*, 1998, No. 2. Moorad Mooradian & Daniel Druckman, "Hurting Stalemate or Mediation? The Conflict over Nagorno-Karabakh 1990-95", *Journal of Peace Research*, Vol. 36, No. 6, 1999.

⁴¹ Yeltsin declared this intention in a speech on February 28, 1993, by saying "Stopping all armed conflicts on the territory of the former USSR is Russia's vital interest. The world community sees more and more clearly Russia's special responsibility in this difficult undertaking. I believe the time has come for distinguished international organizations, including the United Nations, to grant Russia special powers as guarantor of peace and stability in regions of the former USSR.

⁴² Please see, *All About the Karabakh Conflict*, (http://www.geocities.com/fanthom_2000/Basics.h)

The Russian government began to take a greater initiative early in 1993, organizing its own meetings with the principles, proposing its own ceasefires and acting independently of OSCE efforts. The clash between the OSCE and Russian efforts created ambiguity during the negotiations and in the former Armenian president Ter Petrosyan's own words: "...the impression is created that the mediating countries and international organizations are not interested so much in settling the conflict, as in settling their own accounts and relationships, which are unconnected with it."⁴³ Russian hardliner policies became visible in 1993 and a bizarre conflict about mediation efforts between Russia and international community dominated the process.

When the OSCE finally intervened in 1992, its motivation besides humanitarian action was to gain more reputation in the eyes of the international community post the Bosnia debacle. Other Western powers such as the EC, the USA and international organizations were hesitant to intervene since it was the end of Cold War, a time of uncertainties and the failure in Yugoslavia did not encourage new peace actions. The Minsk group had started experiencing difficulties from the beginning of the peace process. According to Cornell, OSCE's mandate was weak in a sense that it had no experience in conflict resolution, the parties were not interested in a negotiated solution, it had no previous preparations to provide troops for a peace keeping operation, international community has been experiencing a peace keeping failure in Bosnia at that time and there was no willingness to send more troops to Karabakh.⁴⁴ Except the OSCE, the other western parties were not motivated enough for a peace initiation. During the three-year of intervention up until the ceasefire agreement, the OSCE was indecisive on what to do, confusing the parties and losing their chance to use leverage and other strategies to be able to convince the parties. Efforts by Western powers were inescapably influenced by Russia's proximity and superior levers of influence and by the refusal of the former to place this dispute at a high level in their relations with Moscow. Russia's heavy hand was always an obstacle for other mediators to join and change the course of the conflict. In time, mediators came to understand the point that a favorable solution had not only to be sensitive to warring parties' interests but also had to be responsive to Russian demands in the region.

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⁴³ Thomas De Waal, *Black Garden: Armenia and Azerbaijan through Peace and War*, p. 254.

⁴⁴ Svante E. Cornell, "Undeclared War: The Nagorno-Karabakh Conflict Reconsidered", p. 11.

As previously discussed, the early mediation attempts are considered to have contributed to the failure of negotiations until a Russian brokered ceasefire was signed in 1994. Yet, the ceasefire did not end the conflict situation in the region. Many critics argue that this ceasefire was not a praiseworthy accomplishment at all. As Eliasson says; “When I am sometimes complimented about securing that ceasefire along with Russian colleagues who played an important role, I say: This is an unhealthy situation; it is simply a band-aid over an infected wound.”⁴⁵

Since the beginning, the OSCE was the target of criticism by both Armenia and Azerbaijan and by researchers and politicians around the world. Although during the last couple of years we hear especially from the media that some groups want the OSCE to give up on its mediation efforts. On the other hand, there are some ideas about enhancing OSCE’s role from mediation to arbitration.⁴⁶ However, the general opinion works negatively for such a task. After more than a decade it is observed that the negotiations are not advanced compared to the times when it has just begun. NK case became a “test case” for OSCE⁴⁷ and now it is a matter of honor and prestige to finally end the job. Although the co-chairs put the blame on the parties, there are several aspects of their activity and structure that hindered the peace process.⁴⁸ Considering the fact that the Minsk Group had to face a significant challenge up until today and did not accomplish any progress, one may argue that the third party mediation’s contribution to the failure of negotiations is worth analyzing. The OSCE is considered to be an actor without particular interests in the region however it is believed that the co-chairs, Russia, the USA and France have their own agendas when it comes to the conflict settlement.

The United States’ role until the cease fire stands as an interesting case. The US policy towards the NK conflict had always experienced a clash between its domestic politics and its economic and strategic interests. Firstly, as Cornell notes; although it was an obvious fact that Azerbaijan has been subject to aggression and invasion, it has for a long time been under an

⁴⁵ Jan Eliasson, “Perspectives on Managing Intractable Conflict”, *Negotiation Journal*, Vol. 18, No. 4, October 2002, p. 372.

⁴⁶ Mient-Jan Faber & Andrzej Kasprzyk, “How Should the OSCE Deal with the Nagorno Karabakh Conflict?”, *Helsinki Monitor*, No. 1, 2003, p. 2.

⁴⁷ Terhi Hakala, “The OSCE Minsk Process: A Balance after Five Years”, p. 3.

⁴⁸ Fariz Ismailzade, “The OSCE Minsk Group and the Failure of Negotiations in the Nagorno Karabakh Conflict”, p. 4.

embargo from the USA. Cornell and many other authors believe that American domestic politics and the presence of an effective Armenian lobby in the Congress played a role in that matter. According to the Helsinki Human Rights Watch Report, The United States had two Karabakh policies: one originating on Capitol Hill, the other in the White House. While the State Department has attempted to play the role of an honest broker in the conflict, condemning displacement of civilians and human right abuses by both sides, Congress has adopted a decidedly pro-Armenian position and has hardly criticized Armenian human rights abuses.⁴⁹ US foreign policy towards the NK conflict became trapped by its domestic policies. Section 907a of the 1992 Freedom Support act denied all aid to Azerbaijan, which left the Azerbaijani side in a difficult situation during the war and in the aftermath of a ceasefire. Azerbaijan was alone among all other post-Soviet states in its denied aid while Armenia became the highest per capita aid recipient.⁵⁰ The lobby activities of the Armenian Diaspora in the USA made a big effect on Congress and managed to influence US policy towards the NK dispute for a long time. According to some authors, the USA could be considered as biased in favor of the Armenian side until the Caspian oil agreements. As the International Crisis Report states after many years of deadlock, the environment has changed with Azerbaijan's improved economic position based on skyrocketing oil revenues.⁵¹ Access to the energy reserves in the Caspian Sea Basin has become a significant geopolitical consideration as governments and oil companies compete for involvement in the development of these resources."⁵²

France has some economic and security interests in the resolution of the conflict as it is a member of the EU, and the French oil giant "Total" owns five percent of the Baku-Tbilisi-Ceyhan pipeline. On the other hand, France has a large Armenian Diaspora and has little incentive to broker a compromise that will require Armenian concessions, which would dissatisfy French-Armenians. France, therefore, is biased toward the final status of NK and not every peaceful resolution is in its interests."⁵³

⁴⁹ Human Rights Watch (HRW), "Azerbaijan: Seven Years of Conflict in Nagorno Karabakh", *HRW Helsinki Report*, 1994, p. 78.

⁵⁰ *Ibid.*, p. 78.

⁵¹ International Crisis Group (ICG), *Nagorno Karabakh: A Plan for Peace*, p. 2.

⁵² Wendy Betts, "Third Party Mediation: An Obstacle to Peace in Nagorno Karabakh", *SAIS Review*, Vol. 19, No. 2, 1999, pp. 161-183.

⁵³ Philip Gamaghelyan, "Intractability of the Nagorno-Karabakh Conflict: A Myth or a Reality?", *Peace Monitor*, July 2005, p. 8; (<http://www.monitor.upeace.org/documents/intractability.pdf>).

As Cornell puts it, events in the past several years have compelled Europe to pay increasing attention to the Wider Black Sea Region.⁵⁴ Energy security became the main concern of many actors, especially the countries that are members of the EU and NATO. This is why new actors have started to appear on the mediation platform. It is accepted by many researchers that it is for Europe's interest to maintain stability in the Caucasus region by helping to improve the peace process. For years, European powers could not have a say at the Caucasus affairs politically or economically since they were not welcomed by Russia.

The Shortcomings of Third Party Mediation

Firstly, it can be said that the mediators were successful when they acted as communicators, still they could not change the perceptions of the parties from zero sum game to win-win solutions. The mediators lacked the capacity of manipulation and formulation. Moreover, the strategies they used, if any, were not as strong as it should be since there was no coherence between the parties and the policies were not complementary. One can argue that mediators had a difficult time in persuading the parties to come to the negotiating table since both sides were willing to fight for total victory. Extraction or termination were not considered as leverage, since the parties always had other mediator options and losing one was affordable. The mediators also could not afford to withdraw or terminate the mediation efforts since their national interests were at stake and they did not want another mediator to undertake initiation. Although the peace plans were quite acceptable, the lack of leverage gave the warring parties room to avoid pressure. As Betts claims Armenia and Azerbaijan had more leverage than the mediators. Also, one may claim that mediation was neither an option nor a last resort since during the war, there were many candidates with different agendas and the warring parties had the luxury in not accepting a mediator who came with a plan, which one of the parties did not particularly like. The abundance of mediation candidates gave the parties an upper hand during the negotiations. Mediator availability became a negative asset rather than a positive one.

Timing was another key issue until the ceasefire. The mediators undermined the fact that the conflicting parties have had no intentions to

⁵⁴ Svante E. Cornell, "Time to Pay Attention to Azerbaijan", *New Europe: The European Weekly*, November 2006, p. 1.

negotiate. Every time they tried their efforts resulted in a military offensive. Zartman and Touval's two conditions did not exist in NK until the ceasefire. The situation was not a "mutually hurting stalemate" therefore the conflict was not ripe enough to intervene. Finally, the motives of the mediators pushed the other third party actions in order to keep their position. The Russia-OSCE struggle is a good example for this, as is Iran and Russia. In order to challenge each other, each side worked against the other. They put forward strategies, which made them a part of the conflict. As Hakala puts it so-called forum shopping or mediator-shopping was common up until 1995.⁵⁵ In contrast to having coherent policies, their plans did not complement each other at all. They have proposed competing plans to get the support of the warring parties, which in the end turned out to be a major obstacle for the parties to agree on a peace plan.

Yet how did third party mediation contributed to the failure of negotiations after the ceasefire was signed? In terms of mediator acceptability, the OSCE did not have as many problems as the other mediators who initiated the first peace attempts. After including Russia, it was accepted as the best alternative at that time since a peace plan without including Russia was impossible and a solely Russian mediation was not acceptable to Azerbaijan, Turkey, Iran and the international community. According to de Waal, the reason for the lack of progress was the fact that Azerbaijan feared the intentions of the leading negotiator, Russia.⁵⁶ Moreover, the warring parties accepted the Minsk Group mediation due to the fact that it was not binding so they had nothing to lose. The OSCE's role as a mediator varied between communicator and formulator during the negotiations. It was pretty successful at bringing parties together and forming a communication platform. However, it could not do enough to change the perceptions of the warring parties from zero-sum game to a win-win solutions mentality, which was essential for the NK case since the demands of the parties were mutually exclusive. It also did not manage to reduce the mistrust among the parties. On the contrary, co-chair's shifting positions during the negotiations and incomprehensive attitudes only raised the mistrust both between the parties and mediators.

⁵⁵ Terhi Hakala, "The OSCE Minsk Process: A Balance after Five Years", p. 8.

⁵⁶ Thomas De Waal, *Black Garden: Armenia and Azerbaijan through Peace and War*, p. 254.

Crocker, Aall and Hampton⁵⁷ define mediator readiness as a critical element for the effectiveness of negotiations. If one examines OSCE's mediation efforts by the given criteria, it is easy to isolate the shortcomings. First of all, they set the first criterion of being operationally and politically ready for the extraordinary practical demands of the task. If one considers the OSCE before and after the ceasefire, it could easily be observed that the OSCE lacked operational and political readiness for such a task. As Bjurner claims, "the OSCE was a young organization, with a large membership, all with veto power. It does not have teeth, not even close to chapter 7 of the UN Charter."⁵⁸ The argument here is not that the OSCE made a wrong move by intervening. The failures of the OSCE should not be undermined in the NK conflict, as it was their first mediation attempt. On the other hand, Mooradian argues that: "...the OSCE cannot impose a solution, its own rules and the rules of the UN prohibit it from using force. The power of the OSCE lay in its prestige, its impartial demeanor, the international political skills its members brought to the intervention and the reality wherein it has brought some of the most powerful international personalities in the world to the meeting-table."⁵⁹ Although this assumption is quite convincing, one should also note that after bringing such personalities to the negotiating table, there is another important task which is the leadership responsibilities of running a round-the-clock exercise for months, or perhaps even years in a successful manner. Although the Minsk Group was initially quite successful in bringing all parties in the conflict together around a single negotiating table and to develop a negotiating vocabulary accepted by all parties, it was unsuccessful. According to Coppieters, "the failures of the Minsk Group were not characteristic of the failure of institutional mediation as a whole, but of the particular form it took in this instance."⁶⁰ The OSCE did nothing to understand the conflict at the values level, it just imposed the complete package for resolution, so neither parties were satisfied with the outcomes. As the Ambassador Mossberg noted at a meeting; the Minsk group- a brilliant Italian invention- turned out to be a rather

⁵⁷ Chester A. Crocker and Fen Osler Hampson with Pamela Aall, "Ready for Prime Time: The When, Who and Why of International Mediation", *Negotiation Journal*, Vol. 18, No. 2, April 2003, p. 152.

⁵⁸ Anders Bjurner, Deputy State Secretary, Ministry of Foreign Affairs, Stockholm. *International Mediation- Case Studies and General Conclusions*, Report from a Seminar Co-organized by the Olof Palme International Center and the Stockholm Peace Research Institute, SIPRI, 1999, Sweden, p. 34.

⁵⁹ Moorad Mooradian, "The OSCE: Neutral and Impartial in the Karabakh Conflict?", p. 7.

⁶⁰ Brono Coppieters (Ed.), *Contested Borders in the Caucasus*, (Brussels: VUB Press, 1995).

sterile instrument, with endless meetings in Europe chewing through endless texts with third rate negotiators from the parties.”⁶¹ Parallel to that, the OSCE suffers organizational and procedural gaps. The structure of the Minsk groups is built upon frequent changes of leadership, periodic changes of the heads of the negotiation team. The leaders who are supposed to be highly influential to resolve the conflict rapidly change and it takes new comers a long time to adapt to the necessities of the dispute.

Secondly, another criterion for effective mediation is set by Crocker, Aall and Hampton as being strategically and diplomatically ready to place the mediation at the center of one’s policy concerns and assembling an *ad hoc* or structured coalition of third parties willing to act as cooperating partners. As it is well known, the Minsk Group suffered from cohabitation problems for years. The difficulty was related in its structural composition, which means 11 member states pursued their own interests instead of a collective gain. Various states with different interests made negotiations and all meetings cumbersome. In the end, it is the fact that the absence of any former implementation of post-conflict peace-keeping force in the history of the OSCE made its efforts inefficient and unreliable. The power struggle between Russia and the USA, gave the Minsk Group a hard time. The structure of the group, which heavily depends on Russian-US cooperation, hinders the peace process. The activity of the group slowed down when relations between Russia and the USA worsen, as illustrated during the Bosnian and Kosovo wars.⁶² The confrontation of US vs. Russian interests over the region did not leave room for further discussion about the core subjects in the early periods of the mediation process. This strategic rivalry turned out to be more complex when France, the third co-chair was perceived as a representative of the EU. Although the parties put the issue at the center of their policy concerns time, it was unclear as to whether they placed a higher priority upon peace or extracting maximum benefits from the status quo. According to Mihalka; “the prospect of secure access to Caspian oil was the primary spur to the considerable activity of the OSCE, Russia and the West to help midwifery a settlement over NK in 1995.”⁶³

⁶¹ *International Mediation- Case Studies and General Conclusions*, Report from a seminar co-organized by the Olof Palme International Center and The Stockholm Peace Research Institute, SIPRI, 1999, p. 36.

⁶² Fariz Ismailzade, “The OSCE Minsk Group and the Failure of Negotiations in the Nagorno Karabakh Conflict”, p. 8.

⁶³ Michael Mihalka, “A Marriage of Convenience: The OSCE and Russia in Nagorno-Karabakh and Chechnya”, *Helsinki Monitor*, Vol. 7, No. 2, 1996, p. 4.

So far, this prospect caused shifts in the mediator's approach to the warring parties and shift in their policies towards the resolution of the conflict, which made things even more complex since uncertainty and distrust became dominant after every change. Yet, there is no consensus among scholars about this issue. There is a common point of view that geopolitical interests of the third party mediators played a key role during the resolution process.

Finally, being ready in the sense of being the right mediator with the right relationships, having the "reach" and cultural fit or "connectivity" for this particular conflict is essential. In the light of this criterion, OSCE fails to fulfill the cultural criteria in terms of connectivity. Although Russia is one of the co-chairs to the conflict, the other member states of OSCE do not have historical bonds with the warring parties, and it really affected the proposals that they come up with. One may argue that the USA and France have strong Armenian Diasporas yet it does not help when they structure the core issues in the proposals. All in all, one may suggest that from the beginning the OSCE did not really fulfill the criteria of an effective mediator.

The OSCE Minsk Group's impartiality was a subject of dispute for quite a long time. Although there is no consensus among scholars whether biased or unbiased mediators are more acceptable, in this case partiality seems to hinder the peace process. During the negotiation process both sides blamed the OSCE of being partially in favor of the other side and adopting the views of the other warring party. Yet, the OSCE continuously stressed that it did not deviate from its neutrality principle and avoided partiality⁶⁴. However, both the Armenian and Azerbaijani parties found the co-chair role partial in particular issues. For example, when Mooradian talks about the Lisbon Summit and the peace proposals he usually mentions the words: "...OSCE's advocacy of Azerbaijan..."⁶⁵, in contrast Ağacan places an emphasis on this argument by

⁶⁴ See; International Crisis Group (ICG), *Nagorno Karabakh: A Plan for Peace*, p. 2; see also; Moorad Mooradian, "The OSCE: Neutral and Impartial in the Karabakh Conflict?", *Helsinki Monitor*, No. 2, 1998, p. 6. "The OSCE did not advocate any position that supported either of the conflicting parties."

⁶⁵ In addition to that, the main approach of the many Armenians to mediation efforts is similar to the following: "Armenia, which is within the USSR, is on the frontier with Turkey, which is a member of NATO and the Council of Europe. Turkey's ethno-linguistic cousins are the rulers of Baku, not the peasantry of Arsakh, and so, Turkish, and NATO, and perhaps western sentiment in general may tend to side with the oppressors rather than with the oppressed. But with the ending of the Cold War, these distinctions and rigidly held attitudes have become somewhat blurred. However, it is one of the bitter facts of diplomatic history that great powers almost

saying: “The co-chairs do not put pressure on Armenia to implement international law in order to achieve peace; in contrast they put pressure on Azerbaijan to make peace with the invasion and invaders.”⁶⁶

One of the important events that marked the negotiations within the impartiality problematic was the Lisbon Summit since it was interpreted as a pro-Azerbaijani meeting. According to many researchers and diplomats, the initiation of this new kind of plan, which is a step-by-step version showed the partiality of the OSCE. According to this plan, security issues are the foremost issues in the path of resolution. Therefore, the OSCE demanded Armenia to demilitarize Karabakh. The apparent partiality of the OSCE increased the polarity between the Western members and strong supporters of Russia. Therefore, the mediation process gave rise to the conflict of USA-USSR. The OSCE, in the beginning of the negotiations made its stance clear in favor of Azerbaijan’s territorial integrity. The Armenian side found this stance biased since it undermined their core demands during the negotiations as for NK Armenians, secession was the only option. The Armenian side found the OSCE weak in terms of putting pressure on Azerbaijan about counting NK as a party to the negotiations. According to them, the OSCE did not put any pressure on Azerbaijanis to include NK in the Minsk Group meetings.⁶⁷ However, according to some authors such as Hakala, the position of the Minsk Group members were clear: without any hesitation NK is the third party to the conflict- and to avoid further polemics the OSCE documents speak collectively about “the parties to the conflict.”⁶⁸ Armenian diplomats, however, did not appreciate this OSCE tactic.

The problem was not that the OSCE chose to be a biased mediator, but that it was having problems with its own contradictory principles. One of OSCE’s biggest shortcomings is its’ “right for self-determination”, “territorial integrity” and “protecting minorities through autonomy” in its founding principles. Unfortunately in NK case those three principles overlapped bringing handicaps into the resolution process. It is necessary to understand this tension yet it is

always tended to forge alliances with the large and well placed neighbours of Armenians and to overlook rights and justice where they concern Armenians.” See; Christopher J. Walker, *Armenia and Karabakh: The Struggle for Unity*, (London: Minority Rights Publications, 1991), p. 71.

⁶⁶ Kamil Ağaacan, “Dağlık Karabağ: 2006 Altın Fırsat mı?”, p. 87.

⁶⁷ “During the Lisbon Summit, nowhere is it evident that there was an attempt by the OSCE to convince Azerbaijan that Karabakh should be officially recognized as a party to the conflict.” See; Moorad Mooradian, “The OSCE: Neutral and Impartial in the Karabakh Conflict?”, p. 12.

⁶⁸ Terhi Hakala, “The OSCE Minsk Process: A Balance after Five Years”, p. 10.

crucial to appreciate that the OSCE's principles are not exclusively applicable to domestic situations, in other words, these principles have a dual purpose that reflect the OSCE's comprehensive approach to security as they involve inter state security issues. Indeed the conflicts in the region have sub-state.⁶⁹ This is why the OSCE policies brought more uncertainty and instability rather than a settlement to the dispute. For the OSCE, secession violates a core international principle-respect for the territorial integrity of states.⁷⁰ Correspondingly, by giving priority to territorial integrity over self-determination made the OSCE appear as biased in favor of Azerbaijan. Yet, the recent settlement proposals of 2006 and 2007 focused on self-determination rather than territorial integrity and left Azerbaijan in a difficult situation. The pressure put on Azerbaijan to form a referendum for the status of NK contradicted OSCE's Lisbon principles and proved that the OSCE has ambiguous policies towards the disputed area.

Then again, the Azerbaijani side accused the OSCE of being partially in favor of the Armenian side. Armenian-Russian relations created tension during the negotiations on a couple of occasions. Although Russia accepted Azerbaijan's territorial integrity due to its own benefits in Georgia, Moldova, Chechnya or elsewhere in the Caucasus, Russian support to Armenia and NK was pretty clear. According Mychajlyszyn, Russia has consistently favored the Armenian side in the conflict since Armenia is its key strategic partner in Southern Caucasus.⁷¹ The Azerbaijani side was aware of this fact and Baku protested when Yerevan and Moscow signed a Treaty of Friendship and Mutual Cooperation including military cooperation.⁷² Also, if one considers the Armenian economic dependency on Russia, it is easy to understand the Azerbaijani concerns. Today, more than 60% of Armenia's budget revenue comes from Russian loans.⁷³ Since 2001, key enterprises in Armenia are handed over to Russian control and Armenian dependency on Russia is

⁶⁹ Natalie Mychajlyszyn, "The OSCE and Regional Conflicts in the Former Soviet Union", *Regional and Federal Studies*, Vol. 11, No. 3, Fall 2001, p. 209.

⁷⁰ "In other words, unilateral secessionist movements that lead to regional conflicts undermine the principles upon which post- Cold War European peace and stability has been constructed, and, ultimately threaten not only the existence of the state but also international security within the OSCE space." Natalie Mychajlyszyn, "The OSCE and Regional Conflicts in the Former Soviet Union", p. 194.

⁷¹ *Ibid.*, p. 214.

⁷³ Kamer Kasim, "Russian-Armenian Relations: A Strategic Partnership or Hegemonic Domination?", *Review of Armenian Studies*, Vol.1, No.2, 2003, p. 33.

increasing. It makes it harder for Azerbaijanis to trust Russia as a neutral mediator. Moreover, the Azerbaijani side often questions the fact that although the international community declared the Armenian side as an aggressor, all the sanctions were on Azerbaijan. They often place emphasis on the fact that even though the EU and the OSCE described Armenia as the "occupier", no concrete measure has been taken yet.⁷⁴

In terms of leverage, the OSCE had several deficiencies as well. To begin with, the OSCE lacked the capacity to meet regional and economic challenges as such. It was not as active as it was supposed to be since with regards to leverage it had no means to improve the financial assistance and help economic development in the region. For NK, economic cooperation was thought to be one of the key aspects of a possible solution. However, the OSCE did not have enough leverage to manipulate the warring parties towards this kind of a settlement. The organization's inability to impose a decision on a state hindered its effect on both parties. Neither the OSCE, NATO nor the EU have carrots and sticks policies to actually persuade the parties make some sacrifices on particular subjects. In this case, OSCE mediation was working and was bringing parties to the negotiation table, but it was reluctant to apply pressure on both sides to persuade them for a mutually acceptable agreement. It was even reluctant to present what the agenda of the Minsk Group was and who the parties to the conflict were.

The co-chairs were in a better situation compared to the period before the ceasefire when different mediators were competing with each other. Although each had different foreign policy agendas, they decreased the forum shopping or mediator shopping environment to minimum. They tried to avoid the possibility of being used by the warring parties against each other. In the early period, the mediators could not apply the leverage mechanisms of extraction or termination of mediation since they did not want to leave the floor to another actor. Termination of mediation could have been a good strategy to persuade the disputing parties and would have worked as a catalyst. However, the co-chairs had to give priority to the safety since their oil and gas security was in danger. The withdrawal of mediation would only make it worse for the disputing parties as well as for the mediators. Hence, the OSCE lacked the power to manipulate the parties by using various leverage mechanisms.

⁷⁴ Osman Hacıyan, "Armenians in the Occupied Nagorno-Karabakh Adopt Pro-Independence Constitution", *Journal of Turkish Weekly*, 11 December 2006; (<http://www.turkishweekly.net/news.php?id=41604>).

Domestic policies in both Azerbaijan and Armenia were influential during the negotiation process as well. Both parties had to pay attention to the public opinion in their countries. Moreover, they had to take the election times into account. As an example, considering Ter Petrosian's forced-resignation after accepting the withdrawal of Armenian forces from the occupied territories in 1997, it would be easy to see how OSCE mediators should take the public opinion in consideration before the settlement proposals. In fact, Ter Petrosian was the third president to lose office, wholly or partially, as a result of NK conflict, following the steps of Azerbaijan's Mutalibov and Elchibey⁷⁵. Accordingly, 2006 was identified as the "golden year" to end the peace process with a stable resolution since both disputing parties did not have elections in that year and it was easier for the politicians of both countries to agree on the principles offered by the mediators. Nevertheless, the co-chairs could not use that opportunity. The 2006 plan has alienated Azerbaijan from the negotiations since the OSCE was leaving Lisbon Summit principles aside and changing the tide in favor of Armenia. According to some authors such as Ağacan, under the circumstances given by OSCE, the plan was just a "golden opportunity" for Armenia, not for Azerbaijan.⁷⁶ If the OSCE had better understood the sensitivity of both sides on particular issues, it could have avoided being accused of partiality and ambiguity and it could have used the opportunity of "timing" in this case. The last couple of years were full of opportunities for the OSCE as well since the US vs. Russian rivalry decreased in the recent years as a result of economic cooperation in the region. However, there is no progress visible to the public eye. It can be said that the "wait and see" approach is dominant in the international community as well.

Conclusion

In this paper I have attempted to build a comprehensive approach to the NK problematic by examining the third party mediation and its contribution to the failure of negotiations. My research has shown that third party mediation starting from the early phases of the conflict until today, has highly contributed to the malfunction of negotiations between the disputing parties. Nonetheless, it does not mean that third party mediation itself was solely responsible for the whole failure. It is critical to recognize how easy it is to attach too much causal weight to the mediator's behavior and its impact on the course of negotiations. Bearing in mind the common tendency to blame the third parties when it comes

⁷⁵ Thomas De Waal, *Black Garden: Armenia and Azerbaijan through Peace and War*, p. 260.

⁷⁶ Kamil Ağacan, "Dağlık Karabağ: 2006 Altın Fırsat mı?", p. 86.

to evaluating facts after failures, one should definitely try to avoid oversimplified generalizations.

One of my limitations in this paper was my focus on solely the third party actors. In fact, following on from the mediator's contribution to the failure, one must also take into account the behaviors of the disputing parties during the peace process and their domestic politics. Without considering those two important issues, one cannot derive conclusions as an answer to the question of "what went wrong."

Even before the war started in 1988, there was a problem between those two communities. There is the burden of historical grievances, which are unfortunately hard to erase easily. Hence, it was tough for both the Armenian and Azerbaijani governments, to convince their citizens to make sacrifices in order to resolve the conflict. No matter how comprehensive plans could be, public opinion must be valued. On the one hand, politicians in both countries were hesitant to agree on sensitive issues with the fear of being labeled as a traitor in their country; in contrast, since several politicians lost their positions of office for the sake of the NK issue as politicians were cautious about the elections. One of the biggest handicaps in the process was Armenia and Azerbaijan's reluctance to prepare their communities that mutual compromise is the essential aspect of peace. Furthermore, the disputing parties' behaviors towards the mediators had an impact on the negotiation process, yet these issues are not the subject of this paper. Primary actor's actions are partly responsible for the failures in NK. As Starr and Cornell state, the negotiation process has been plagued by the intransigence of the parties as well.⁷⁷

Final Remarks

Although this brief analysis is not enough to show the whole scope of the conflict, a few conclusions are evident. First of all, a change in mentality is more than necessary for both the parties and the mediators. The parties need to understand compromise is inevitable for a peaceful settlement and both sides have to prepare their public for a possible material or psychological sacrifice. The mediators as well, need to change their strategies which seem to have failed up until now. They have to pay more attention to the roots of the conflict and try to better understand why the parties do not give up on certain principles. Although this is far easier said than done in practice, the fact

⁷⁷ Frederick Starr & Svante E. Cornell, *The Caucasus: A Challenge for Europe, Silk Road Paper*, June 2006, Central Asia-Caucasus Institute Silk Road Studies Program, p. 29.

remains that efforts to resolve the NK conflict are stalled due to a lack of realization of the mistakes of both sides. Armenia's and Azerbaijan's demands are mutually exclusive and the international community's approach is usually divided. This makes it nearly impossible to structure a peace plan.

Many would argue today, that regional cooperation would be the answer in the Caucasus. However, they are ignoring the fact that this conflict's roots date back to the times far before the dissolution of the Soviet Union and there is an emotional attachment embedded in people's minds of that region. Economic cooperation and prosperity can not bring peace unless the doubts and fears in people's minds are eliminated. The third parties should take those circumstances into account and come up with plans accordingly. Of course, economy and oil agreements can be a catalyst for the parties to resolve the conflict one way or another, yet assuming that "things will be just fine" because of oil, gas and pipeline policies of the actors would be an oversimplification of the conflict.

One should also keep in mind that no matter what the third parties do, if the two disputing parties are not ready, there will not be a settlement. The third party mediators may come up with more effective peace proposals, more innovative resolution packages and may be more coherent; nevertheless they cannot dictate a settlement to the parties. Expecting a miracle from the third parties is not rational but without their involvement the primary parties are less likely to be able to find a resolution on their own. Lastly, maybe most importantly, as mentioned above, change in mentality from both the parties and the mediators is essential to heal the wounds in NK. Otherwise, although today the status quo may seem endurable to many, experts strongly warn the parties and the international community that the disease will be further debilitating and harder to cure in the future.

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