



საგარეო საკითხებისა და საერთაშორისო ურთიერთობების კვლევის ფონდი
GEORGIAN FOUNDATION FOR STRATEGIC AND INTERNATIONAL STUDIES

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**THE NAGORNO-KARABAKH CONFLICT IN 2015:
MOSTLY CLOUDY WITH A CHANCE OF CRISIS**

ONDŘEJ ZACHA

EXPERT OPINION



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Introduction

The conflict between Armenia and Azerbaijan over the mountainous region of Karabakh, which has been under *de facto* Armenian occupation along with seven surrounding regions since 1994, experienced yet another escalation and increase in casualties this September. This increase in violence, moreover, came just days before the 70th annual UN General Assembly in New York where a meeting between the Armenian and Azerbaijani foreign ministers was scheduled by the Co-Chairs of the OSCE Minsk Group, the main mediation body in the conflict.¹ Following the 24 September exchange of fire in the Tavush region, which caused three civilian casualties on the Armenian side (increasing the number of total casualties in September alone to 13 by the lowest estimate), the Armenian government issued a statement about deploying heavier artillery “in order to quiet and deter the adversary and, thereby, support the negotiation process” (MoD RA 2015a). Such measures mark a new stage in the Nagorno Karabakh conflict which is now far from ‘frozen’ and further than ever from resolution.

The involvement of external players in the conflict is crucial at this point in order to prevent an escalating spiral of violence which could lead to a crisis as well as accelerating the conflict’s resolution and settlement which remain the primary goal. The key role of Russia, one of the OSCE Minsk Group members, with its ambiguous foreign policy, great influence on the conflict and a large arms supply, is increasingly alarming and is a topic which also needs to be addressed and discussed.

The longer the Nagorno Karabakh conflict is not sufficiently mediated, which results in growing grievances on both sides of the frontline, the more challenging its resolution and post conflict reconstruction will be. In this sense the involvement of the OSCE Minsk Group needs to be addressed. The changing geopolitical disposition over the last 18 years that the Minsk Group operates in the current composition² dominated by the growing conflict between the West and Russia also raises questions about the group’s impartiality and its capacity to solve the lengthy issue.

1 One can spot a trend of escalations which occur at times when a meeting between the two sides is scheduled as could be observed in 2014 during the Sochi, Wales and Paris talks.

2 Co-chaired by France, the United States and Russia.

This paper aims at discussing the rising tensions between Armenia and Azerbaijan in the recent years and months and presenting the dangers and possible scenarios for the current situation with the help of conflict dynamics literature. The crucial role of Russia in the conflict will be presented along with its possible desires and instruments to influence the conflict dynamics. In the last part, the mediation role of the OSCE Minsk Group will be discussed along with recommendations for more effective conflict mediation and resolution.

Armenia and Azerbaijan: Growing Tensions and the Danger of a Crisis

The starting point of increased tensions and renewed escalation can be traced to the year 2010. In that year, two greater incidents occurred along the northern border of Nagorno Karabakh in February and in the summer months, respectively. Ever since, incidents such as these have been occurring periodically, mainly using sniper fire. However, another important destabilisation occurred this year, largely due to oil prices rising after the 2008 downfall and Azerbaijani oil production at an all-time stable high with the Azerbaijani government doubling its military spending for 2011 which is now just short of eight times higher than the military spending of Armenia.³

Periodic ceasefire violations continued over the following years creating several critical situations. Especially deadly were the three-month clashes in 2014 which led to a downing of an Armenian helicopter over the occupied Agdam district of Azerbaijan.⁴ Although 2014 had been the deadliest year since the signing of the 1994 ceasefire (Melvin 2014), this year is on track to become even deadlier largely thanks to the adoption of heavier weapons such as howitzers, mortars and rocket launchers by both sides (OSCE MG 2015a). Besides the adoption of such measures, there are also other warning signs like the larger number of higher-ranking combatants among the more recent casualties⁵ which are sending a worrying sign of escalation.

3 It since then rose annually to today's astronomic USD 3.5 billion (SIPRI 2014).

4 This was the first downing of a military aircraft since the 1994 ceasefire.

5 Nevertheless, most of the forces along the frontline still consist of conscripts (up to 40,000 on both sides) and, likewise, most of the casualties (Conciliation Resources 2015).

The Armenian side benefits from the current *status quo* on the battleground. Along with Nagorno Karabakh, Armenia also occupies a large part of Azerbaijani territory with these controlled territories situated in the mountains from Azerbaijan proper and, therefore, difficult to conquer without a much greater military superiority. Armenian reliance on hard security along with the prominence of the ‘Nagorno Karabakh Defence Army’ (Kogan 2015) is aimed at the protection of Nagorno Karabakh’s Armenian community and, especially, the prevention of any repetitions of the historical atrocities committed against the Armenian population (Conciliation Resources 2015). Moreover, Armenia’s concern about the implementation of the Madrid Principles⁶ and the possibility of Karabakh Armenians falling under Azerbaijani rule could be partly attributed to the decreasing human rights situation and the increasing authoritarian rule in Azerbaijan⁷ or the hereafter mentioned water security.

Azerbaijan’s unfavourable position on the battleground at first glance suggests its revisionist approach towards the *status quo*. This would also explain its efforts to make the frontline more insecure (Conciliation Resources 2015), its lack of helpfulness in discussing the investigation mechanisms⁸ or its sharper increase in military spending and large arms purchases. However, another even more likely possibility could be Azerbaijan’s attempt, by a controlled spiral of escalation on the battleground and by engaging Yerevan in an arms race which would be increasingly difficult for it to win, to isolate and fatigue Armenia before seeking revision. Armenia’s position in the region is truly not so favourable with its borders with Azerbaijan and Turkey remaining closed and its debilitating ‘land-locked’ position from its trading partners in the Eurasian Economic Union (EEU). Moreover, its leading trading partners, Russia and the EEU countries, are experiencing economic hardship which has a negative effect on mutual trade (Danielyan 2015a). Therefore, this strategy seems, as indicated by Armenia’s declining economic growth and

6 The current peace proposal by the OSCE Minsk Group which requires the withdrawal of Armenian forces from the surrounding territories of Nagorno Karabakh and a “legally binding expression of will” about the future of Nagorno Karabakh by all its population (OSCE MG 2009).

7 As a reference about the current situation, see HRW or Freedom House (2015).

8 Compared to its counterpart, Armenia (OSCE MG 2015a).

trade⁹ along with a decreasing population, rather effective. Nevertheless, as mentioned before, the longer the *status quo* is preserved, the more challenging any revision of the situation will be.

According to the large disproportion of military spending, which is among other issues reflected in the Azerbaijani army's modern and more sophisticated equipment,¹⁰ it could be assumed that Azerbaijan has a great military superiority. However, Armenia benefits from its strategic advantage and its army (together with the sometimes considered separately 'Nagorno Karabakh Defence Army') is also seen as better prepared for a prolonged conflict and is more motivated (Kogan 2015). Moreover, Russia supports the Armenian defence budget with sizable loans (in the context of Armenian 'small' spending) for Russian weapons. This situation alarmingly creates only a moderate unequal balance of power in which the worst escalation is more likely to happen according to Pruitt et al (2004).

It is not only the increase in ceasefire violations and the steady increase in military spending on both sides that is alarming vis-à-vis the current situation in the conflict. The grievances, misunderstanding and the polarisation of society are likewise caused by the lack of cross-border visits, which were regular prior to 2003, by a worsening public debate or the lack of a hotline or any sort of communication across the frontline which increases local tensions (Broers 2013). Altogether, this deteriorating situation leads to a mutual sense of insecurity which further supports the escalating spiral of violence and makes decision-making in times of escalation much more intractable (Jeong 2008).

Such a situation then pushes leaders into a more belligerent rhetoric¹¹ and a tougher response to provocation as can be seen by the dispute between both nations in front of the UN General Assembly and the recent

9 After the economic crisis, Armenia experienced only a 4% growth as compared to double digits before. The 4% growth was then followed by only 3.2% in 2013 and 2.1% in 2015. At this point, only agriculture, mining and tourism support the country's economic growth (World Bank 2015).

10 Which buys most or its 'heavy' weapons from Russia but also trades more 'sophisticated' weapons from countries like Israel or Turkey. Azerbaijan is, moreover, now ranked as the fourth-largest importer of drones in the world (Kucera 2015a). The improving relations with Iran could likewise result in more arms import from the country (Lomsdze 2015b).

11 Seen now on a regular basis from both sides.

introduction of heavier weapons. Such behaviour then retroactively supports the mutual grievances as well as the polarisation. The threats in a time of crisis¹² subsequently create a sense of high pressure and arouse self-fulfilling expectations in which one's worst suspicion about the other is then confirmed by the opposite's behaviour (Jeong 2008). Such a phenomenon is, moreover, underlined by the leaders' unwillingness to meet at the highest level.¹³

In the midst of an increasing number of ceasefire violations and casualties, both nations held a number of large-scale military drills. Such drills are carried out regularly by both sides and further add to the already considerable tension. Following the first week of September when four Armenian and two Azerbaijani soldiers were killed in skirmishes, Azerbaijan held enormous (previously unannounced) military drills, calling up 65,000 soldiers, 700 military vehicles and 90 pieces of aircraft along with 20 ships and 6,000 reservists, into action (Kucera 2015b). These drills took place only days after the 'TurAZ Falcon 2015' flight games in cooperation with Turkey were concluded (MoD Az 2015) and were closely followed by other military drills in the Nakhichevan region at the beginning of October. Likewise, Armenia held exercises at the beginning of September, called 'Shant 2015,' which tested the "mobilisation preparedness" of the government (MoD RA 2015b). Towards the end of September, Armenia along with Russian troops stationed on its territory, also practiced a "simulated joint counteroffensive against an imaginary invader" (MoD RA 2015c).

In such an insecure environment dominated by more and more frequent cross-border clashes now using more deadly weapons, belligerent rhetoric and both sides constantly saturated by large armies training battle tactics, the risk of a sudden escalation into crisis or 'war by accident' is now a reality. Tensions on the frontline are easily exacerbated by surprise attacks or unregulated responses as mentioned by Jeong (2008). In this sense, especially alarming is the decision-making freedom given by the Armenian Defence Minister to the commanders on the ground for preventive

12 For example, the threats made by Azerbaijani President Aliyev in his speech during the 2014 crisis and then posted on Twitter (Kucera 2014a).

13 Frustrating the OSCE Minsk Group Co-Chairs. Most recent speculation about the possible meeting of the two heads of state at the UN General Assembly in New York, for example, was quickly shattered by the renewed shelling.

measures or for response to ceasefire violations from the Azerbaijani side (Movsisian 2015). Moreover, the forces along the front line consist largely of conscripts which increases the chance of disproportionate punitive measures and could easily result in a local crisis.

A so-called “window of vulnerability” (Jeong 2008), a sudden weakness in a system as overloaded as this one, also comes as a great threat. Such a situation could be an economic collapse which is imaginable in the Armenian case. Large civil unrest could present another opportunity and the frequent social protests in Armenia of late could result in a similar situation.¹⁴ The firm hold of the Azerbaijani government over its population diminishes the danger of social unrest and natural resources provide for an economic cushion¹⁵ but Azerbaijan is still not immune to a dangerous destabilisation. However, perhaps the most sudden and destructive window of opportunity would be a natural disaster. Both countries are situated in a seismically active region and the 1988 Spitak earthquake in Armenia has already played a role in the conflict. Another threat could be the Sarsang reservoir¹⁶ which is in immediate need of repair and potentially threatening up to 400,000 people on the Azerbaijani side (ICG 2013). So far, there has been no agreement between the two parties over the repair or maintenance although Azerbaijan did attempt to highlight the issue on the world stage. Recently, a draft resolution by the Political Committee of the Parliamentary Assembly of the Council of Europe (PACE) on the Sarsang repair and management was published; however, the report, being significantly one-sided and pontificating, has very little chance of success.¹⁷ Baku is developing response mechanisms and evacuation scenarios but an accident (or sabotage) would indeed present an ideal opportunity for attack. Due to the vitality of the reservoir for Karabakh water security, this

14 The danger of potential vulnerability could also explain the rigorous action of the Armenian government against such unrest as seen, for example, during the protests in September 2015 (see, for example, Martirosyan 2015).

15 Although even this aspect should not be taken for granted as seen during the early 2016 slump in oil prices.

16 Reservoir situated within Nagorno Karabakh and vital to the water security of both nations (Melvin 2014).

17 The document calls first and foremost for the withdrawal of Armenian occupation forces from Nagorno Karabakh and the adjacent Azerbaijani territories prior to any repair or management agreements (PACE 2015a). Moreover, the questionable role of PACE in the conflict is later described.

is highly unlikely. Lastly, the misinterpretation of another (unannounced) military activity (like Russian manoeuvres in the Caspian Sea or the Turkish violation of Armenian airspace) could also have dangerous consequences.

Russian Stakes: Supply and Conquer

When approaching the conflict, we cannot concentrate only on the power balance between the two players hoping to bring stability because the large geopolitical interests of outside players also come into play. The most important power in the region for centuries – Russia – has its own vision of the future of the Nagorno Karabakh conflict. The Kremlin arguably has the greatest ability of all to influence this conflict and pursue its own interests.

Russia has been a key partner of the Armenian people for almost two centuries (Danielyan 2015b) and still remains Armenia's key military and trade partner today. However, this alliance (like all Russian alliances for that matter) should not be treated as cooperation between two equals or in any way guarantee that Russia will pursue Armenia's interests.¹⁸ The prime example can be seen in the events of 2013 and 2014 when Russia managed to steer Armenia from deepening cooperation with the EU and join the EEU instead. Russia managed this mainly through the rise of energy prices (by its state-owned giant Gazprom which, as of 2014, controls the entire Armenian energy sector [Gazprom 2014; Harutyunyan 2015]) which sparked a wave of protests in 2014.¹⁹ Another important factor was the increased sale of arms and improving relations with Armenia's counterpart, Azerbaijan, as another tool with which to put pressure on Armenian officials (Cecire 2015). Although Russian control of its neighbours by means of energy is nothing new, in the case of Armenia it deserves one more remark as it has become more controversial in the midst of the recent electricity protests. As well, the Russian-operated Electricity Networks of Armenia are also allegedly a top donor to Sargsyan's Presidential Fund (Grigoryan 2015) and, therefore, it is directly linked to the current administration.²⁰

18 After all, even the Russian military doctrine from December 2014 states that Russia will foremost seek its own interests in its alliances with other parties (Gogolashvili 2015).

19 Also, the subsequent "Electric Yerevan" protests in 2015 which had an evident anti-Russian underlining tinge (Cecire 2015).

20 Which furthermore attempts to remain in power for another term through a controversial constitutional reform.

Armenian officials offer reminders that membership in the EEU does not give Armenia any security guarantees but they also remark that in the case of war, the Collective Security Treaty Organisation (CSTO) would likely not come as Armenia's saviour "*automatically and right away*" (Kogan 2015). Instead, the Russian security commitment to Armenia is represented mainly through its military base in Gyumri and its Erebuni airborne branch in Yerevan and through defence budget loans. The investment from Russia, which helps Armenia to 'keep up' with the Azerbaijani military spending spree in recent years, is represented among others by the most recently agreed loan of USD 200 million for the modernisation of the military (about half the size of Armenian yearly military spending) which will most likely be spent on Russian military gear (Agayev 2015). Another Russian investment into Armenian defence, which would boost its strategic-military capabilities, is the negotiated supply of the Russian advanced missiles Iskander-M (Danileyan 2015b). The presence of Russian troops on Armenian soil also creates a considerable deterrent against an Azerbaijani attack although the Russians stationed in Gyumri are aimed at protecting the country from an invasion from Turkey²¹ (Kogan 2015). Moreover, Russian border patrols are guarding the Armenian-Turkish border with Armenia recently planning to sign an agreement with Russia about a joint air defence system.²² All of these provisions are aimed at threats from Turkey or Islamic terrorism and not at Armenia's main opponent as the officials of both countries assure (Hayrumyan 2015) although their use in times of crisis could be rather flexible.

Not only does the nature of Russia's relations with Armenia indicate its double game, Russian-Azerbaijani relations have also started to become more pragmatic and constructive in recent years. In 2013, Azerbaijan revealed for the first time the price of its arms deals with Russia signed between 2011 and 2012 which were then reaching an 'astronomic' amount of USD 4 billion (Agayev 2013) comprising mainly tanks and heavy artillery.

21 Which has numerous security guarantees and a treaty obligation to Azerbaijan (Danileyan 2015b). Its radical response, however, would probably come only in the case of direct Armenian aggression against Azerbaijan.

22 Which has gained a new dimension due to the recent hostile nature of the relation between Turkey and Russia following the downing of a Russian fighter jet. Particularly dangerous could be the alleged airspace violations of Turkish planes in Armenia (Kucera 2015d).

In 2014, Russia also started delivering another USD 1 billion worth of T-90 tanks or TOS-1A multiple-launch rocket systems as the share of Russian-supplied arms to Azerbaijan reached 85% (Kucera 2014b). However, it is not only the sale of arms which indicates a more pragmatic rapprochement between the two as Jarosiewicz mentions in her analysis. Azerbaijan is also cooperating with Russia in the Dagestani border regions, both countries are developing economic and investment relations (which Russia might hope are the first steps for Azerbaijan's membership in the EEU) and, with Kazakhstan, are planning a first-ever joint training in the Caspian Sea before the end of the year (Jarosiewicz 2015).

Assuming that Azerbaijan is looking away from its traditional ally, Turkey, towards Russia would be a bit exaggerated although the nature of both regimes has certain similarities. One could even say that Baku is adopting a "Kremlin-like vision of the world" (Jarosiewicz 2015). Moreover, Azerbaijan's relationship with Russia and Turkey at the same time might be getting increasingly difficult due to the recent alienation of the two powers. At the same time, Azerbaijan is traditionally afraid of the bear across the border with the fear about its security doubling by the recent demonstrations of Russian capabilities in the Caspian Sea (Kucera 2015c) in addition to its destabilisation capabilities shown in Ukraine or, previously, in Georgia. Therefore, it is more likely that Azerbaijan is choosing a more pragmatic approach towards Russia which could give Baku a greater chance for influencing the relationship. At this point, there are no tools for the West to influence Azerbaijan (Jarosiewicz 2015) and, moreover, there is likely no possibility for a strategic alternative vis-à-vis approximation to the West, such as in the case of Armenia²³, if the current regime wishes to stay in power.

Prior to the previously mentioned drills conducted by Armenia, there was one which could suggest Russian hopes in the conflict. The "Indestructible Brotherhood 2015" drill in Armenia was a training for the Collective Peacekeeping Forces (CPF) of the CSTO, including 600 soldiers, 50 units of hardware and helicopters, practicing the isolation and neutralisation of militant camps, the organisation of patrols at observation posts, capacity building and drafting the necessary documents (Mod RA 2015d). Such

23 Which maintains negotiations with the EU (as it is also Armenia's main trading partner) and friendly cooperation with NATO.

training only supports the speculation about the Russian plan, voiced by some of its experts, for Armenian withdrawal from the occupied territories and the deployment of the CSTO CPF²⁴ (Hayrumyan 2015). Such a deployment was (officially) unacceptable for both parties in the conflict²⁵ as it would worsen the position of both of them. Nevertheless, in the case of a sudden crisis, Russia could make the peacekeeping force a reality while silencing both parties by the strong leverage it currently has on them.

Moreover, the CSTO is not entirely biasing its member Armenia as Russia (by all means the largest member) with its particular interests plays a great role in the group's activities. Among its members there are also the Turkic nations of Kazakhstan and Kyrgyzstan which are favouring Azerbaijan in the conflict (Kucera 2015b) as well as Azerbaijani-friendly Belarus. Nevertheless, the presence of any Russian peacekeepers would give Russia an ideal opportunity for transforming the conflict into yet another occupation or for a major intervention such as, for example, under the now well-known argument about the protection of Russian citizens.²⁶

International Mediation: Long Time, Little Progress

In order to prevent the unfavourable scenarios described above, international mediation needs to be addressed and its problems and shortcomings faced. At first, the OSCE Minsk Group strategy and outcomes will be discussed, followed by a proposal for a more complex peacekeeping approach. In the second part, more substantial changes to the peacekeeping efforts in the conflict will be presented.

As outlined before, since 1992 the main mediating body in the conflict has been the OSCE Minsk Group which has been co-chaired by the USA, France and Russia since 1997. Its main method is facilitating a face-to-face meeting between the two presidents (which are considered most effective [Hirose and Jastius 2014]) or other high-ranking officials. The other activities, such as monitoring the ceasefire on the frontline, could

24 Therefore, also Russian peacekeepers.

25 Azerbaijan as a non-member refuses such an option. However, Armenia, which was also against in the past, now invites the CSTO CPF drills and training centre during its CSTO presidency which lasts until September 2016 (Danielyan 2015c).

26 Which was ever so successful in the case of Georgia or Ukraine.

be considered as marginal.²⁷ It has alternated between different proposals in the past²⁸ with little effect with the current objective of the negotiations being the Madrid Principles, combining the ‘step-by-step’ and ‘package’ approaches and calling, among others, for the return of the occupied territories to Azerbaijan, interim status for Nagorno Karabakh followed by a self-determination ‘referendum’,²⁹ a return of IDPs and an international peacekeeping operation (OSCE MG 2009). This should be a possible resolution strategy but, as presented by this paper, it is unimaginable at the current conflict situation.

The Minsk Group engagement could be, in the sense that it managed to schedule contact between the two sides on the highest level but also between other officials, characterised as partly successful. Similarly, every escalation or upsurge of violence was eventually averted. But as presented before, the conflict has an escalatory tendency and in the recent years we see the conflict becoming its deadliest since the ceasefire signing. One of the explanations is presented by Hirose and Jastius (2014). They mention three aspects of violence – behavioural, cultural and structural-institutional. According to the authors, the OSCE Minsk Group is only addressing the behavioural part, meaning only the direct violence and neglecting the other two, which are, in reality, the root of direct violence. The persistent negative feelings and attitudes towards the other group or a generalisation³⁰ or the structural and institutional situation today³¹ remain unaddressed in the peacekeeping process (Hirose and Jastius 2014).

At this stage in the violence, apart from international and national involvement, NGOs and civil society also have to be engaged precisely to address the latter two aspects of violence (Hirose and Jastius 2014). These are, however, at this point significantly under-represented. The greatest effort in this sense so far was the European Partnership for the Peaceful Resolution of the Nagorno Karabakh Conflict (EPNK) which supported the

27 Due to the low frequency of the visits, only informing and alerting capability about violations and the inability to investigate and punish the culprits.

28 Like the ‘step-by-step,’ ‘package’ or ‘common state’ approaches (Jafarova 2014).

29 Or more precisely, the “future determination of status through a legally binding expression of will” (OSCE MG 2009).

30 Supported by the attitude of the leaders and negative language.

31 With the number of Azerbaijani and Armenian IDPs remaining unable to even visit their former homes or the sheer inability of the two populations to meet.

work of some major NGOs in the conflict (like Conciliation Resources or International Alert) through which civil society and local NGOs could also participate in the conflict resolution.³² This effort, however, is only very limited and fragmented.³³ The successful efforts of civil society and NGOs are likewise halted by the hostile approach towards them by the sides of the conflict. The situation was in this way worsened this year when the increasingly repressive Azerbaijani government ordered the closing of the OSCE and Radio Free Europe offices in Baku (RFE/RF 2015; Schreck 2015) and continues its campaign against civil society including people active in the civil society peacekeeping process.³⁴

The current mediator, the Minsk Group, could (if not directly supporting these aspects) at least diplomatically pressure the conflict sides not to hinder the process which is arguably vital for the peacekeeping success. There are also other opportunities for confidence building between the conflict parties such as targeting the repair and mutual management of the Sarsang reservoir or addressing the repair of dilapidated Azerbaijani historical sights on the territory of Nagorno Karabakh.

The region's water security has the potential to be another important sphere of cooperation between the conflict parties (in this sense the *de facto* leaders of the Armenian community of Nagorno Karabakh would also arguably have to be a party in the negotiations). Nagorno Karabakh and especially the Azerbaijani territories under Armenian control present a vital water source for Armenia, Azerbaijan and for Nagorno Karabakh itself (Dietzen 2014) and water weaponisation is an important aspect today³⁵ as it was in the past.³⁶ Similarly to the previously mentioned unsuccessful

32 For example, through alternative peace talks, publishing news from both sides of the conflict and numerous other projects.

33 Among other shortcomings, the period between the different stages of the EPNK programme presents an existential threat for the supported local organisations and prevents them from doing complex and effective work (personal interview with NGO representatives 2015).

34 As an example, the imprisonment of correspondents of the Nagorno Karabakh-based journal, *Analyticon* (personal interview with NGO representatives 2015).

35 Management of the aforementioned Sarsang reservoir by the *de facto* leaders of the Armenian community of Nagorno Karabakh creates water shortages in adjacent Azerbaijani territories and hinders agriculture (Ahmedbeyli 2010).

36 Water resources for Nagorno Karabakh 'capital' Stepanakert/Khankendi were poisoned by Azerbaijanis during the 1988-1994 war (Babayan 2010).

Azerbaijani proposal for the repair of Sarsang, the Stepanakert/Khankendi ‘authorities’ made a proposal about the joint use of water from Sarsang but it was refused by Baku.³⁷ Moreover, the importance of the occupied territories for the water security of both Nagorno Karabakh and Armenia make the implementation of the Madrid Principles even more unrealistic without other provisions (Dietzen 2014). This topic, therefore, presents a vital opportunity for peacekeeping and the facilitation of talks which could decrease the hostilities.

It is not only the limitative approach by the Minsk Group which is not conducive to the conflict resolution but its composition also raises doubts. Russia’s peculiar interests in the conflict, along with its rising conflict with the West (which is taking place, among others, in the South Caucasus) were presented in the previous section with Moscow still strongly biased towards Armenia. The French position in the conflict is also tainted with impartiality with its strong Armenian diaspora lobby and large investments in Armenia.³⁸ Only the United States is attempting to balance between the two sides³⁹ (Hirose and Jastius 2014). This impartiality, along with an unconvincing mediation outcome, calls for a review of the main mediating body composition.

While engaging potentially new bodies and resolution proposals, a great deal of thought and prudence has to be given to their selection. A cautionary tale in this sense could be the latest (again very one-sided) draft resolution by PACE (PACE 2015b), a body which, among others, is famous for being the subject of a strong Azerbaijani lobby (*Economist* 2014). It would be wrong to accuse only Azerbaijan of lobbying the international bodies as its ‘caviar diplomacy’ only stands against an equally as rigorous Armenian diaspora lobby; however, the draft resolutions by PACE often do more harm than good in the conflict resolution efforts.⁴⁰

37 Sticking to their rule about not negotiating with the *de facto* authorities of the Armenian community of Nagorno Karabakh (Dietzen 2014).

38 France is in the long term alternating with Russia in the position of the largest foreign investor in the country (Lomsadze 2015a).

39 By balancing the large Armenian diaspora lobby in the USA and the interests in the Azerbaijani energy industry.

40 As could be observed by the increase of tensions and attacking comments coming from all sides following the release of the draft resolution (for example, seen from the US Co-Chair of the OSCE MG, James, Warlick on twitter).

While crafting the future mediating body, a crucial decision has to be made on whether or not to form an impartial body or only a renewed biased mediated body like it is so far. While an impartial body would eliminate accusation over the unfairness of the current approach,⁴¹ there would be doubts about its leverage on the conflict players. On the other hand, a biased body would still suffer from current problems although there is a chance to bring new players and fresh ideas into the process. Iran's rapprochement with the West could bring this important regional player into the process. Although Iran has much better relations with Armenia than Azerbaijan,⁴² there have been signs of pragmatism in Azerbaijani-Iranian relations in recent years (Lomsadze 2015b). Iran, moreover, has its interests in the water supply from Nagorno Karabakh or in joint projects on the Araks River forming the border between the occupied territories and Iran (Dietzen 2014) and so Teheran would also have other stakes in the issue apart from regional safety. Turkey could also play its role (although being a vital military ally to Azerbaijan; but, again, so is Russia to Armenia), nevertheless its rapprochement with Armenia and smoothing the recent crisis with Russia would likely have to precede such an involvement.

Conclusion

This paper has presented the recent escalation between the sides of the conflict in the context of a greater period of time which was marked by deteriorating relations between Armenia and Azerbaijan. The current strategic position of both parties and the possible aims have been discussed. Some of the phenomena occurring in recent years, like the moderate unequal balance of power, grievances, society's misunderstanding and polarisation and the mutual sense of insecurity have been looked at together with conflict escalation literature. The area's constant saturation by weapons and large army drills have also likewise been outlined. The concluding section focused on the warning of a war by accident or a window of vulnerability that could be presented by a sudden political or economic crisis or even by natural disaster.

41 Highlighted, for example, by Jafarova (2014).

42 While the relations with Armenia are highlighted by trade and cross-border energy projects, the relations with Azerbaijan still suffer from past grievances such as the issue of Iranian Azerbaijan, the Azerbaijani fears from the export of Iranian fundamentalism or the mutual disputes in the Caspian (Lomsadze 2015b).

The Russian role in the conflict has been described, beginning with the tools and strings with which it is able to control its 'puppet ally,' Armenia, such as the energy tool or the level of support for its opponent, Azerbaijan. Moreover, the specific nature of the Armenian-Russian military alliance, which includes a large number of Russian troops and gear on Armenian soil and the constant ambiguity about the provisions from Armenia's membership in the CSTO and the EEU, have been put forward. Russia's double game and its commitment to saturate the conflicted region with arms have also been described along with examples of the approximation between Azerbaijan and Russia. The motivation of Azerbaijan for such a convergence or, more accurately, its pragmatism due to apprehension has been set to contrast the Armenian position. The section's conclusion focused on some examples of evidence that the Russian intention to take over the conflict and put its peacekeeping 'boots on the ground' is not simple science-fiction but a dreaded worthy reality.

The last section on international involvement looked at the issues of negotiations and peacekeeping as the only possibility for decreasing the violence and avoiding future escalations or preventing the mutation of the conflict into another Russian power instrument. Firstly, the insufficient and selective approach to the peacekeeping by the OSCE Minsk Group was presented, borrowing the theoretical framework used by Hirose and Jastius (2014). The current involvement of civil society and NGOs in addressing the cultural and structural-institutional aspects of mediation was later discussed, along with its shortcomings. Together with these aspects, the capacity of the Minsk Group in supporting this line of work has also been put forward. Apart from negotiation struggles, the issue of water security has also been outlined as a tool for demonstrating the near infeasibility of the current Madrid Principles but also as an opportunity for broader negotiations and confidence building. The slowly developed biased and uneven composition of the Minsk Group members has also been highlighted. The dichotomy of a biased versus impartial mediating body has been raised along with the possibility to engage new players such as Iran which, moreover, has its own stakes in the conflict itself.

At this point, the world is engaged with greater and more pressing issues such as the situation in Syria and Iraq or in Ukraine. These conflicts, moreover, are outweighing the situation in the South Caucasus both by

their strategic and security importance to the West or by the fighting intensity and casualties. However, the unresolved conflicts should not be neglected, especially if they follow the trend of renewing violence which could be seen all around the world. Neglecting such escalations could catch the West reaching an agreement over the most pressing issue while the rest of the world will be seen falling back into fighting. Moreover, Russian domination in Armenia and Azerbaijan, together with its potential success in Syria, could result in *de facto* Russian domination in a crucial part of the world while surrounding countries, like Georgia, which are on a successful pro-Western track, put immense pressure on traditional allies like Turkey. As this paper has presented, the significantly deteriorating situation along with possible strategic consequences are calling for action and a change of approach in a conflict which most of the world is having a hard time remembering.

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Abbreviations

OSCE – Organisation for Security and Co-operation in Europe

OSCE MG – Organisation for Security and Co-operation in Europe – Minsk Group

CSTO – Collective Security Treaty Organisation

CSTO CPF – Collective Security Treaty Organisation Collective Peacekeeping Forces

HRW – Human Rights Watch

ICG – International Crisis Group

EU – European Union

EEU – Eurasian Economic Union

PACE – Political Committee of the Parliamentary Assembly of the Council of Europe

MoD Az – Ministry of Defence of Azerbaijan

MoD RA – Ministry of Defence of the Republic of Armenia

SIPRI – Stockholm International Peace Research Institute