



# HELSINKI COMMISSION REPORT

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## IN BRIEF

### The Nagorno-Karabakh Conflict

The Nagorno-Karabakh conflict between Armenia and Azerbaijan remains one of the world's most intractable and long-standing territorial and ethnic disputes. Its fragile no-peace, no-war situation poses a serious threat to stability in the South Caucasus region and beyond.

The conflict features at its core a fundamental tension between two key tenets of the 1975 Helsinki Final Act: territorial integrity and the right to self-determination. As part of the Helsinki Commission's continued engagement on security challenges across Europe and Eurasia, this short primer on the conflict lays out the conflict's origins and recent evolution, as well as the role of key players including Russia, the United States, and the OSCE.<sup>1</sup>

#### Origins of the Conflict

Nagorno-Karabakh, a landlocked mountainous area about the size of Connecticut, has a long and complex history which has seen long periods of peaceful coexistence between groups including Christian Armenians and Turkic Azeris.

The origins of the modern conflict stretch back to the 1917 collapse of the Russian tsarist regime. Nagorno-Karabakh was claimed by both Armenia and Azerbaijan, and was the subject of a short but particularly intense conflict, suppressed by the Red Army's 1920 incorporation of the Caucasian republics into the Soviet Union. In 1923, the Armenian-majority territory of Nagorno-Karabakh became an autonomous oblast within the Soviet Republic of Azerbaijan.

As the Soviet Union began to liberalize in the late 1980s under Mikhail Gorbachev, nationalist sentiments in the region resurfaced. Armenians in the Nagorno-Karabakh Autonomous Oblast voted to secede from Azerbaijan and join the Armenian Soviet Republic, setting off protests among the minority Azeri population and in Azerbaijan proper. The resulting inter-ethnic clashes quickly metastasized into a cascade of violence and mass internal displacement on both sides.

#### Full-Scale War: 1991-1994

The Soviet Union's 1991 collapse set the stage for an all-out war between newly independent Armenia and Azerbaijan; this "hot" phase of the conflict lasted until a Russia-brokered ceasefire in 1994. The fighting during this period claimed around 20,000 lives and produced over a million refugees (about 350,000 on the Armenian side and 750,000 on the Azeri side). This period also saw Nagorno-Karabakh declare independence – a stance still unrecognized by the international community.

Armenia claimed important strategic gains as a result of the conflict, with Yerevan seizing full control of Nagorno-Karabakh and all or part of seven surrounding provinces that the international community continues to recognize as part of Azerbaijan.

#### The Legacy of Continued War

The conflict over Nagorno-Karabakh since 1994 remains unresolved to this day, and outbreaks of



fighting erupt periodically along the 160-mile so-called “line of contact.” Since 1994, there have reportedly been over 7,000 ceasefire violations.

In April 2016, the most serious outbreak of violence in over two decades erupted—the so-called “Four Day War,” which took the lives of at least 200 people. The conflict saw Azerbaijan take control of two strategic heights in addition to other modest gains,<sup>2</sup> representing the first change to the status quo since the 1994 ceasefire.

These gains were seen in Baku as a major psychological and military victory. Yerevan, for its part, downplayed the loss of territory it described as limited and as having no tactical or strategic importance. The flare-up in fighting ended with another Russian-mediated cease-fire agreement, which has largely held.

Broader implications of the war seem, in some ways, self-perpetuating. For example, as a result

of the displacements related to the conflict, there are almost no Armenians living in Azerbaijan today, and no Azerbaijanis living in Armenia. The border between the two countries remains sealed and painful memories from the war continue to fuel mutual mistrust.

The unresolved conflict also translates into lost economic opportunities for the region, including hampering regional economic flows. For instance, it serves as a wedge between Armenia and Turkey (which is allied with Azerbaijan).

### Competing National Perspectives

The Nagorno-Karabakh conflict is viewed and described by the competing sides through opposing historical and national narratives, contributing to its seeming intractability.

From the Azeri perspective, the war is the result of Armenian aggression that sought to change Azerbaijan’s internationally recognized borders. Armenians, for their part, instead claim that the conflict slid into war because Azerbaijan tried to

thwart the Karabkh Armenians' right to self-determination.

Thus the conflict lies squarely at the intersection of two fundamental principles of the Helsinki Final Act: the right to self-determination and the right to territorial integrity. The difficulty in reconciling these opposing views lies at the core of over a quarter-century of failed peace initiatives. Locked in mutually exclusive discourse and deep historical grievances, the parties appear to view the peace negotiations as a zero-sum game: one side's gain is another side's loss.

Each side's ultimate objectives are open to interpretation. Some observers interpret public comments from Azerbaijan as allowing for the possibility of Baku providing Nagorno-Karabakh an autonomous status, but only if Armenia returns the adjacent seven regions. Baku would most likely reject any compromise that would require Azerbaijan to acquiesce to its loss of control of these lands. Indeed, Baku considers 20 percent of its territory to be under Armenian occupation— independent assessments put the figure at approximately 14 percent. Baku has stated on numerous occasions that it will not exclude the possibility of using military means to regain this territory, should diplomacy fail to deliver an acceptable agreement.

For its part, Armenia rejects Azerbaijan's rule over Nagorno-Karabakh and seeks to retain full control over the territory and the seven surrounding provinces, although Armenian officials have suggested that the latter could be subject to negotiations if substantial progress in talks is achieved. The principal Armenian goal, many observers believe, is to gain security guarantees, while fully incorporating Nagorno-Karabakh within its borders. (The region's declared independence has not been recognized by

Yerevan, which continues to seek recognition of Nagorno-Karabakh as part of its national territory).

### **Diplomatic Framework: the OSCE Minsk Group**

Established in 1992 by the Conference on Security and Cooperation in Europe (CSCE)—now the Organization for Security and Cooperation in Europe (OSCE)—the Minsk Group seeks to facilitate communication between Armenia and Azerbaijan to find a negotiated solution to the Nagorno-Karabakh conflict.

Since 1997, the group has been headed by a co-chairmanship consisting of the United

States, France, and Russia, with several other countries playing a less active role as “permanent members” of the group. Among the group's most notable efforts was the November 2007 presentation of Basic Principles for the Peaceful Settlement of the Nagorno-Karabakh Conflict to the Armenian and Azerbaijani foreign ministers.

The Basic Principles (also termed the Madrid proposals, after the location where the draft was presented) call for the following:

- The return of the territories surrounding Nagorno-Karabakh to Azerbaijani control.
- An interim autonomous status for the region providing guarantees for security and self-governance.
- A corridor linking Armenia to Nagorno-Karabakh.
- Future determination of the final legal status of the region through a legally binding expression of popular will.
- The right of all internally displaced persons and refugees to return to their former places of residence.

- International security guarantees that would include a peacekeeping operation.

Although both sides agreed to conduct negotiations using the Principles as the base text, the Minsk Group Co-Chairs and the Armenian and Azerbaijani sides have made little progress in talks since the proposals were first introduced.

Some observers suggest that the failure to generate tangible progress in the peace negotiations lies squarely with the Minsk Group process.

However, the co-chairs stress that responsibility for reaching a settlement falls on the parties to the conflict themselves, and that the Minsk Group can only play a supporting role.

The OSCE is also engaged in the diplomatic framework through

the Personal Representative of the Chairman in Office (CiO), based in Tbilisi, Georgia, who represents the CiO in discussions concerning the conflict and leads a six-person field observation mission that performs twice-monthly, pre-announced visits to Nagorno-Karabakh and along the international border between Azerbaijan and Armenia.

### **Russia's Unique Role in the Conflict**

Of the three Minsk Group Co-Chair countries, Russia has the longest history of direct involvement with the parties to the conflict and is the most geographically proximate. In both 1994 and 2016, hostilities between the parties halted through Russia's unilateral brokering of cease-fire agreements.

Moscow's relationship with Armenia is particularly strong. An estimated 5,000 Russian troops are permanently stationed in Armenia, which is a member of the Russia-led Collective Security

Treaty Organization (CSTO). Moscow and Yerevan have agreements that would facilitate Russian military intervention in the face of foreign aggression, as well as further integration of their militaries; Yerevan also has access to heavily subsidized sales of Russian arms. Russian companies dominate Armenia's energy, mining, and telecommunications sectors. Russia is Armenia's top trading partner—making up 27 percent of Armenia's total trade in 2016—and accounted for some 40 percent of Armenia's total cumulative foreign direct investment in 2014,

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according to the Congressional Research Service.

Despite this strategic alignment with Yerevan, Russia is also the principal weapons supplier to Azerbaijan. Baku has reportedly purchased some \$4 billion of Russian military equipment since 2013,

including tanks, infantry fighting vehicles, and artillery systems. In 2016, 69 percent of Azerbaijan's arms imports came from Russia, according to a report from the Stockholm International Peace Research Institute (SIPRI).<sup>3</sup>

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### **United States Policy**

The policy of the United States towards the region has in many ways been framed by the Nagorno-Karabakh conflict, with the U.S. supporting the territorial integrity of Azerbaijan while recognizing that the future status of Nagorno-Karabakh must be settled through negotiations.

Congress, with an eye on the conflict, has played an active role in guiding relations with both Armenia and Azerbaijan since the outbreak of war in the early 1990s. For instance, under the terms of the 1992 FREEDOM Support Act (Section 907), the United States was prohibited from providing any military assistance to Azerbaijan absent a Presidential determination that Azerbaijan had made “demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh.” During this period, the United States also withheld military assistance to Armenia in what the State Department at the time described as a policy of “even-handedness” toward the two countries.

The geopolitical shock of the September 11, 2001 attacks caused Congress to amend this policy, leading to the approval of an annually renewable presidential waiver that enabled the United States to provide military assistance to Azerbaijan and, accordingly, to Armenia. Since then, Congress has chosen to provide military assistance in roughly equal amounts to both countries in order not to affect the military balance between them.

According to the Congressional Research Service, over the last five years, U.S. military assistance amounted to \$12.4 million for Armenia and \$12.3 million for Azerbaijan, including \$9.36 million in foreign military financing (FMF) for each. U.S.-provided FMF has mainly supported the development of both countries’ international peacekeeping capabilities, including NATO interoperability.

### **The Role of the U.S. Helsinki Commission**

Since the 1990s, the Commission has examined the prospects for resolution of the conflict and the plight of internally displaced persons in a number of hearings and briefings. In the public statements of its Congressional leaders, the Commission consistently champions the efforts of the OSCE Minsk Group in search of a peaceful and lasting resolution to the conflict. Commission members have also traveled to the region, including as early as in 1992, when

Commissioners described their concern about an “increasingly bloody and alarming conflict” between Azerbaijan and Armenia, and their support for involving the then-CSCE in conflict resolution and mediation.<sup>4</sup>

More recently, Commissioners have continued to call for specific measures to promote peace in the region. To name only one example, then-Chairman of the Commission Congressman Chris Smith signed an October 26, 2015 letter to the U.S. Department of State Co-Chair to the Minsk Group, calling for an agreement from all sides not to deploy snipers along the line of contact; the placement of OSCE-monitored, advanced gunfire-locator systems and sound-ranging equipment to determine the source of attacks along the line of contact; and the deployment of additional OSCE observers along the line of contact to better monitor cease-fire violations.

Finally, Commissioners engage on the Nagorno-Karabakh conflict on a regular basis through their active participation in the OSCE Parliamentary Assembly. Most recently, Commissioners debated and voted to adopt the Assembly’s July 2016 Tbilisi Declaration, in which the Assembly:

- Expresses concern over military escalation in the Nagorno-Karabakh conflict zone and welcomes the active engagement of the OSCE Chairmanship in finding a political solution to protracted conflicts in the OSCE region within established negotiating formats and mechanisms.
- Calls upon parliamentarians to encourage political will from the sides in the region to engage in serious efforts to reach an agreement on confidence-building measures to reduce the risk for further hostilities along the Nagorno-Karabakh conflict zone, and to negotiate a comprehensive settlement within the framework of the Minsk Group.



## **Conclusions**

Although the Nagorno-Karabakh dispute is often branded as a “frozen conflict,” it remains prone to rapid escalation, as demonstrated by the tragic “Four Day War” of April 2016. The flare-up in violence along one of the most militarized areas in the post-Soviet space took the international community by surprise and underscored the reality that the tense status quo is not sustainable.

The renewed hostilities initially appeared to reinvigorate the peace process. Baku and Yerevan agreed to a Minsk Group proposal to establish an OSCE investigative mechanism for incidents along the line of contact, more than double the small number (currently six) of OSCE field observers, and exchange information about missing persons.

However, reports suggest the terms of these agreements remain largely unimplemented, apparently due to differing perspectives by the sides on sequencing of the de-escalatory steps relative to a larger diplomatic process, and whether implementation of the steps suggests a hardening of the status quo. Regardless, the OSCE should continue to pursue confidence-building and risk reduction measures and early warning mechanisms to encourage transparency and predictability, while stemming further outbreaks of violence and aiming to reduce their severity if and when they do break out.

Analysts differ in proposing inside-out versus outside-in approaches to resolving the conflict, with the former placing the onus on the Armenian and Azerbaijani leaders to drive toward a

settlement and the latter on international actors. Few assess that Armenia and Azerbaijan’s political leaders can break out of the cycle of harsh recriminations in the near term, however. The leaders’ domestic political vulnerabilities make such change even more difficult as the conflict has become a rhetorical tool capable of inflaming popular sentiments as a distraction from other challenges facing their societies.

Clearly, among external actors, Moscow plays a singular role in any long-term and definitive resolution to the Nagorno-Karabakh conflict. While U.S. officials publicly report that Moscow generally works cooperatively with its co-chair partners in the Minsk Group, it remains unclear the extent to which Moscow views the uneasy status quo as serving its own geopolitical interests. Turkey’s role will also be extremely important in any settlement, given its close relations with Azerbaijan and potential economic significance to Armenia.

Ultimately, the essential element to achieving a definitive resolution of the Nagorno-Karabakh conflict will be finding the political will— both at the level of the parties to the conflict, as well as those external actors with significant influence and interests in the region—to take steps in that direction, while minimizing the risk of further violence in the interim. The Helsinki Commission will continue to monitor the region’s evolution; propose specific measures to reduce tensions; and advocate through the full breadth of its activities for positive steps in the diplomatic process necessary to achieve a durable political solution to the conflict.

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## **About the Helsinki Commission**

The Commission on Security and Cooperation in Europe, also known as the U.S. Helsinki Commission, is an independent agency of the Federal Government charged with monitoring compliance with the Helsinki Accords and advancing comprehensive security through promotion of human rights, democracy, and economic, environmental and military cooperation in 57 countries. The Commission

consists of nine members from the U.S. Senate, nine from the House of Representatives, and one member each from the Departments of State, Defense, and Commerce.

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<sup>1</sup> For a more in-depth treatment of the current state of the conflict, see “Nagorno-Karabakh’s Gathering War Clouds,” *International Crisis Group*, June 1, 2017, <https://www.crisisgroup.org/europe-central-asia/caucasus/nagorno-karabakh-azerbaijan/244-nagorno-karabakh-gathering-war-clouds>.

<sup>2</sup> “Nagorno-Karabakh’s Gathering War Clouds,” *International Crisis Group*, June 1 2017, <https://www.crisisgroup.org/europe-central-asia/caucasus/nagorno-karabakh-azerbaijan/244-nagorno-karabakh-gathering-war-clouds> (accessed June 2, 2017).

<sup>3</sup> Dr. Aude Felurant et al., “Trends in International Arms Transfers, 2016,” *Stockholm International Peace Research Institute*, February 2017, <https://www.sipri.org/publications/2017/sipri-fact-sheets/trends-international-arms-transfers-2016> (accessed May 19, 2017).

<sup>4</sup> “Helsinki Commission to Visit Armenia, Azerbaijan, Tajikistan, Uzbekistan, Kazakhstan, and Ukraine,” *U.S. Commission on Security and Cooperation in Europe*, April 10, 1992, <https://www.csce.gov/international-impact/publications/helsinki-commission-visit-armenia-azerbaijan-tajikistan-uzbekistan> (accessed May 25, 2017).