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## “August Heat”: The Uncertain Trajectory of Nagorno-Karabakh’s Conflict Resolution

By Zaur Shiriyev, Baku

### Abstract

The frontline skirmishes between Armenia and Azerbaijan at the end of July and during the first week of August brought the heaviest concentration of casualties since the 1994 Ceasefire Agreement. Attempts by the U.S. and France to arrange a presidential meeting prior to the skirmishes ended with an unexpected bilateral meeting in Sochi, under Russian auspices. In the shadow of the ongoing West–Russia confrontation, the future of the Minsk Group mediation process of the Nagorno-Karabakh conflict remains unclear, given that both sides are represented as co-chairs.

### Introduction

In the shadow of the ongoing confrontation between Russia and the West over Ukraine, many potential platforms for cooperation are rapidly becoming areas of confrontation. In light of these troubling developments, the prospect of Nagorno-Karabakh conflict resolution is in limbo. The Minsk Group Co-Chairs—with representatives from Russia, France and the U.S.—are responsible for overseeing this process, and their cooperation is critical for any kind of progress. Between the meeting of the Azerbaijani and Armenian presidents on January 23, 2012, in Sochi and their next meeting in Vienna on November 19, 2013, a full 666 days passed. Since the 1994 ceasefire, the major question has been how to increase the effectiveness of the negotiations process. The deadlock of nearly two years without a presidential-level meeting forced the negotiation agenda back, and another negative development of that magnitude will seriously jeopardize the process.

Without a doubt, it was the decision by the Armenian government to join the Moscow-led Customs Union last year (rather than the Ukraine events) that placed the Nagorno-Karabakh conflict resolution largely in Russia’s hands. It is evident that under this scenario, the West is increasingly less likely—indeed less able—to push Armenia towards resolution. This situation led to an ever-deepening entrenchment of the status quo, with the Minsk group format as the only remaining mechanism—without limiting the co-Chair countries’ leadership personal involvement at the president or foreign minister level.

Meanwhile, the perceived lack of leadership from the Minsk Group in its current format has in recent months been criticized by official Baku, especially after Russia’s annexation of Crimea, following which the principle of territorial integrity was repeatedly underscored in the international debate as a core principle of international law. Azerbaijan has once again asked the West to increase its involvement in the process; Baku

believes that the West could do more to support Azerbaijan, based on the principle of territorial integrity, as well as its importance as an energy exporter. Baku put forward a three-pronged approach, which contained no new content, but has gained new resonance in light of recent political developments. First, if negotiations are going to commence, high-level officials from the Minsk Group Co-Chair countries should take the initiative to drive them forward in a fruitful manner. Second, the “partial liberation” of occupied Azerbaijani land is not under question of peace negotiations; Azerbaijan wants Armenian forces to withdraw from the occupied regions as a matter of priority. Baku does not want to give Yerevan the opportunity to present a “timeline for withdrawal” as a bargaining chip in peace negotiations. Baku fears this would end up with a partial withdrawal that would then stagnate as the status quo. Third, Azerbaijan’s stricter approach makes participation in presidential negotiations contingent on clear progress on conflict resolution.

Nevertheless, the lack of certainty around progress in peace negotiations is clear, despite the expectation of a presidential-level meeting at the invitation of the French President and the U.S. Secretary of State. And moreover, despite Azerbaijan’s progress-oriented approach described above, the summer has seen an escalation of the conflict along the Line of Contact (LOC) as well as in the border regions. The escalation began in May 2014, and then on July 30<sup>th</sup> and August 5<sup>th</sup> flash skirmishes along the Armenian–Azerbaijan contact line erupted. While small-scale ceasefire violations have been relatively common, the recent events caused the highest casualty rates the Nagorno-Karabakh conflict has seen since March 2008. According to official sources, thirteen Azerbaijani and five Armenian soldiers were killed during the July 30<sup>th</sup>–August 5<sup>th</sup> period. In the midst of the increasing casualties and the increasingly mutual antipathy at the societal level (particularly in Azerbaijan), Putin’s invitation to an August 9<sup>th</sup>–10<sup>th</sup> presidential

meeting in Sochi raised several questions about the current and future trajectory of Nagorno-Karabakh conflict resolution. Similarly, the explanation for the recent border skirmishes—the “August Heat”—is crucial to understanding how best to prevent similar events in the future.

### **Possible Reasons for the Recent Skirmishes and Increasing Tensions: the Azerbaijani Perspective**

The August skirmishes, which threatened to escalate into a full-fledged war, did not arise due to an identifiable individual violation of the ceasefire. Nor is it possible—or indeed necessary—to stipulate who took the first shot. Nonetheless, the origins of the tensions can be traced, along with the reasons for Azerbaijan’s increased readiness to react.

Azerbaijani society was politically mobilized in advance of the August border skirmishes, due to the kidnapping by Armenian forces of three Azerbaijani civilians in the occupied Kelbajar region of Azerbaijan. Accused by Armenian authorities of belonging to a sabotage group, one of the three died. No action was taken, despite the involvement of a humanitarian organization. As a consequence, the Azerbaijani public was in a state of agitation, and there was much media discussion of the issue. The public demanded action by the Azerbaijani armed forces.

During the subsequent border skirmishes, the public’s outrage intensified, with an important difference: this time, the Azerbaijani media played a negative role, propagating misinformation about casualty figures and inflaming public reactions. This misinformation led not only to social tensions but also to increased expectations from frontline developments. Notably, the Ministry of Defence disclosed that during 1<sup>st</sup>–6<sup>th</sup> August, hundreds of people applied as volunteers to join the military.

The conflict parties have repeatedly accused one another of violating the terms of the cease-fire regime. Yerevan argued that the recent border skirmishes would be used by Azerbaijan to push for progress at the international level, arguing that the Nagorno-Karabakh conflict is not frozen and requires international attention and involvement; Baku has often made such arguments in advance of presidential meetings or international events related to security issues. However, the recent skirmishes do not support this line of argument; rather, a number of factors indicate that the August developments favor Armenia’s interests rather than Azerbaijan’s. These include the Customs Union, Russia, domestic, and military factors, and I will discuss each in turn.

*The Customs Union and International Attention.* The developments of recent months have made Armenia feel diplomatically cornered in relation to Nagorno-Kara-

bakh; Armenian dissatisfaction with Russia increased; and there was a generalized feeling that Azerbaijan’s position was strengthening. Armenia’s unhappiness with Russia’s position on the Nagorno-Karabakh issue was heightened following the May 29<sup>th</sup> meeting of the Supreme Eurasian Economic Council, where Moscow and other members expressed views that Armenia should be admitted to the future Eurasian Union only within its United Nations-recognized borders, i.e. not including Nagorno-Karabakh. However, since its September 2013 decision to join the Customs Union, the Armenian government has justified its position based on “security interests”; i.e. CU membership will benefit the current inhabitants in NK through increased economic prosperity and better economic links with Armenia. Yerevan’s arguments for viewing Armenia and Nagorno-Karabakh as separate political entities have been deployed previously: the same principles would have enabled Armenia to initial the EU’s Deep and Comprehensive Free Trade Agreement without any reference to Nagorno-Karabakh in advance of the November 2013 EU Vilnius Summit. Armenia argued that increased EU integration would be managed through the installation of a customs checkpoint between Armenian and Karabakh by the EU, recognizing the official borders of Azerbaijan. The Astana meeting showed that in joining the Customs Union, Armenia will face the same issue in relation to internationally recognized borders. Around the same time, the U.S. Minsk Group Co-Chair and U.S. Ambassador to Azerbaijan made statements emphasizing a route to conflict resolution via restoration of Azerbaijani’s territorial integrity, in line with the Madrid Principles. These statements refocused the attention of EU and U.S. officials on territorial integrity and sovereignty. Importantly, this coincided with Russia’s illegal annexation of Crimea. These concurrent developments, along with the increasing number of visits to Azerbaijan by Russian officials, suggest a diplomatic failure by Yerevan, which sacrificed its EU ambitions to join the Russian-led Eurasian Union, in large part based on the assumption that Moscow would support it on the Nagorno-Karabakh issue.

*The Russian Factor.* Developments in Russia’s security policy are a source of increasing dissatisfaction to Armenia. In June, Russia’s Deputy Prime Minister Dmitry Rogozin, tasked with overseeing the Russian defense industry, mentioned bilateral discussions on new arms sales by Russia to Azerbaijan. Subsequently, the Armenian president openly criticized Russia for the first time. “This is a very painful issue for us. Our nation is very concerned about the fact that our strategic partner is selling weapons to Azerbaijan,” said Armenian President Serzh Sargsyan on July 10<sup>th</sup>. Later, at end of the July, the Rus-

sian aircraft manufacturer Irkut, announced that Russia is planning to export Yak-130 combat aircraft to Azerbaijan. Russia has used this strategy before, selling military equipment to both sides to create tensions. Armenia has received the bulk of the equipment either free or at subsidized CSTO rates. Yerevan's concern about the recent sale to Baku coincides with worries about the general increase of diplomatic activity between Baku and Moscow, together with Russia's lack of support in the Customs Union membership issue, as described above. At the bilateral level, official outreach between Moscow and Baku has intensified: in June and July, Azerbaijan hosted high-level Russian officials (Deputy Prime Minister, Duma Speaker, Economic Minister, Foreign Minister). This increased interaction has sparked dissatisfaction among the Armenian leadership and the public regarding the behavior of its "strategic ally."

*Domestic Factor.* It has been argued that Armenia orchestrated the current escalation in order to divert attention from its internal economic problems. Notably, there has been an increase in energy prices, which affects both the Armenian population and Karabakh Armenians. In July, Armenia's Public Services Regulatory Commission approved an almost 10% rise in electricity prices for households, to come into force on 1 August 2014. In Karabakh, which is under occupation and governed by the separatist regime, major consumers will also be affected by the electricity tariff hike, though the remaining subscribers will benefit from government subsidies. Given that since December 2013, Armenia's domestic energy market has been fully controlled by the Russian giant Gazprom, this change is fuelling local dissatisfaction with both the central government and Russia.

*Military Factor.* From the military perspective, it is unlikely that Azerbaijan initiated the recent skirmishes, as the Defense Minister of Azerbaijan was on vacation at the time, and had to return to the country suddenly. For planned maneuvers, the head of the Army is always present. The other reason is that such maneuvers do not involve ordinary conscripts, and most of the Azerbaijani casualties were conscripts rather than special forces.

It seems likely that Armenia provoked Azerbaijan into a harsh response that was likely to increase losses on both sides, to be presented to the international community as an attack by Azerbaijan. Most importantly, Azerbaijan's recent heavy losses are damaging for domestic politics, specifically for the reputations of the military command and the government. For Armenia, border clashes serve political interests by focusing public attention on conflict rather than economic issues, and, crucially, reassuring the public that the country can guarantee national security without Moscow's help.

## The Logic of the Sochi Meeting and Beyond

Reviewing the recent border skirmishes and analyzing the connections, it could be argued that Russia has played a key role. The political conditions—both domestic and international—indicating that the border skirmishes were started by Armenia, were likely manipulated by Moscow. Before the outbreak of violence, a meeting orchestrated by Russia was not on the agenda at all. The first official mention of a Sochi meeting came from the Armenian Prime Minister on 2 August in the midst of the skirmishes, and was later confirmed by Kremlin sources.

The meeting took place in Sochi on August 10. The previous day, Putin met the two presidents separately to discuss bilateral issues. Though the meeting was expected to become a "crisis meeting" on Nagorno-Karabakh, there was no advance "blueprint," or declaration by the Russian side to clarify the meeting's purpose. Given that Azerbaijan had previously declared that it would not take part in discussions without clear aims and had even threatened war, the Sochi meeting may have satisfied Armenia, in the sense that it appeared to quell Baku's initial instincts and demonstrated Moscow's capacity to manage the situation.

However, there is one key misunderstanding in relation to the Sochi meeting and of Russia's future role in the Nagorno-Karabakh conflict.

Regional scholars deemed the Sochi meeting part of Russia's PR campaign to mitigate the international outcry against its actions in Ukraine, notably the contested downing of the MH17 flight. The Ukraine events once again revealed Russia's tendency to use existing conflicts (as well as creating new ones) as policy instruments in the post-Soviet space, aimed at increasing Moscow's influence. Thus, Moscow's sincerity in relation to its South Caucasus policy should be seriously questioned. The trajectory of Moscow's general foreign policy proves that it is not seeking to present itself a contributor to peace and security. Even if Moscow's aim was to promote its capacity as a facilitator of peace processes, it couldn't simply wait for border skirmishes. The only example of Moscow using the Nagorno-Karabakh conflict to bolster its international image arose after the 2008 August War with Georgia, in line with Russia's "reset" policy with the US, launched a year later.

The misperception here lies in the question of why Moscow invited the Azerbaijani and Armenian presidents in the *middle* of the clashes; that timing indicates a reactive rather than proactive policy. Moscow's action was driven by the demands of the situation, rather than an explicit desire to demonstrate a facilitating role. The political significance of the invitation to Sochi is likely two fold. The first aim is to provide a reminder of Mos-

cow's role in the Nagorno-Karabakh conflict resolution process; a similar invitation from the French and/or U.S. Co-Chairs had been awaited. By taking the initiative, Russia has demonstrated its predominant role in the peace process. Moscow's other goal is to show Baku the limits of cooperation with West, if Baku's policy aims to limit Russia's influence in the European energy market. In line with this, the Astana meeting of the Eurasian Union essentially gave the green light to Azerbaijan by blasting Armenia diplomatically, constituting an informal invitation to join the Union.

### Conclusion

The "August Heat"—the front line skirmishes and the outbreak of fighting in the border regions between Azerbaijan and Armenia—clearly demonstrates the fragility of the peace negotiations. As outlined above, domestic and international conditions led Armenia to take a more aggressive approach before and during the border skirmishes. In the midst of the fighting, following heavy losses, Azerbaijan took a more aggressive approach, a reminder from the leadership of the country's readiness for war in the event of continued aggression.

The major losses experienced during 30<sup>th</sup> July–5<sup>th</sup> August were not the products of the political or military strategies of either Yerevan or Baku. Rather, the events arose due to a toxic mix of internal discontent, Russian manipulation, and international inactivity on the conflict negotiation front.

The trajectory of peace negotiations remains uncertain. After the Russian-orchestrated Sochi Meeting, the

conflict parties met at the September 2014 NATO Summit in Wales at the initiative of U.S. Secretary of State John Kerry. The State Department subsequently said, "[Secretary Kerry] encouraged the Presidents to work with the OSCE Minsk Group Co-Chairs." It is further expected that in November 2014, France, the other Minsk Group Co-Chair country, will organize a meeting between the Azerbaijani and Armenian presidents.

However, despite the fact that all the Co-Chair countries have mobilized high-level officials to initiate presidential meetings, the outcome is not particularly hopeful. Before the recent events, the conflict parties' discussions were based on the Madrid Principles, which following agreement on all points were designed to become Basic Principles, essentially a Comprehensive Peace Agreement. Although an updated version of the Madrid Principles has been presented to the conflict sides a few years ago, the fate of the Basic Principles remains unclear. But, without a clear agenda submitted with international guidance, the meetings will provide little more than discussion for discussion's sake. What is needed is a framework focused on the implementation of key provisions (namely withdrawal of Armenian forces from the occupied territories, the return of IDPs), which could build trust at both the official and public levels. Otherwise, as seen in the Sochi Meeting—from which the Minsk Group Co-Chairs were excluded—the practice of reiterating lines of disagreement provides thin grounds for optimism.

#### *About the Author*

Zaur Shiriyev is a senior research fellow at ADA University. The views expressed here are entirely the author's own and do not represent the institution's position.