The International Politics of the Armenian-Azerbaijani Conflict

The Original "Frozen Conflict" & European Security

Edited by
SVANTE E. CORNELL

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In Memoriam
Johanna Popjanevski
1980–2016

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This book is dedicated to the memory of Johanna Popjanevski, who tragically passed away shortly after completing her contribution to this volume. Her love for the Caucasus was matched only by her commitment to justice.

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CHAPTER 1

The Armenian-Azerbaijani Conflict and European Security

Svante E. Cornell

Introduction

The conflict between Armenia and Azerbaijan is the original "frozen" conflict of Eurasia. Beginning in late 1987, four years before the collapse of the Soviet Union, the conflict gradually intensified, escalating rapidly when Armenia and Azerbaijan became independent states in early 1992. The conflict not only spread from the territory of Nagorno-Karabakh to its surrounding regions, but in fact also engulfed much of the territory of the two states, which saw large-scale ethnic cleansing. After nearly 30,000 dead, a 1994 cease-fire left Armenia in control of Nagorno-Karabakh, as well as much larger lands in Azerbaijan that had been emptied of their predominantly Azerbaijani population.[1] That cease-fire signified a stalemate, but not a solution. And in the 22 years that have passed, the conflict has not moved any closer to a political resolution. Meanwhile, the economic and political balance between the two countries has shifted considerably. Armenia, the victor in the war, has seen a dwindling of its population and relative international standing; while the development of Azerbaijan's oil and gas resources has meant that its economy is now over six times larger than Armenia's, and for several years, its official defense budget grew larger than Armenia's entire state budget.

In this context, it should come as no surprise that the conflict has been on a path toward escalation in the past several years. The spring of 2016 saw the most significant violation of the cease-fire since its inception, with a sudden burst of violence over several days that killed 20 soldiers, followed by the Azerbaijani downing of an Armenian helicopter. In parallel, the rhetoric of the belligerents has escalated apace.

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This conflict is by no means a parochial squabble in a Eurasian backwater. The South Caucasus may have been peripheral to international politics when it first emerged out of the Soviet Union in 1992, but in the quarter century since, it has grown into a significant international hotspot. Indeed, in terms of both energy deliveries and military logistics, the region has become a key corridor linking Europe with the Caspian Sea and Central Asia. The prospect of a land corridor for trade between Europe and Asia is slowly being realized, and China has come to see the South Caucasus as a logistical hub at the doorstep of Europe. In security terms, the Russian invasion of Georgia in 2008—itself a precursor to its aggression directed at Ukraine five years later—indicated that the South Caucasus was a flashpoint in European security with an impact extending considerably beyond its borders.

This is the case at a time of considerable regional and international uncertainty. The South Caucasus lies sandwiched between the two arguably most acute security issues confronting the world today: Russia's aggression against Ukraine, and the dissolution of the post-World War One order in the Middle East. In the region itself, the relative stability of South Caucasus geopolitics that prevailed for more than a decade has dissolved following the 2008 war in Georgia, giving way to a much more fluid and unpredictable situation.

This is the context of the evolution of the Armenian-Azerbaijani conflict. And indeed, the dramatic changes that have taken place in the South Caucasus in the past 20 years have altered the dynamics of the conflict to a considerable degree, thus belying the notion of a "frozen" conflict. The conflict is certainly unresolved; but the concept of frozenness falsely connotes a lack of dynamism, as if the politics of the conflict are frozen in time and space. It also implies complacency, suggesting that there is no cost to maintaining the conflict's unresolved character.

As this book will illustrate, such notions are erroneous. The Armenian-Azerbaijani conflict is far from frozen: it has in fact evolved considerably in the past 20 years, to the point that it has transcended the local, inter-communal conflict it initially was. And far from existing in isolation, the conflict arguably forms the cornerstone of the geopolitics of the broader region, featuring prominently in the policies of great powers surrounding the South Caucasus, while affecting their mutual relations. Indeed, the conflict has both influenced, and been influenced by, subsequent regional controversies, be they in Kosovo, Georgia or Ukraine. Most importantly, the conflict appears to become more dangerous with every passing year it remains unresolved.

This, in turn, would suggest that Western policy-makers accord the conflict a considerable degree of attention, and give it a prominent role in their strategy toward the broader region—to the extent that such a strategy exists. Yet, this is not the case. Quite to the contrary, international instruments to address the conflict remain locked in the logic of the mid-1990s, when the Organization for Security and Co-operation in Europe (OSCE) Minsk Group was tasked to resolve the conflict, and grew into its present form. But since this arrangement was devised, the nature of the conflict has shifted, with its geopolitical component becoming at least as prominent as its inter-communal nature. Yet the peace process, and perceptions of the conflict in the West, do not reflect these realities. The process continues to be assigned to mid-career diplomats, which represents a woefully inadequate approach. And while the peace process has obviously stagnated, its mediators on occasion appear interested mostly in preserving the current format of the process rather than to achieve solutions. The OSCE as an organization has failed to live up to the lofty expectations of the 1990s; indeed, it has become an increasingly moribund institution. Furthermore, the notion of Russia as a mediator—questionable to begin with—has now become preposterous, given its behavior in the region more broadly as well as specifically toward Armenia and Azerbaijan. Notably, the conflict is also the only unresolved conflict in Eurasia where the EU does not have a seat at the table—yet another reflection of the world of the mid-1990s rather than the present.

This volume aspires to investigate the international politics of the Armenian-Azerbaijani conflict. As such, its focus is not on the conflict itself, and especially not on its intricate details, the claims and counter-claims of its protagonists, or its long and contentious history. The focus of the volume is rather on how the conflict interrelates with international politics and security affairs, and particularly its role in European security.

This conflict has numerous names—the most common being the "Nagorno-Karabakh conflict" and the "Armenian-Azerbaijani conflict"—and a note on terminology is in order. To illustrate, the nearby war between Russia and Georgia in 2008 is often termed the "South Ossetia conflict," although it went far beyond the territory of South Ossetia. That is a term the Russian side will prefer, since it would not appear to be involved. Georgian sources refer to it as the Russian-Georgian conflict or the Russian invasion of Georgia. Similarly in the case of Armenia and Azerbaijan, the Armenian side terms the conflict the "Artsakh liberation war," using the Armenian term for Nagorno-Karabakh. By contrast, Azerbaijani sources typically use the term "Armenian aggression against Azerbaijan." Thus, Armenia naturally focuses on the Nagorno-Karabakh element of the conflict, while Azerbaijan tends to stress the inter-state aspect.

Accordingly, this is a conflict that exists at several levels simultaneously. It is, on the one hand, an intra-state conflict, between the Armenian population of Nagorno-Karabakh and the government of Azerbaijan. While the main apple of discord in the conflict is indeed over the disputed territory of Nagorno-Karabakh, the conflict was never only over this territory, and most of the protagonists as well as victims of the conflict were not residents of Mountainous Karabakh. Indeed, terming it as such is somewhat reductionist, because it suggests the conflict is akin to a localized, almost tribal squabble over land. As will be seen, this is a conflict between two nations, the Armenians and the Azerbaijanis, which has come to also involve significant powerhouses of Eurasia and beyond. The conflict arose in the early twentieth century in parallel with the development of nation-states in the South Caucasus, and from 1992 onward, it for all practical purposes became a conflict between two independent states—in turn the reason why the conflict has come to play the crucial geopolitical role that it does.

Thus, the conflict is demonstrably *also* an inter-state conflict between Armenia and Azerbaijan—hence the divergence of terminology used to describe it. The most correct term would be the “Armenian-Azerbaijani conflict over Nagorno-Karabakh,” a term that is nevertheless too long and unpractical to be used across this book, which will primarily refer to the conflict as the “Armenian-Azerbaijani conflict.”

The remainder of this chapter aspires to set the scene for the subject of this volume, the international politics of the Armenian-Azerbaijani conflict. In so doing, it will provide a brief, and certainly imperfect, historical overview of the conflict.[2] It will then examine the impact of the conflict on the foreign policies and foreign relations of Armenia and Azerbaijan, in order to illustrate how the conflict contributed to forming the main geopolitical dividing line in the South Caucasus. Following this, the chapter discusses the evolution of South Caucasus geopolitics from 1992 until the present, showing how the nature of the conflict has increasingly come to be determined by factors beyond the control of either protagonist. Finally, it will move to an analysis of the role of unresolved conflicts in general, and the Armenian-Azerbaijani conflict in particular, on European security.

The remainder of the book delves into considerable detail on a number of aspects of this conflict. Chapter two, by Johanna Popjanevski, focuses on the international legal aspects of the conflict, particularly its central issue of discord: the status of the territory of Nagorno-Karabakh. In Chapter three, James Sherr situates the conflict in the increasingly contentious international politics of Eastern Europe. Chapters four through eight cover the role of external actors in the conflict. These begin, logically, with Pavel Baev’s scrutiny of Russia’s role. That is followed by this editor’s treatment of Turkey’s policies toward the conflict. Then, Brenda Shaffer studies the much-ignored and paradoxical role of Iran in the conflict, following which Stephen Blank examines that of the United States. Finally, this editor handles the evolution of Europe’s relationship to the conflict. After these overviews of the roles of foreign powers, Nina Caspersen studies the history of international efforts to mediate the conflict. The volume ends with a brief overview of the prospects of this conflict, and a discussion of possible international efforts to ameliorate it.

Background to the Conflict

At its most basic, the conflict between Armenia and Azerbaijan has its roots in the incompatibility of the concept of a nation-state with the demographic realities of the South Caucasus a century ago. The lands stretching from eastern Anatolia to the central regions of present-day Azerbaijan were not homogenously populated by ethnic groups that could neatly be divided by national boundaries. The countryside was settled by ethnically defined villages—primarily Armenian, Azerbaijani/Turkish or Kurdish—interspersed in a complex mosaic. Larger towns were more multi-ethnic, but divided into Christian and Muslim quarters. In the Ottoman Empire, Christians were second-class citizens and discriminated by the ruling Muslims; in the Russian Empire, these roles were reversed. Yet because these were empires and not nation-states, the urge toward ethnic and religious homogeneity was not yet a driving political force. That changed with the rise of nationalism, imported from Europe, in the second half of the nineteenth century. The urge to build cohesive nation-states effectively destroyed this mosaic over the 100-year period from 1894 to 1994—beginning roughly with the Hamidian massacres of Armenians in Sasun, and ending—for now—with the ethnic cleansing of Azerbaijanis from the provinces surrounding Karabakh.

As is well known, the largest concentrations of ethnic Armenians were in present-day eastern Turkey, areas from which they were obliterated in the massacres from 1890 to 1915 that Armenians call *Medz Yeghern*, the “Great Crime,” and that most historians today term the “Armenian Genocide.” In the Caucasus, demographic realities were different. The most homogeneously Armenian area was the Russian *Guberniia* of Yerevan, which overlaps largely with present-day Armenia’s boundaries. But the *Guberniia* had had a Muslim majority in the 1826 Russian census, which was reversed by 1832 as a result of the Russian Empire’s mass settlements of Armenians from Iran and Turkey. But the largest concentrations of Armenians were elsewhere: during the entire nineteenth century, Armenians were the largest ethnic group in Tbilisi, currently the capital of Georgia, and on the eve of the First World War, there were as many Armenians as Azerbaijanis in Baku. Thus, the urge to create nation-states left the Armenians at a profound disadvantage. Simply put, there was a clear Georgian homeland and a clear Azerbaijani homeland, but there was no similarly easily discernible territory that would unify the Armenian population.

Developments in the late nineteenth century rapidly exacerbated the tensions between the two groups. Obviously, the violence in eastern Anatolia affected the situation in the Caucasus. To many Armenians, the Azerbaijanis were simply “Turks,” even though they had no involvement in the massacres and deportations in Anatolia. Meanwhile, in Tsarist Russia, competition over resources in the aftermath of the Baku oil boom of the 1870s took on increasingly ethnic tones, with resentment growing in the Azerbaijani community of benefits accorded to Armenians. Tsarist policies, in Audrey Altstadt’s words, manipulated historical differences “to incite jealousy, perhaps violence, as a means of control.”[3]

Over the ensuing century, and starting in 1905, a pattern of violence would repeat itself: the weakening of Russian central power ushered in intercommunal violence that pitted well-organized Armenian groups against less disciplined and more spontaneously formed Azerbaijani counterparts. In parallel, Russian policies tended to be criminally negligent: aside from long-standing ethnic manipulation, in a remarkable number of incidents Russian soldiers were ordered not to intervene in the killing and rampage that was taking place. This was the case during the first Russian Revolution of 1905, and again in 1988–90.

The 1905 clashes led to over 10,000 deaths, and brought relations between the two nations to a freezing point. Only just over a decade later, the Russian Revolution of 1917 led to a sudden Russian withdrawal from the Caucasus, and in the anarchy that ensued, the formation of a Transcaucasian state—an impossible union of Armenians, Azerbaijanis, and Georgians—was doomed to fail. The First World War was still raging, and all three groups had different orientations, especially toward Ottoman Turkey. Azerbaijanis welcomed the Ottoman advance into the Caucasus, whereas Armenians vehemently opposed it and Georgians sought German support to avoid its repercussions. The state fell apart within two months, ushering in three national republics that would not survive more than two years. The Caucasus had now irrevocably fractured along ethnic lines, and the process of carving out Armenian and Azerbaijani nation-states now began in earnest. Both republics laid claim to the southwestern corner of the South Caucasus, encompassing the ethnically mixed regions of Nakhichevan, Zangezur and Mountainous Karabakh. In practice, Karabakh formed part of the Azerbaijan Democratic Republic. Deadly clashes ensued in Baku in 1918, with Armenians massacring Azerbaijanis in March, and an Ottoman-Azerbaijani joint force massacring Armenians in September. Bloody struggles over Karabakh and Nakhichevan took place in the fall of 1919 and the spring of 1920, ending only with the imposition of Soviet rule over Azerbaijan in April, and Armenia in November of 1920.

Soviet rule paused the conflict, but did not end it. Through processes that remain opaque, the Soviet leadership settled on a complicated and in many ways illogical territorial settlement. Soviet nationality policy did provide for asymmetric ethnic-based federalism, in other words, the division of the Union into ethnic-based national homelands with different levels of self-rule ranging including full Union Republics, Autonomous Republics and Autonomous Regions. But in principle, it allowed only for one national homeland per ethnic group. Thus, national minorities such as Russians in Kazakhstan or Tajiks in Uzbekistan, who numbered in the millions, did not possess any particular status. Exceptions to this were made only in the Caucasus, where the small Ossetian people, for example, were divided into autonomous entities in Russia and Georgia. Concerning Armenia and Azerbaijan, the solution was even more complex. Armenia and Azerbaijan were made into Union Republics; Zangezur was handed to Armenia without any form of autonomy; and Nagorno-Karabakh was made an autonomous region under Azerbaijani jurisdiction, without any common border with Armenia. There were, in other words, two Armenian homelands in the Soviet Union. Even more perplexing, there were two Azerbaijani homelands as well, the second being the Nakhichevan Autonomous Republic, also under Azerbaijani jurisdiction. The logic behind these decisions remains untraceable; the process involved little or no consultation with local leaders, and therefore, the legitimacy of the delimitation was always subject to question. What was not subject to question, however, was that it left Armenia the loser of the Soviet delimitation, as it handed two of the three prized contentious territories to Azerbaijan.

At various points in the seven decades of Soviet rule that ensued, successive Armenian leaders would try and fail to contest this delimitation. In the final decades of Soviet rule, however, such attempts were quite futile. The leader of Soviet Azerbaijan, Heydar Aliyev, had become one of the closest protégés of Soviet leaders Leonid Brezhnev and, particularly, Yuri Andropov, who made him a First Deputy Chairman of the Soviet Union's Council of Ministers. Aliyev valiantly defended his republic's interests in Moscow, and rendered any Armenian attempts to change the status quo moot. But Aliyev was part of the old guard, and soon fell from favor when Mikhail Gorbachev became Soviet leader in 1985. It is no coincidence that the Armenian drive to benefit from the new openness under Gorbachev began at the exact time that Aliyev was demoted in 1987—while the Armenian Abel Aganbeyan rose to become one of Gorbachev's main advisors. In the fall of that year, the first Azerbaijanis were made to leave Armenia. By February 1988, the petition drive in Armenia and Nagorno-Karabakh had escalated to huge demonstrations in Yerevan, and on February 20, the parliament of Nagorno-Karabakh officially demanded to be transferred to Armenia. Six days later, resettled Azerbaijanis from Armenia went on a rampage against Armenians in the Azerbaijani coastal city of Sumgait—with Soviet interior troops three miles away electing not to interfere, an indication of Soviet instigation of these events. Following Sumgait, inter-ethnic violence intensified and militia groups on both sides worked to ethnically cleanse their respective republics, a process that was completed by late 1990.

The Armenian and Azerbaijani elites at this point made fateful choices. Armenia found that while Gorbachev was sympathetic to their demands, he had decided to maintain the status quo in fear of the potential domino effect of allowing a change of internal boundaries. Therefore, Armenia grew increasingly anti-Soviet, and the Armenian National Movement ended up taking control of the republic in the elections held in fall 1990. By contrast, Azerbaijan was the status quo power, and decided to rely on the Soviet central powers to maintain its rule over Nagorno-Karabakh. This seemed a fine bet at first, as Soviet interior troops worked with Azerbaijani authorities to suppress Armenian irregular formations in and around Nagorno-Karabakh in 1990–91, uprooting a number of Armenian villages in the process. But it also meant that Armenia developed its own governing institutions while Azerbaijan did not, and that Yerevan moved to assert control over the various irregular armed formations that had emerged—while Baku was in no position to build any army of its own. This meant that once the August coup of 1991 in Moscow had failed and Soviet power collapsed, Armenia was now the party prepared to take advantage, while Azerbaijan proved essentially helpless. Led by a determined nationalist leadership, Armenia moved on the offensive in early 1992, while Azerbaijan was led by an inept Communist leadership that did not create a national army until March that year. Without Soviet forces to prevent the belligerents, the conflict escalated to full-scale war in the spring of 1992.

The Armenian side benefited greatly from the domestic preoccupations of the Azerbaijani elite. The Popular Front only managed to remove the Communist government in May 1992. But by then, Armenians had taken the citadel city of Shusha and the Lachin region, forming a corridor linking Armenia to Nagorno-Karabakh. Moreover, the single largest atrocity of this episode of the conflict had occurred—the February 1992 massacre of 600 civilian Azerbaijanis in the town of Khojaly. While the new nationalist leadership in Azerbaijan mounted a counter-offensive in the summer of 1992, internal infighting in Azerbaijan led to large troop units defecting from the front. In early 1993, Armenia conquered the province of Kelbajar sandwiched between Armenia and Nagorno-Karabakh, and began moving in territories to the southeast of the region. In June, a renegade Azerbaijani commander fielded a military coup against the nationalist government, prompting its downfall. The Armenian side did not miss the opportunity to benefit from the power vacuum in Azerbaijan, and moved to conquer and ethnically cleanse the southern Azerbaijani provinces of Fizuli, Jebrail, Qubatli and Zangilan, as well as parts of Agdam province to the east of Nagorno-Karabakh. From exile in his native Nakhichevan, Heydar Aliyev emerged to take the reins of power in Baku, and managed in short order to stabilize the government of the country. But the damage had been done, and Azerbaijan had lost Nagorno-Karabakh as well as (in whole or in part) seven provinces surrounding it. The CSCE Minsk Group and Russian officials both worked on ending the conflict, and while the Minsk Group co-chairs conducted most of the negotiations, it was Moscow that reaped the benefits by announcing a cease-fire in May 1994.

Since then, the conflict has been purportedly "frozen." Indeed, the cease-fire has largely held in the 22 years that have passed, while no solution to the conflict has been found. This is where the conflicts in the former Soviet Union differ from those in the former Yugoslavia. The conflicts in Bosnia-Herzegovina and Kosovo all came to a form of closure, which has proven more or less irrevocable. But in Nagorno-Karabakh, Abkhazia, South Ossetia and Transnistria, conflicts were "ended" by cease-fire regimes that left them in legal and political limbo. The key difference, of course, is that international involvement in the former Yugoslav conflicts was much more decisive, whereas this did not take place in the former Soviet conflicts. Indeed, nothing akin to the NATO-led Implementation Force (IFOR) or Kosovo Force (KFOR) was deployed in Nagorno-Karabakh. It is relatively unique in being a major unresolved conflict where two armies are eyeball to eyeball across a cease-fire line and not separated by a peacekeeping force—comparable perhaps only to the Demilitarized Zone separating North and South Korea.

But on another level, the notion of a frozen conflict is erroneous, because the status quo is untenable. Armenia has proven entirely unwilling to negotiate away the fruits of a military conquest that many Armenians consider their first victory in many centuries; and it continues to hold the occupied territories as a bargaining chip to achieve the recognition of their control over Nagorno-Karabakh. But precisely because the Azerbaijani defeat was so total and so decisive, there is no prospect of Azerbaijan simply accepting its defeat and moving on. While Armenia initially enjoyed considerable international sympathy, its ethnic cleansing of three-quarter of a million Azerbaijanis from territories that were never disputed helped turn world opinion against it. Even if the world might have closed its eyes to Armenia's conquest of Nagorno-Karabakh, the occupation of the seven surrounding provinces was, in effect, biting off more than it could chew. It ensured that Azerbaijan would see itself as the aggrieved party, the victim of aggression, and thus never come to terms with the outcome of the 1988–94 conflict. In fact, it all but guaranteed a new bout of fighting at some point in the future unless a negotiated solution could be found.

This was all the more the case because of the fundamental economic and strategic disparity between the two nations, and the exceptional situation that allowed Armenia to claim victory in 1994. Armenia won the war largely because Azerbaijan had collapsed into a failed state. But Armenia's pre-war population was roughly three million, which has shrunk as a result of emigration to a permanent population of roughly two-and-a-half million today. Azerbaijan's population, by contrast, stands at nine million presently, over triple that of Armenia's. And while Azerbaijan's GDP was only double that of Armenia in 1995, oil and gas have currently made it six times larger. What is more, the conflict has resulted in the strategic isolation of Armenia from the large infrastructural projects of the region, in accordance with Azerbaijani and Turkish preferences. The reason is obvious: in pure geostrategic terms, the value of the South Caucasus is its role as a conduit between Europe and Central Asia. In such terms, Armenia can be circumvented by transiting through Georgia, but Azerbaijan—bordering both Russia and Iran—is the only irreplaceable country in the corridor. In sum, in the past two decades, the balance of power between Armenia and Azerbaijan has shifted dramatically, to the favor of the latter.

Revanchist sentiments in Azerbaijan are growing stronger by the year; and while outside military experts might disagree, the preponderance of Azerbaijanis now believe that their military is capable of taking the lost territories back if they were assured that Russia would not intervene on Armenia's behalf. In parallel, the incidence of violence along the cease-fire line has grown in an almost linear fashion since 2010. War, of course, can start for any number of reasons: whether by intent or by mistake; or whether for strategic or domestic political reasons. But the growing imbalance between the parties, and the volatile nature of regional politics, indicates that no one should be surprised when a new episode of the Armenian-Azerbaijani conflict erupts.

The Conflict and Foreign Policy-Making in Armenia and Azerbaijan

As the dust settled on the front lines in 1994, the importance of the Armenian-Azerbaijani conflict did not diminish. Quite to the contrary, it helped determine the foreign policy orientations of both countries, and in turn, became a chief dividing line in the geopolitics of the region. The conflict had an inverse effect on the two countries' geopolitical choices: it led Armenia to return to the Russian fold, pushed Azerbaijan toward the West, and contributed to the alignment of Georgia and Azerbaijan.

Whereas Armenia had been the anti-Soviet republic seeking to unravel the status quo, this rapidly changed in 1992. Part of the Soviet Union, Armenia had not needed to consider external threats. But with the USSR gone, independent Armenia became highly vulnerable. It faced a new situation whereby the potential of Turkish intervention in the conflict on Azerbaijan's side appeared very real, especially as Armenia's conquest of territory expanded. The new reality led Armenia's leaders to a historically familiar conclusion: to present themselves as Moscow's chief partner, indeed its anchor, in the South Caucasus—a notion that appealed to Moscow because both Azerbaijan and Georgia sought to escape the Russian shadow. It is unclear to what degree the *quid pro quo* was explicit, but the logic was straightforward: Armenia would align with Russia in regional affairs, and in exchange receive Russian sanction and protection for its control of Nagorno-Karabakh. This has been the main operating principle of the bilateral relationship ever since. It was illustrated most vividly and recently in 2013, when Armenia, citing national security reasons, made a drastic U-turn to jettison an Association Agreement with the European Union (EU) in favor of joining the Eurasian Economic Union.

Azerbaijan, by contrast, had initially aligned with Moscow in the late 1980s, gambling that the central power would safeguard its control over Nagorno-Karabakh. But the bloody Soviet military intervention in Baku on January 20, 1990, changed matters. It was justified as an attempt to quell ethnic rioting earlier that month, but it was launched *after* riots had ended, and mainly targeted the Azerbaijani Popular Front movement. And as the conflict with Armenia escalated, Azerbaijanis became convinced that Russia had become not only Armenia's main sponsor but also a direct participant in the conflict. Evidence suggests that Russian forces took part in the Khojaly massacre in February 1992.[4] The Armenian offensive in Shusha and Lachin began on May 17, 1992—the very day after Armenia signed a mutual defense treaty with Russia. Azerbaijan's nationalist government, which came to power the next month, moved rapidly out of Moscow's orbit, and began to orient the country toward Turkey and the West. With considerable evidence to make their case, Azerbaijanis blame Russia for instigating the coup that brought down the Popular Front government in June 1993, and which precipitated Azerbaijan's military defeat. When Heydar Aliyev came to power, in effect thwarting a Russian-inspired coup, he adopted a more diplomatic approach to Moscow than his predecessor. But ever since, Azerbaijan has remained at the greatest distance possible from all Russian efforts to reintegrate the former Soviet states. Banking on the power of its energy resources, Baku turned westwards, seeking a strategic relationship with Turkey and the United States to bolster its sovereignty and independence—and to build a position of strength that would compel Armenia to an agreeable negotiated solution.

For Armenia, having won the war, safeguarding its military victory was the highest priority, and to this end, Yerevan proved willing to depend on Russia for its security with the result of compromising its national independence. Azerbaijan, which lost the war, made the opposite decision: its leadership has made the maintenance of independence its highest political priority, trumping the return of the occupied territories. Azerbaijan has had little reason to trust the periodic (and intensifying) Russian entreaties suggesting that the conflict could be "solved" if Baku reoriented its foreign policy. Instead, Azerbaijan began to cultivate forces willing to counterbalance Russia. Given close historical and linguistic ties, Turkey was an obvious partner, but it put considerably more emphasis on building ties with the West, primarily the United States. In the process, this also led to a close partnership between Azerbaijan and Georgia. The two had been subjected to similar humiliations and loss of territory, and viewed Russia as the main culprit. They both sought a Western orientation built on the strategic east-west energy corridor, in which Georgia became the key transit route for Azerbaijani oil and gas resources to the West.

Further afield, the conflict also helped clarify the intentions of regional powers. The conflict gave form to Turkey's policy toward the Caucasus, based on an alignment with Azerbaijan, the containment of Armenia through the closure of the border between the countries, and a strategic partnership with Georgia and Azerbaijan in building the energy and transportation corridor to the Caspian Sea. Georgia and Azerbaijan also constitute Turkey's land conduit to Central Asia. This policy has largely held since 1993, with the sole exception of the abortive attempt to normalize Turkish-Armenian relations in 2008–09, and remains in force today. As for Iran, the Armenian-Azerbaijani conflict brought a surprising twist: the Islamic republic effectively supported Christian Armenia's territorial conquest of one-sixth of the territory of one of the world's four Shia-majority states. The reason was straightforward: given the presence of an ethnic Azerbaijani population double the size of that in Azerbaijan itself, Tehran at all cost sought to prevent the emergence of a wealthy, secular and Western-aligned state on its northern border, even if that meant supporting Armenia.

For the West, the conflict has mainly been an impediment to the realization of both its strategic and normative goals in the region. The conflict, as well as those in Georgia, delays or hampers the building of a functioning and stable South Caucasus corridor, in particular because it makes Armenia and Azerbaijan incapable of cooperation, and therefore essentially prevents the South Caucasus from functioning as a region. Moreover, it facilitated the return of more authoritarian tendencies in both Azerbaijan and Armenia, and provided a useful instrument of manipulation for those external forces that sought to prevent the West from gaining a foothold in the region.

Thus, by the middle of the 1990s, the Armenian-Azerbaijani conflict had become the main dividing line in a budding geostrategic alignment in and around the Caucasus. On one side was a north-south axis linking Armenia, Russia and Iran; on the other, an east-west axis of Azerbaijan, Georgia and Turkey, supported in many ways by the United States.

This alignment generated a balance of power or, more accurately perhaps, stalemate (and indeed a remarkably stable one given the volatility of the region) that lasted until 2008. Since then, as will be seen below, a series of events have "shaken up" the Caucasus, and made the politics surrounding the conflict much more unpredictable. These have not changed the fact that the Armenian-Azerbaijani conflict is the basic dividing line preventing the development of a stable and Western-oriented South Caucasus. They have, however, made the region more volatile, and increased the risks of its non-resolution. Before turning to the role of unresolved conflicts in European security, a close look at the geopolitics of the South Caucasus is in order.

Geopolitics of the South Caucasus

When the Soviet Union collapsed, the geopolitical importance of the South Caucasus was not immediately obvious to Western powers. Expertise on the region was weak; it appeared a hopeless quagmire of warring ethnic groups, and there was a strong tendency to consider the region a part of Russia's backyard. Moreover, the conflicts in the Caucasus took place at a time when much more pressing issues were on the Western agenda. These included the Gulf War, the wars in the Balkans much closer to the heart of Europe, and the managing of the Russian transition, not least the fate of Russia's nuclear arsenal.

But already in the early 1990s, it was clear that Russia's leadership—particularly the defense and security services—paid an inordinate amount of attention to reasserting Russian power in the South Caucasus, including through the manipulation of ethnic conflicts. This effort had no parallel even in other parts of the former Soviet Union, indicating that Russian leaders saw the region as exceptionally important. Moreover, it took place at a time when Russia itself was not only weak, but also dealing with serious internal problems. Between 1991 and 1994, Chechnya and Tatarstan had both declared independence, and it would have seemed natural for Russia's leadership to focus on putting its own house in order before attempting to secure its influence in the South Caucasus. But instead, Russia's leadership spent scarce resources on subduing the newly independent states of the South Caucasus. As already noted, Russia quickly secured its influence over Armenia, and deployed subversive efforts to topple the nationalist government of Azerbaijan. But nowhere were Russia's intentions more obvious than in Georgia, where Russia both trained North Caucasian volunteers and deployed its air force and other assets in the conflicts on the side of South Ossetian and Abkhaz rebels, thus helping to create unresolved conflicts from 1991 to 1993. Moscow also worked hard to subdue the independent-minded leadership of Eduard Shevardnadze through various subversive efforts, which succeeded in forcing Georgia to join the Commonwealth of Independent States (CIS) as well as accepting Russian control over its border with Turkey and the deployment of four Russian military bases on its territory.

This was no coincidence: it reflects the long-standing geopolitical importance Russia has attached to the Caucasus, which it identified in the late eighteenth century as its buffer to the Middle East. Indeed, the key importance of the Caucasus lies in its crucial geographical location at the crossing point of both east-west and north-south corridors of transport and trade. For millennia, the Caucasus has been a link—or buffer—between the Black and Caspian Sea, and thus between Europe and Asia as well as between Russia and the Middle East. In contemporary international affairs, its key value lies in its location at the mouth of the east-west corridor connecting Europe with Central Asia and beyond; and simultaneously, at the intersection of powers playing key roles in international politics, most prominently Russia, Iran and Turkey. As a result, the Caucasus is a key factor shaping the intersection of Europe and the Middle East.

From 1828 to 1991—with a brief interlude in 1918–21—the South Caucasus was absorbed into the Russian Empire, and cut off from its historical neighbors to the south and west. But since the mid-1990s, the South Caucasus has once again begun to emerge as an important east-west corridor. This has taken place in three related areas: in the realms of energy resources, military logistics and civilian trade.

The development of the Caspian Sea basin's energy resources began in earnest in the mid-1990s. The successful projects, involving Western multinational companies, to develop the oil and gas resources of Azerbaijan, Kazakhstan and Turkmenistan have proven crucial to the economic and political independence of the states of the Caucasus and Central Asia. Indeed, they were the only independent income stream that enabled these countries to consolidate their sovereignty. Specifically, the creation of the pipeline system connecting Azerbaijan's energy resources via Georgia to Turkey and beyond provided an opportunity to develop these resources while avoiding the control of the former colonial overlord. While this primarily benefited Azerbaijan resources, it held great importance for Central Asian states as well. This infrastructure broke the Russian monopoly over the transportation of energy resources, and only after this was accomplished was China able to further shatter that monopoly through inroads into Central Asia, particularly through the Turkmenistan-China gas pipeline. The bulk of Kazakhstan's oil and Turkmenistan's gas resources have yet to come online, but the further potential of the South Caucasus to serve as a key corridor for these energy resources is enormous.