



*Caucasus Institute Research Papers
#2, August 2010*

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**Nagorno-Karabakh After
Two Decades of Conflict:
Is Prolongation of the
Status Quo Inevitable?**

Yerevan, Caucasus Institute, 2010

UDC 32.001:341

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Design and Layout: “**Collage**” / www.collage.am

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Nagorno-Karabakh After Two Decades of Conflict: is Prolongation of the *Status Quo* Inevitable? *Caucasus Institute Research Papers*, #2, August 2010. – Yerevan: Caucasus Institute - 67 p.

The second issue of the Caucasus Institute Research Papers looks at the various aspects of the conflict over Nagorno-Karabakh and its evolution over the past two decades. The main objective of the paper to analyze the conflict in its entirety and identify factors and trends affecting the approaches of the parties in conflict and the involved regional and global actors. Special attention is paid to the political, military and military-technical components of the conflict. The paper looks at the impact of the conflict on the regional policies and political discourses, the role of the time factor, and the relations between external actors and conflict parties. It is targeted at both political scientists and a general audience.

ISBN 978-99941-2-512-8

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This publication was made possible by the support of the European Union and Open Society Think Tank Fund

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1. Introduction

For the past two decades, the Nagorno-Karabakh conflict has constituted the most important factor shaping the political map of the South Caucasus and the fate of Armenians and Azerbaijanis inhabiting this region. The movement of the Armenians of Nagorno-Karabakh for self-determination that was launched in February 1988, triggered a fierce conflict between the Armenian population of this formerly Soviet autonomous region (with Armenians in Armenia and the rest of the world supporting them) and, first, the communist powers of the USSR and the Soviet Republic of Azerbaijan and then, after the demise of the Soviet Union, with independent Azerbaijan. The number of casualties on both sides of the conflict reached tens of thousands; hundreds of thousands suffered deportation, lost their homes and belongings, and became refugees or internally displaced persons.

All parties to this conflict seek support from a considerable body of historical, political and legal arguments to strengthen their respective positions and to justify the implementation of their political stance. At the same time, the public and elites of Armenia, Azerbaijan and Nagorno-Karabakh show hardly any readiness to accept a compromise settlement; rather, they place the blame squarely and solely on their opponents, accusing them of escalating the conflict and lacking the determination to pro-

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mote peace. The third-party countries and international bodies involved to a larger or lesser extent in the current conflict or in the process of peaceful settlement have not adopted a unified approach and often pursue their own respective interests and agendas in the political process focusing on Nagorno-Karabakh.

As a result, negotiations concerning Nagorno-Karabakh create a veritable *déjà vu* situation. What is indeed surprising is that even though no serious progress is noticeable in reaching a peaceful agreement on Karabakh in the foreseeable future, the parties in conflict appear to regard the persisting *status quo* situation as minimally acceptable. Even Azerbaijan, which has lost the war and continues to declare time and again its readiness to wreak revenge by military means, nonetheless, needs to take into account the current reality of political and military constraints which make protracted uncertainty of the process of negotiations “the lesser evil.”

The principal aim of this report is to offer a systemic analysis of the conflict and to identify factors and trends that may affect the approaches of regional and global actors involved in conflict settlement efforts as well as the parties in conflict themselves. Special emphasis is placed on the military political and military technical aspects of the conflict; a comparative analysis is conducted of the factors affecting the military balance in the region and the probability of the resumption/non-resumption of hostilities in the zone of the conflict. This paper analyses the impact that the conflict over Nagorno-Karabakh exerts on regional politics and the political discourse in third countries, assesses the significance of the time factor, and looks at the interaction between external actors and the parties in conflict.

2. The Karabakh Conflict as a Case Study of Ethnopolitical Conflicts

The unfolding of the Karabakh conflict that resulted in the *de facto* creation of a new unrecognized state entity in the South Caucasus – the Nagorno-Karabakh Republic – fits perfectly well into the international logic of nation-building. Ethnopolitical conflicts¹ involving the establishment of *de facto* states are by no means unique to the South Caucasus (Abkhazia and South Ossetia, for example), the post-Soviet space (Transnistria), Southwest Asia and the Mediterranean (the Turkish Republic of Northern Cyprus), the Balkans (Kosovo), or indeed other regions of the world (Eritrea, Bangladesh, Aceh, etc.).²

¹ An ethnopolitical conflict typically impacts simultaneously on both the political and ethnic spheres; quite often, the political component (struggles for power, territory, resources, etc.) come to the fore in the conflict. A process of resolution of conflict issues between ethnic groups using political means is usually also categorized ethnopolitical conflict.

² A detailed analysis of the chronology and dynamics of development of the Karabakh conflict is beyond the scope of this article. For details, see: Nikolay Hovhannisyan. *The Karabakh Problem: Factors, Criteria, Variants of Solution*, Yerevan, 1999; Sergey Minasyan, Mikhail Aghajanyan and Eleonora Asatryan, *The Karabakh Conflict: Refugees, Territories, Security*. Yerevan, 2005; Suren Zolyan. *Nagorno-Karabakh: the Problem and the Conflict*. Yerevan, 2001.

The long-term “no peace no war” situation around Nagorno-Karabakh and the inability of the conflicting parties and intermediaries to achieve a final settlement for nearly two decades are not only consequences of the geopolitical background and regional rivalry between superpowers. This is also an indication that the parties in conflict lack the will or desire to settle it. Regardless of all its specific features, the Karabakh conflict follows the pattern of a “classical” ethnopolitical and/or ethnoterritorial military conflict stemming from nation-building and ethnic demarcation.³ Among ethnoterritorial conflicts, secessionist and irredentist conflicts⁴ involving the emergence of new *de facto* states are regarded in political science as the most extreme and the most embittered and desperate forms of ethnopolitical conflict. Anatoly Yamskov remarked that in a conflict of this type, “a compromise solution is impossible in principle; the conflict can either be suppressed by force or will result in destroying the original multiethnic society, either by splitting it into two new societies or by transforming it into a radically new society after the emigration (deportation) of the conflict-generating minority.”⁵

³ Controversies and conflicts between ethnic groups for the right to live on a specific territory, be in its possession and control it are known as *ethnoterritorial conflicts*. Territorial disputes between sovereign states are not considered classical ethnoterritorial conflicts because they involve not only ethnic groups but also states and nations, and quite often multiethnic entities. It is therefore more customary to refer to them as *interstate* or *international conflicts* even though classic ethnoterritorial and interstate conflicts are very closely connected and typically follow very nearly identical patterns of evolution and divide into similar subgroups. For details, see: Vadim Streletsii. “Ethnoterritorial Conflicts: Essence, Genesis, Types.” *Identity and Conflict in Post-Soviet States*, Martha Brill Olcott, Valery Tishkov, Alexey Malashenko (ed.). Moscow, 1997, p.231.

⁴ It is common to subdivide ethnoterritorial conflicts into *secessionist conflicts* (political or ethnopolitical movements that aim for a part of the territory of the state to secede from this state and form a new independent state) and *irredentist ones* (when the aim of leaving one of the states is to join or merge with another already existing state).

⁵ Anatoly Yamskov. “Ethnic Conflict: Problems of Definitions and Typology.” *Identity and Conflict in Post-Soviet States*, p.209.

In view of this, when analyzing the Karabakh conflict, it is necessary to take into account the international experience of previous attempts to settle intricate ethnopolitical conflicts which had gone through an active military phase. Such ethnopolitical and ethnoterritorial conflicts were practically never settled through a balanced compromise agreement that would equally satisfy each player. World history shows virtually no examples contradicting this rule in the last century, except perhaps some very exotic cases in which conflicts avoided this degree of bitterness, occupied a small geographical area, or were not of very high priority for the parties involved.⁶

In fact, widely advertised compromise agreements, which at the time of signing led to worldwide resonance and were supported by a considerable fraction of social groups of the sides of the conflict, only led to even bloodier flares of violence after which the conflict would continue to escalate albeit in even more difficult conditions. A classic example is found in the fate of the 1993 Oslo Agreements on the settlement in the Arab-Israeli conflict, which not only failed to bring the long-awaited peace to the land of Palestine but proved to be a prologue to the assassination of the main architect of the peace process, Yitzhak Rabin, followed by a new round of intifada, more intense attacks of Arab fighters against Israel, the 2006 war in Lebanon, the Molten Lead operation in the Gaza Strip at the end of 2008 and the Hamas movement's democratic accession to power in the Gaza Strip. Much too often, the *idée fixe* of a compromise, driving an idealistic "desire to get peace without understanding the realities of the peace process result-

⁶ E.g., the case of Trieste divided between Italy and former Yugoslavia after WWII is a classic ethnoterritorial dispute where a compromise solution was applied; however, the creation of a new unrecognized state was not on the table.

ed in something very different from what one originally meant to achieve.”⁷

In all other cases, ethnopolitical and territorial conflicts – especially if they involved secession and ethnic demarcation – had a very narrow choice of scenarios that resulted (or did not result) in a final settlement and brought about long-term peace. The following, as yet highly speculative, categorization of such conflicts can be suggested, by types and evolution scenarios:

- The first scenario assumes that the victory of the unrecognized or *de facto* state was so overwhelming (or that the former “parent state” capitulated) that the losing side relinquished – completely or for a historically very long length of time – any hope and any claim for regaining the secessionist territories, especially if the resulting situation proved acceptable and was recognized by the international community or at least of a significant number of countries. Kosovo, Bangladesh and Eritrea can be considered, with certain reservations, as examples of countries that achieved independence successfully and irreversibly, regardless of the wishes of the former “parent country.”⁸ Alsace and Lorraine can be regarded as similar examples of “final resolution” of a purely territorial interstate conflict in a long-term historic perspective. A typologically very similar example

⁷ Sergey Markedonov. *Strategy of Accelerated Peacekeeping*, <http://www.politcom.ru/8492.html>, 13.07.2009.

⁸ In addition to these examples of ethno-political independence acquired by a public entity against the wishes of the former “parent country,” there are numerous cases of voluntary splitting of states (Czech Republic and Slovakia, Mali and Senegal, Singapore, Malaysia, Syria and Egypt, Ireland and the UK, Norway and Sweden, Iceland and Denmark). For details see: Alexander Iskandaryan. *The Genesis of Post-Communist Ethnopolitical Conflicts and International Law*. In: *Ethnopolitical Conflicts in the Transcaucasus: their Roots and Solutions*. - University of Maryland, College Park, Maryland, 1997.

was the large-scale decolonization and gaining independence by former colonies of European countries.

- The second scenario (similar in its results to the first) of a “final resolution” of an ethnopolitical conflict, whether involving a de-facto state or not, is the complete annihilation of the secessionist ethnopolitical entity. A crushing military defeat of the “ethnic motherland” of the secessionist group may lead to a similar result. The former republic of Srpska Krajina in Croatia is a “classic” example (and also a mirror image of the first scenario) of the “final resolution” of an ethnopolitical conflict: it was wiped out in just four days in August 1995 as a result of a rapid offensive of the Croatian army. A historically similar example is the Sudetenland, a region on the territory of the present Czech Republic: after the defeat of Germany in World War II, the German population of the Sudetenland was deported almost in its entirety and relocated on the basis of post-war agreements.
- The third scenario is a frozen or smoldering conflict in which the defeated party (the former “parent nation”) refuses to accept the *status quo* and hopes to somehow achieve a military or political revanche and regain control over the seceded territory. Karabakh may serve as a classical example of this sort of “frozen conflict.” The Arab-Israeli conflict can be quoted as a fairly close example too: although it is not classically “frozen,” it clearly manifests the unwillingness of one of the sides (in this case, of Arabs in Palestine) to accept the current situation; the potential of the defeated side is sufficient for keeping the conflict in a state of “slow burning” (in the form of intifada, actions of suicidal militants, artillery and rocket shelling of Israeli territory etc.).

- The fourth scenario is the so-called “Cyprus precedent,” or the creation of a practically permanent *status quo* in the conflict zone. In addition to the Turkish Cyprus, this scenario is relevant for Taiwan,⁹ Kashmir (the confrontation of India and Pakistan), and after 2008 also for Abkhazia and South Ossetia. Transnistria, where the probability of renewed armed conflict has been brought to zero by its “excessively European location,” can be partly regarded as belonging to this group. A typical feature of the “Cyprus precedent” is the recognition and/or direct support of the ethno-political entity by its ethnic motherland (or “parent” political entity) or by a world-class or regional power. Serious political constraints on the resumption of active hostilities (as in the case of China and Taiwan or Moldova and Transnistria), or the incommensurability of the potential of the former parent state and the revanchist country (as in the case of Greece, Cyprus and Turkey, or Georgia and Russia) make changing the *status quo* impossible in the foreseeable future. The parties to the conflict are also aware of this. However, final settlement of the conflict is not achieved, either due to political factors preventing comprehensive international recognition, or because the former parent country is unable to reconcile with reality.
- The fifth scenario (a blend of the second and third scenarios) consists in an ethnopolitical entity rejecting statehood in an enforced or voluntary manner (even if

⁹ In the case of Taiwan, we encounter a situation unique for international practice; Taiwan has transformed into a *de facto* and partially recognized state in 1971, after it had been recognized by the world community and enjoyed full rights of a player in international relations and even been one of the five permanent members of the UN Security Council from 1945 until 1971.

temporarily). A classical example of de-sovereignization of an unrecognized republic (under external pressure) is the Serb Republic which was incorporated into Bosnia and Herzegovina under the December 1995 Dayton Treaty. With reservations, Chechnya (Ichkeria) at the beginning of the 2000s can also be included in this category. De-sovereignization of “the State of Aceh,” created in 1976 in the northern part of the Indonesian island of Sumatra, occurred in a similar manner when this territory (which suffered most from the devastating tsunami and earthquake in the Indian Ocean in December 2004) received the status of “special autonomy” as part of Indonesia, after thirty years of military hostilities, under a peace agreement signed in 2005 in Helsinki between the central authorities and Aceh rebels. Another instructive example is the 2001 Ohrid Framework Agreement, under which the Albanian minority of Macedonia renounced plans for secession and independent statehood. By the way, an unsuccessful attempt to apply this scenario to the Karabakh conflict has already been made, in the form of a “Common State” vision proposed by intermediary states under strong international pressure in the late 1990s. In fact, this project was a self-styled projection of Dayton Treaty technology onto the Karabakh conflict.

Such are the main scenarios of evolution of the contemporary ethnopolitical conflicts involving the emergence of unrecognized or *de facto* states. It appears that the Karabakh conflict is by no means unique in the proposed categorization, although it definitely has some very specific features, for instance:

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- Negotiations going on for many years and involving intermediaries (Co-chairs of the OSCE Minsk Group representing the world's leading nuclear powers who are also permanent members of the UN Security Council);
- The surviving brittle truce at the line of contact in complete absence of peacemakers;
- The importance of the South Caucasus for regional and international actors.

3. Strategies and Visions of the Conflicting Sides

The parties in conflict over Nagorno-Karabakh have totally contrasting approaches and are not ready for compromises of any kind. The maximum concessions which each opposing side may hypothetically be ready to make in the course of negotiations stand in stark contrast to the minimal expectations of the society and the elites of the opposing side.¹⁰ However, at the current stage of the conflict, both the external constraints imposed by the stances of the major powers and international community, and the technical and political military balance on the ground effectively hold back the renewal of hostilities in the zone of the conflict. As a result, the obstinate opposition of the Armenian and Azerbaijani sides does not weaken but merely changes form.

3.1. Azerbaijan: Placing the Bets on Oil and Blockade

The defeat in the military operations of 1992-1994 left a painful mark on Azerbaijan's national identity. The need to

¹⁰ For details, see: Laurence Broers (ed.). "The Limits of Leadership. Elites and Societies in the Nagorny Karabakh Peace Process." *Accord*, issue 17, 2005.

win back Nagorno-Karabakh even at a very high price became the key element of nation-building in post-Soviet Azerbaijan and served as the ideological basis for consolidation of the Azerbaijani society. The struggle over Nagorno-Karabakh was the mainstay of the internal and foreign policies in Azerbaijan. From the very beginning, the emphasis in this struggle was placed on the Turkey-supported trade, transport and communications blockade of Armenia and Karabakh, and on diplomatic and propagandist efforts at the international level. However, in recent years, the main thrust took the form of an intense build-up of Azerbaijan's arms and armed forces, financed by Azerbaijan's sizable energy revenues. It was expected that the resulting unbearable economic isolation and arms race would force Karabakh and Armenia to resign themselves to concessions.

In reality, however, the blockade did not work as expected. Starting in the mid-1990s, Armenia's economy moved successfully upwards; for several years up to the world economic crisis of 2008, the rate of its economic growth reached double-digit increases. Armenia's emergence from the worldwide financial crisis of 2008-2009 proceeds rather successfully. The Armenia-Turkey process which started in 2008 is a new thorn for Baku's Karabakh policies. Indeed, should the Armenia-Turkey border be opened, Armenia could count on new communication routes and Baku's strategy would be rendered meaningless. Even though the Armenia-Turkey process has not produced any tangible results as of yet, a negative aftertaste still lingers in the Azerbaijan-Turkey bilateral relations. Moreover, the crisis in relations between Ankara and Baku occurred not only at the level of political elites or power structures: the Azerbaijani society responded much more dramatically to the "betrayal" of the Turkish authorities. In Turkey, this gave rise to a discourse, at

least at the expert level, about whether the interests of Baku and Ankara do in fact coincide after all.¹¹

At the moment, the main argument offered by Azerbaijan regarding the Karabakh conflict is the very considerable energy revenue that drives Azerbaijan's ambition to achieve a cardinal advantage in military technology area and pressure Armenia and Karabakh to soften their stance. The estimate of the total oil and gas resources in Azerbaijan's Caspian shelf vary depending on the political leaning of researchers, so it is very difficult to form an objective assessment of the realistic carbohydrate potential of Azerbaijan. The country's energy reserves are, certainly, considerable, although not unlimited. Nonetheless, politics based on oil revenues and military superiority faces two problems.

First, neither oil nor gas guarantee stable economic growth or ensure the political development and maturity of the exporter country, especially if a country possesses only a limited experience of state building and is making its first steps toward a democratic transition and the formation of the institutions of civil society. There is a reason why experts speak of "the resource curse" or "the paradox of plenty" – terms describing the economic, social and political problems which surface when a country becomes over-dependent on revenue from the export of natural resources. These problems represent the dark side of the façade of economic bounty in oil-exporting countries. We know dozens of examples in history when the abundance of natural resources played a perfidious role in the fate of a country: from Nigeria to Mexico, from the Spanish Hapsburg Empire

¹¹ Nigar Goksel. "Turkey and Azerbaijan: Passion, Principle, or Pragmatism?," *On Turkey, GMF Analysis*, June 4, 2009 (available at <http://www.gmfus.org/onturkey/index.cfm>).

(which mined cheap silver in the Spanish colonies in America) to the USSR.¹²

Second, the situation in the zone of conflict is such that the re-capture of Nagorno-Karabakh by military force will invoke serious difficulties in view of the current military technical and military political balance, the important component of which is the convenient and heavily fortified line of defense along the borders of Karabakh. In the opinion of a number of military experts, the saturation of the defense positions of the Karabakh army by anti-tank systems and artillery threaten potential heavy losses for advancing Azerbaijani troops. In the course of a first strike, efficient defense will compensate for the manifold superiority of the Azerbaijani army in tanks and armored personnel carriers, ruling out the possibility of a any “blitzkrieg” style sudden attack and rapid breakthrough deep into the territory of Nagorno-Karabakh. By the estimates of many international experts, the military balance in the zone of the conflict will not change drastically in the near future.¹³ Karabakh and Armenia are fully aware of this, and hence, the threat of war fails to produce the desired effect.

¹² For details see: Egor Gaidar. *Fall of the Empire. Lessons for Modern Russia*. M., 2007; May B. “Lessons of the Spanish Empire.” *Russia in Global Affairs*. Vol.3, No 1, January - February 2005; Svetlana Tsalik. *Caspian Oil Windfalls: Who Will Benefit?* Caspian Revenue Watch - Open Society Institute, New York, 2003; Amity Shlaes and Gaurav Tiwari. *Smart Countries, Foolish Choices*. A Maurice R. Greenberg Center for Geoeconomic Studies Working Paper, Council on Foreign Relations, No 1, April 8, 2008; Sergey Minasyan. “The Oil Factor and the Policy of Azerbaijan in the Karabakh Conflict.” *Foreign Policy Aspects of the Karabakh Conflict*. Policy Briefs, Institute for Policy Studies, iss. 3, Yerevan, 2009.

¹³ E.g., a special analysis report published in November 2007 by the International Crisis Group (ICG) under the title “Nagorno-Karabakh: Risking War” pointed out that despite the rather large purchases of arms by Azerbaijan, the military balance in the conflict zone has not changed and is unlikely to change soon, to a large extent due to the geographical configuration of the front line in Nagorno-Karabakh, where most of the commanding heights

As for the diplomatic efforts and peace talks aimed at reaching a negotiated resolution to the Karabakh conflict, the reality is that, after more than twenty years of negotiations, the return of Karabakh to Azerbaijan is not on the table. In all the options of peace settlement which are now being discussed (be it the Madrid Principles or any other current proposal of the intermediaries), Azerbaijan can, in theory, count on returning some territories but would have to agree that Nagorno-Karabakh itself, at least within the Soviet administrative borders plus the Lachin land corridor connecting it to Armenia, will not be returned to its jurisdiction. This is the gist of the peace proposal currently on the negotiations table of the OSCE Minsk Group. The key element of the Madrid Principles is a referendum as a mechanism of international political and juridical legitimization of the separation of Karabakh from Azerbaijan.¹⁴

In the meantime, the urge of Azerbaijan's society and elites to win Nagorno-Karabakh back is unlikely to weaken in the nearest future. International experience shows that revanchist feelings can survive for a long time and may disappear or fade only if the inner hope of winning dies out: either after yet another defeat, or as a result of comprehension that revenge is

are under Armenian control while vulnerable areas of contact with the Azerbaijani forces represent a deeply layered system of fortifications. In fact, ICG analysts pointed out that the real danger of active fighting could result not so much from reinvigorated militarization of Azerbaijan as from a possible sharp drop in oil production by 2012 and the ensuing temptation to resolve the conflict by force: "when Azerbaijan's oil export revenues begin to diminish, and they probably will, a military adventure may seem a means to steer the attention of the citizens of the country from problems of economics." "Nagorno-Karabakh: Risking War." *Europe Report No 187*, International Crisis Group, 14 November 2007. P.i-ii, 19.

¹⁴ See full text of the Madrid Principles on the official site of the White House: http://www.whitehouse.gov/the_press_office/Joint-Statement-on-the-Nagorno-Karabakh-Conflict/.

unrealistic.¹⁵ Consequently, it is natural for Azerbaijan to be unprepared to compromises and to maintain a discourse on the possibility of a military resolution of the conflict in the short term.

Azerbaijan's position on Nagorno-Karabakh was negatively affected by the Kosovo precedent and by the recognition of the independence of Abkhazia and South Ossetia by Russia, an influential international actor and a nuclear power. The problem for Azerbaijan does not lie in possible parallels with Karabakh in the legal or political arena, but in the growing legitimacy of the creation of new states in the eyes of the international community and world powers. The "Five-Day War" between Russia and Georgia in August 2008, which became Georgia's failed blitzkrieg, was also perceived in Baku as a very negative precedent. The collapse of the Serbian Krajina scenario in South Ossetia and Abkhazia, Georgia's loss of any hope of regaining its jurisdiction over two secessionist autonomies in the foreseeable future, numerous casualties and the demoralization of Georgia's army — all this has stirred up inevitable parallels with the prospect of war in the Karabakh zone of conflict. The "Five-Day War" also reanimated the "Russian menace" in the perception of Azerbaijan's citizens. The sharp drop in oil prices during the second half of 2008 only added to the consequences of the war. The Moscow/Mayendorf Declaration signed by three presidents in November 2, 2008 in which official Baku committed to set-

¹⁵ Egypt (and to some extent Jordan) in relation to Israel after a series of defeats in wars with the Israelis until 1973 can be mentioned as a striking example of weakening of the revenge spirit in the losing side in today's local conflicts. Even though Israel did return the Sinai peninsula to Egypt as stipulated in the Camp David Accord, the official Cairo ceased to regard the total destruction of the State of Israel as its principal and global target — a target on which Egypt used to be focused perhaps more than any other country in the Arab world. As a result, Egypt and the Jewish state currently maintain a fairly close relationship in trade, economy, and even tourism areas.

tlement of the Karabakh conflict “by peaceful means,” established a new *status quo* in the South Caucasus by raising the stakes for a potential resumption of hostilities by Azerbaijan.

In such circumstances, Azerbaijan’s politics in the Karabakh issue includes a very wide range of various peripheral actions, including not only propaganda, diplomatic efforts and blocking of communication routes to Armenia (with Turkey’s continued involvement) but also manipulation of basic contradictions between external players in the region, and torpedoing efforts for regional cooperation in the South Caucasus. Since Azerbaijan has ample financial resources for implementing this policy, it proceeds rapidly and covers a variety of areas, from high politics to song contests.

3.2. Armenia: Complementarism and the Diaspora

The popular movement in support of Karabakh became one of the conceptual foundations of the new independent Armenian statehood; it would be impossible to imagine today’s Republic of Armenia without this movement. A significant part of the political and military elite of modern Armenia are activists from the Karabakh movement, former combatants, or just people from Karabakh and Armenian-populated regions of the Soviet Azerbaijan. The struggle for the independence of Nagorno-Karabakh which began at the sunset of the Soviet era was at least as important for the modern Armenian political elite as was the fight against the communist regime for the independence of Armenia.

The burden of the unresolved Karabakh conflict, the economic costs of the transportation blockade and the need to maintain military parity due to the threat of new armed hostilities, inevitably slowed the political and socio-economic development of Armenia. It is hardly possible to expect the speedy resumption of relations with Azerbaijan in the short- or even

mid-term, as the parties remain unprepared for compromises. Correspondingly, Armenia is trying to establish relations with external players regardless of the Karabakh factor. In addition, the Armenian political elite hopes that in the future, regional integration and the establishment of an atmosphere of greater trust in the region will eventually create the space for building cooperation with Azerbaijan too (the uncompleted project of normalization of Turkish-Armenian relations belongs within this domain).

At the same time, Armenia uses the Karabakh factor as a resource for its foreign policy, attracting the attention of European organizations and world powers to the South Caucasus by virtue of the unsettled Karabakh conflict. The conflict is a factor used to attract media and political attention to the region, as well as for stimulating economic and political aid. In reality, Yerevan “milks” the Karabakh conflict theme in order to enhance the geopolitical role of Armenia both on the regional scale and at the European level.

Another component of Yerevan’s policy in the Karabakh conflict is its so-called “complementarity” foreign policy: an attempt to balance the interests of various actors including those in strained or even hostile relations with each other (like Russia and Georgia, the U.S. and Iran). The fact that Azerbaijan, unlike Georgia, is not regarded as an unwaveringly pro-Western state deserving unconditioned Western support, also helps Armenia in its balancing game. Complementarism allows Armenia to avoid being seen in the West as totally pro-Russian despite its ally-type relations with Russia. As a result, Nagorno-Karabakh is not placed by the perception of the Western political elite in the same class as Abkhazia, South Ossetia and Transdniestria, which are thought of as Russian protectorates and atavisms of Russian imperial policy.

Furthermore, Armenia possesses a resource which helps it to implement its complementary policy, counterbalancing Azerbaijan in the domain of political lobbying and attracting economic and financial resources to Armenia. This resource is the fairly numerous Armenian Diaspora, scattered all over the globe and occupying strong positions in the economic, social, cultural and political life of some of its countries of residence.¹⁶ It is ironic that the three largest and most influential Armenian communities exist in the three countries co-chairing the OSCE Minsk Group (USA, France and Russia). The political resources of the Diaspora provide Yerevan and Stepanakert the ability to influence the approaches of external actors to the Karabakh settlement, so that sometimes it manages to reconcile the seemingly incompatible positions of Washington, Moscow, Paris and Brussels. As a result, the U.S., a co-chair of the Minsk Group, is the second largest provider of direct financial assistance to Nagorno-Karabakh, next to Armenia. Another co-chair, Russia, is Armenia's main military and political ally and partner in the military sphere, and the third is France – Armenia's main lobbyist on the European scene, a country which has traditionally deep cultural and social ties with Armenia.

There can be no doubt that the arms race is a heavy burden on the limited economic potential of Armenia. As for the threat of a new war, Armenian leaders rely on the military balance and the technical impossibility of a blitzkrieg in Karabakh, as well as on the fact that as the arms race intensifies, the probability of an outbreak of hostilities in the zone of conflict goes down. Even though this rule sounds a little paradoxical, it has been known since the days of the Cold War and has been well

¹⁶ For detail concerning Armenian Diaspora see: Viktor Dyatlov, Eduard Melkonyan. *Armenian Diaspora: Essays on Sociocultural Typology*. Yerevan: Caucasus Institute, 2009.

researched by political scientists. As a consequence of the high destruction potential of the armies of countries involved in the conflict, the *mutual deterrence* mechanism sets in: potential benefits from the outbreak of war for the country that starts hostilities cannot justify the losses in personnel and material losses, let alone the political fallout stemming from the negative response of the international community (for details, see Ch. 5).

3.3. Nagorno-Karabakh: Legal and Security Aspects

The position of Nagorno-Karabakh is based on the idea of the legitimacy and inevitability of its struggle for independence by applying an analogy with many cases worldwide, such as Kosovo, Cyprus, Eritrea, etc. In addition, Nagorno-Karabakh insists that the principle that should be applied to the conflict is not that of inviolability of borders (because the borders referred to are administrative borders established through Stalin's arbitrary decisions and constituting a legacy of the Soviet regime), but two other principles of international law: the right of nations for self-determination and the non-use of force for resolving international disputes and conflicts.¹⁷

Karabakh elites appeal to the fact that history offers no precedents when a nation, having won a war for independence and successfully built its statehood for two decades, would voluntarily renounce the fruit of these hard-won achievements. In this vein, any negotiations aimed at a settlement of the conflict should, in their view, be conducted with the official participation of Stepanakert as any agreements concluded without its approval could not be implemented anyway.

¹⁷ The Karabakh position received additional supportive arguments after the verdict of July 22, 2010 UN International Court of Justice with regard to the non-violation of international law by the unilateral proclamation of Kosovo's independence.

From the perspective of Nagorno-Karabakh, the key issue at stake in the negotiations is the physical security of its population. Against the background of military actions initiated by Azerbaijan and of deportations of the Armenian population in the first half of the 1990s, as well as militaristic threats constantly emanating from Baku, Karabakh wishes to obtain security guarantees that would be at least equivalent to those currently in place, before it agrees to enter into a compromise agreement with Azerbaijan. The current guarantee of security for Karabakh consists of its fortified and comfortably defensible borders, the presence of a transport corridor connecting Karabakh to Armenia, and also a buffer zone around the administrative borders of Soviet-times Karabakh. With these borders, the line of potential combat contact between the Karabakh and Azerbaijan armies is restricted by the steep Mrav mountain ridge on the north and by the border with Iran on the south. This factor makes the front line several times shorter, which could enable the army of Nagorno-Karabakh to withstand an offensive of the much larger army of Azerbaijan.

The inflexible position of Nagorno-Karabakh in the conflict stems from the premise that withdrawing its troops even from a single district along the perimeter of its borders would weaken the overall line of defense and – lacking a final peace treaty – increase the threat of renewed hostilities by tempting Baku to launch a military *revanche* under the resulting more favorable conditions. As it is, the fortified border that can only be breached at the price of heavy losses is, combined with the uncompromising attitude of the international community which rejects a military settlement of the conflict even as a passing thought, the most reliable guarantee of non-resumption of armed engagement.

The point of view in Nagorno-Karabakh is that only Baku's agreement to the independence (or a similar status) of

Nagorno-Karabakh plus a pre-formulated political and legal mechanism of achieving this independence (e.g. through an plebiscite monitored by international intermediaries) and subsequent recognition by the international community, and by Azerbaijan itself, would constitute an equivalent replacement of the current guarantees of security.

Despite all this, Nagorno-Karabakh has recently intensified its efforts to break out of its international isolation and to take part in regional projects. It has become clear that isolation from the international community only weakens the chances of establishing peaceful relations with Azerbaijan, with people in Nagorno-Karabakh developing a “besieged fortress” syndrome and feeling even less prepared to consider compromises.

4. Regional and International Dimensions of the Karabakh Conflict

4.1. Intermediaries, the Great Powers and the European Union

The specific approach of both regional and global actors to the Karabakh conflict has been quite typical of other ethnopolitical conflicts. As in other confrontations, the Karabakh conflict simultaneously manifests both hard rivalry and sincere cooperation of great powers and intermediaries, jealous attitudes of regional neighbors both *vis-à-vis* the conflict sides and toward the active involvement of external actors, and the “classic” use by the sides of the entire gamut of military, industrial and economic pressure techniques.

At the same time, the current format of negotiations conducted under the auspices and with mediation of the OSCE Minsk Group is a rather atypical case of cooperation between states which are in heated competition with each other on the global scale and within the post-Soviet space in particular. The OSCE Minsk Group was created in 1992. Its co-chairs are Russia, the U.S.A. and France (in the case of France, it is assumed that, to a certain extent, the French co-chairman also expresses

the EU position),¹⁸ even though the interests and the politics of these three countries on the global scale and within the post-Soviet space often not only compete but develop into obvious contradiction. This occurs, amongst other places, in the South Caucasus, and in particular, with respect to Georgia, where the U.S. and the EU may be in open confrontation or at least build their policies *vis-à-vis* Russia on the verge of open confrontation; at the same time, quite close to Georgia, in the same Caucasus region, they have similar approaches to the process of peaceful settlement in the Karabakh conflict and even a consensus of opinions on the unacceptability of unleashing a new round of hostilities in Karabakh. This unique and, at the same time, consciously developed realistic policy of the three co-chairs makes it possible to sustain and advance the exceptionally difficult course of negotiations when neither the societies nor the political elites of the sides to the conflict have matured to face realistic compromises.

It is only natural that the approaches of the major external actors to the Karabakh conflict are dictated by, among other things, their individual national interests in the South Caucasus and in the contiguous areas. These national interests are expressed in the areas of energy and communications (which is most important, for instance, for the U.S. and France), or in security and geopolitical dominance (as in the case of Russia and the U.S., and also for regional powers, such as Iran and Turkey, for example). Furthermore, the approaches of the external actors to the Karabakh conflict are also affected by arguments of a different order: the ideals and principles of democracy and integration (this is distinctly recognizable in the positions of European

¹⁸ For details see: "Conflict Resolution in the South Caucasus: The EU's Role." *Europe Report No 173*. International Crisis Group, 20 March 2006.

countries and organizations which are involved in one format or another in the settlement process, for example, the Council of Europe or OSCE), as well as the historic and cultural affinity to certain states in the South Caucasus (which is especially important in the cases of Russia and Turkey).

In this respect, the efforts of the EU to play a more active role in the region are very significant. Of course, inertia and clumsiness are inherent in bureaucratic structures (and EU is undoubtedly one), especially in the realm of foreign policy. However, the changed realities of the South Caucasus after the August 2008 “Five-Day War” affected Brussels’ regional policies. At the same time, European experts started voicing opinions in favor of reconsidering Europe’s approach to the population of the unrecognized republics and regions of South Caucasus.¹⁹ The necessity of greater involvement of the population of the *de facto* states themselves in EU projects is derived from, among other arguments, the expectation that this will prevent their incorporation into the political and economic space of Russia. While in the past, Brussels’ geopolitical bias with regard to conflict regions was rather on the side of the “parent countries” (such, at any rate, is the example of Georgia), now the situation has changed. The *de facto* states of the South Caucasus, previously kept in isolation by the EU, now enjoy the bonus of a new European policy which stimulates the preservation of the existing *status quo* in regional conflicts regardless of their configuration.

Both the EU leadership and the international community of European countries, hold well-defined value priorities with

¹⁹ See e.g.: Walter Kaufmann. “A European Path for Abkhazia: Yesterday’s Pipe Dreams?,” *Caucasus Analytical Digest*, No 7, 25 June 2009 (available from www.res.ethz.ch/analysis/cad).

regard to the format in which the settlement of the conflict should materialize. The number one priority is the avoidance of military escalation or resumption of active hostilities. In view of the impossibility of achieving a compromise settlement in the foreseeable future in every ethnopolitical conflict in the South Caucasus, this approach is conducive to effectively “freezing” them. This serves the interests of regional actors favoring the preservation of the *status quo* (i.e. *de facto* states and Armenia which supports Nagorno-Karabakh). Another important priority of EU policies in the South Caucasus is the stimulation of regional integration. In fact, however, stronger regional cooperation, opening of borders and establishing communications will all inevitably strengthen the *status quo* in the conflicts because so far, it has been the urge to break out of isolation that was expected to compel secessionist states to compromise.

As for the pragmatic aspects, the EU expressed serious concern with the fate of the active and contemplated regional energy transportation projects. For the EU, non-resumption of armed hostilities in the zone of the Karabakh conflict is the paramount condition of secure operation of all oil and gas pipelines bypassing Russia (and excluding Iran) and traversing the territory of the South Caucasus.

There are also indirect results of EU involvement in regional security and stability, and these directly affect the situation around the conflict. These are, for instance, humanitarian and economic projects of the European Union which help to rehabilitate the refugee population, reduce the level of poverty and social tensions, strengthen civilian control over the military and law enforcement bodies, help create political institutions and promote the further democratization in the South Caucasus states. Among other things, this contributes to a reduction of tension in the conflict zones.

And finally, projects implemented by the EU at the level of civil society institutions help to create new Westernized elites in socio-political and media circles in the South Caucasus. The position of these groups on the settlement of ethno-political conflicts is generally more constructive, moderate and peace-oriented, at least at the level of propaganda, reflecting their financial and institutional dependence on European projects and grants. This reduces the belligerent rhetoric in the societies on both sides and increases tolerance, which also facilitates, to some degree, the conservation and maintenance of the *status quo* in regional conflicts.

However, the world community does not focus much attention on the Karabakh conflict, exercising its control over the settlement process through a relatively narrow and closed format of three OSCE Minsk Group co-chairs and several military observers along with Ambassador Andrzej Kasprzyk, Personal Representative of the OSCE Chairman-in-Office. The low-budget, low-numbers involvement of international institutions in the negotiation process under the auspices of the OSCE is an indicator not so much of the problem lying on the periphery of world politics as of the international community not considering the conflict as being so acute and dangerous (compared to many other similar conflicts and problems) that it would deserve increased attention.

4.2. Regional Context

The regional context also exerts a fairly serious impact – not at all unidirectional – on the unfolding of the Karabakh conflict. Indeed, all immediate neighbors of the parties in conflict pursue their own interests and stick to their approaches which in some ways intertwine with and some ways contradict the logic of the negotiation process centering on Nagorno-Karabakh.

In this context, Iran is a fairly successful example of pragmatism. Being an Islamic state and often acting in support of Islamic solidarity in other ethnopolitical conflicts, Iran maintains a largely balanced and pragmatic position in the Karabakh conflict and cooperates with Armenia in the fields of economics and communications.²⁰ After Iran's failed attempt to act as mediator in the Karabakh conflict in May 1992, Tehran no longer displays an acute interest to participating in the negotiations while continuing to follow closely all political processes swirling around Karabakh and reacting jealously to new American initiatives in the region. The fate of the territories contiguous to Iran and controlled by Nagorno-Karabakh is invariably at the center of Tehran's special attention in the context of the so-called "South and North Azerbaijan" problem, which constantly remains extremely urgent for the Iranian state.

Georgia occupies a dual position with regard to the Karabakh conflict. Even though Georgia attempts to behave with maximum neutrality and pragmatic flexibility in the conflict, official Tbilisi tends to be more pro-Azerbaijani in its assessments and actions in view of its strained relations with Russia, the strategic partnership between Armenia and Russia, and also due to the similarity between the status of Azerbaijan and the status of Georgia as former "parent countries" that lost control of the autonomous regions and republics of the Soviet period (Abkhazia and South Ossetia). At the same time, Georgia reaps significant dividends from the unsettled state of the conflict over Nagorno-Karabakh. For instance, were it not for this unsettled conflict, which made Baku insist that the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum pipelines should bypass Armenia,

²⁰ Brenda Shaffer. "Is There a Muslim Foreign Policy? The Case of the Caspian," *Current History*, November 2002, pp. 383-386.

these pipelines transporting Caspian oil and gas from Azerbaijan to Turkey would never have been built across the Georgian territory.

A settlement of the Karabakh conflict would lower Georgia's regional profile and strip it of the economic and political advantages which Tbilisi enjoys owing to the proximity of the conflict between its two neighbors in the South Caucasus. Even a change in the general character of the background around the Karabakh conflict may negatively impact and weaken, as many in Georgia fear, the monopoly regional position of Georgia. For example, Georgian experts point out that in the case of an Armenian-Turkish rapprochement and the reopening of borders and communications, Tbilisi may lose its "privileged position" in regional transit and economic projects. At the same time, Georgian experts voice some hope that the opening of the Armenian-Turkish border may reduce Russia's military and political footprint in Armenia and throughout the entire South Caucasus, which would also favor Georgia's interests.²¹

4.3. Turkey and the Karabakh Conflict

The Turkish vector in the regional context should be considered separately, taking into account that Armenia-Turkey reconciliation, initiated by Armenia in mid-2008 and accelerated by the "Five-Day War" between Georgia and Russia, impacted both the general political background around the Karabakh conflict and its long-term prospects. Owing to its ethnic, linguistic and religious affinity with Azerbaijan, Turkey always supported it in the conflict: through the supply of arms and military advisers during the military phase of the conflict in 1992-1994, and at the political

²¹ Gia Nodia. "How Much Has the World Changed? Implications for Georgia's Policies." *CIPDD Policy Review*, April 2009, p. 9.

and diplomatic levels in the subsequent period.²² Nevertheless, an attempt of rapprochement between Ankara and Yerevan, known as “football diplomacy,”²³ did take place in 2008-2010.

One of the main motives for Yerevan to normalize its relations with Ankara was the desire to achieve the reopening of the Armenian-Turkish border which would erase and overcome the effect of Azerbaijan’s blockade of Armenia. This immediately caused a sharp rebuke from Azerbaijan which led to a chain of crises, the most intense in the history of bilateral relations between Baku and Ankara, and greatly restricted the flexibility of Turkish politicians in dealing with Armenia. In full appreciation of Azerbaijan’s concerns, Turkey tried to extricate itself by hinting that any improvement of relations with Armenia would to some extent be predicated on a settlement of the Karabakh conflict in a manner favorable for Azerbaijan (even though there was no mention of either Karabakh or Azerbaijan in any of the documents signed by the two countries during their attempt of rapprochement – neither in the “roadmap” statement nor in the Zurich Armenian-Turkish protocols). It was this substructure that shunted this activity to a *cul-de-sac*.²⁴ Yerevan stated at the very start of “football diplomacy” that no unilateral concessions concerning Karabakh would be at all possible as a price for normalization of relations with Turkey. Eduard Nalbandyan, Armenia’s Foreign Minister, told a group of Turkish journalists in December 2009 that if the need to synchronize the normaliza-

²² For details see: Hayk Demoyan. *Turkey and the Karabakh Conflict*. Yerevan, 2006.

²³ For details concerning the Armenian-Turkish process see: Alexander Iskandaryan, Sergey Minasyan. “Pragmatic Policies vs. Historical Constraints: Analyzing the Armenian-Turkish Process.” *Caucasus Institute Research Paper* #1, January 2010. Yerevan, 2010.

²⁴ For details see: Alexander Iskandaryan. “Armenian-Turkish Rapprochement: Timing Matters,” *Insight Turkey*, vol.11, N.3, 2009.

tion of relations with Turkey and the Karabakh problem were injected from the very beginning of the process of rapprochement, this process would not have started at all.²⁵

Although Armenia suspended its participation in the Armenian-Turkish process at the end of April 2010 in view of Turkey's unwillingness to ratify the Zurich protocols, the process has nevertheless already changed the entire context of the Karabakh conflict. There was an admittedly fleeting but profound cooling in the relations between Azerbaijan and Turkey, its most important partner in the military and policy area, and a long freeze in negotiations over Nagorno-Karabakh that went almost unnoticed against the background of interest displayed by world players in the Armenian-Turkish process.²⁶

The outcome of this process was that Turkey returned to its prior position as Azerbaijan's hostage in the region, banned from playing any independent role towards Armenia since Ankara's every move with a potential to normalize relations with Yerevan generated a flare-up in Azerbaijan-Turkish relations. Thus, Turkish flags were removed in Baku from the facades of branches of Turkish companies and from the monument commemorating Turkish soldiers of the Ottoman Empire period who died during the capture of the city in 1918. Demonstrators denouncing Turkish authorities were burning Turkish flags on Baku's streets, in protest against the signing of Armenian-Turkish protocols in Zurich on 10 October 2009 and against President Serzh Sargsyan's return visit to Turkey to watch a football match.

²⁵ *Armenian FM Meets With Turkish Journalists*, <http://news.am/en/news/10947.html>, 12.12.2009.

²⁶ For details on the latest developments in the Armenian-Turkish process up to the end of the so-called "football diplomacy" see: Aybars Gorgulu, Alexander Iskandaryan, Sergey Minasyan. "Assessing The Rapprochement Process," *Turkey-Armenia Dialogue Series*, TESEV-CI, Istanbul, May 2010.

In fact, the *zero-sum* game, in which an improvement of relations between Ankara and Yerevan by a certain number of points lowers the level of the Azerbaijan-Turkey relations by the same number of points, is counterproductive and is far from the only possible model of relations in the Armenia-Azerbaijan-Turkey political triangle. Furthermore, Azerbaijan cannot afford to wreck its relations with Turkey as it depends on Turkey at least as much as Turkey depends on Azerbaijan – both in regional energy supply projects and in the political sphere. The general easing of the regional situation once the Armenian-Turkish border opens could on the whole reduce security risks in the South Caucasus, which in the long run favors all players. For example, Azerbaijan maintains good-neighborly relations with Russia which has a military base on the territory of Armenia, is its co-member in the CSTO, and provides military and technical assistance to Yerevan.

As for Turkey's irregular attempts to spearhead initiatives for mediating Karabakh settlement or change the format of negotiations (as, for example, in May-June 2010, when Ankara was making futile attempts to become involved in the negotiations after the Armenian-Turkish process had been frozen), they are doomed to failure: Turkey cannot be regarded by either Armenia or the three co-chairs as an unbiased actor and mediator in the conditions of continued blockade of Armenia by Turkey and active military, technical and political cooperation between Ankara and Baku. Consequently, all these initiatives and declarations by Turkish officials can only be bandied about in the media and propaganda but remain no-impact factors for the process of negotiations.

5. Military and Political Dimensions of the Conflict

5.1. Military-technical, Political and Quantitative Parameters of the Military Balance

As long as no peace treaty has been signed by all parties to the Karabakh conflict, and one of the parties continues to entertain hopes for a revanche, the probability of renewed warfare will linger (it does not really matter if the hopes are realistic or not). As it is doubtful that the parties will reach a compromise settlement in the foreseeable future, the military-political and military-technical parity will remain the key element of the Karabakh conflict: the very probability of resumption (or non-resumption) of active hostilities, and their possible outcome, depend first of all on the complex ratios of the potential strengths of the opposing sides.

What matters is that military parity does not imply a simple quantitative ratio of the armed forces of the opposing sides, the numbers of personnel, light and heavy weaponry. Never in military history were the outcomes of wars and conflicts decided by mere ratios of the armed forces' numerical strengths. Were it so, all the wars in history would have been run not by soldiers in the field but by mathematicians crunching numbers in the silence of their offices. As it is, the theory of military art does not currently sug-

gest any “quantitative laws satisfying a practitioner, which would have an adequate mathematical expression yielding exact prognostication of how the armed engagement should unfold.”²⁷

In other words, military science has not yet found a clear-cut answer to the question about the role of material and non-material components of opponents’ relative strengths, which ultimately determine the outcomes of battles and wars. It has not been infrequent in the military history of mankind when a country, clearly inferior by the size of its army and by its weapons, was victorious in a war against a numerically superior enemy under seemingly hopeless circumstances. By the way, the military phase of the Karabakh conflict in 1992–1994 is a sufficiently conclusive illustration since it was Nagorno-Karabakh with its population of 140 thousand (supported by three-million strong Armenia) that not only withstood the offensive of almost seven million-strong Azerbaijan but ultimately defeated an enemy which surpassed it by every quantitative parameter and was much better armed.²⁸

²⁷ M.F.Vakkaus. “Nature and Mechanism of Action of the Laws of Armed Struggle Which Quantitatively Model Its Characteristics.” *Voennaya Mysl’ (Military Thought)*, No 3, 2008, p.71.

²⁸ By very rough estimates, taking into account only the partitioning of the weaponry and other assets of the former Soviet Army in 1991–1993, Azerbaijan inherited several times more weaponry and ammunition than Armenia. Azerbaijani expert A.Yunusov admitted that by the time active hostilities began, Russian troops stationed on its territory more than twenty times the amount of ammunition had given Azerbaijan that fell into the hands of Armenia and Nagorno-Karabakh. For details, see: Arif Yunusov. “Azerbaijan: The Burden of History – Waiting for Change.” in Anna Matveeva and Duncan Hiscock (ed), *The Caucasus: Armed and Divided*, Saferworld, London, April 2003, p.54. Furthermore, Baku additionally purchased or received in the form of aid in Ukraine, Turkey, Iran and other countries a large quantity of arms and military equipment during hostilities in 1992–1994. For details see: *Armament and Disarmament in the Caucasus and Central Asia*. SIPRI, Stockholm, 2003; Sergey Minasyan. “Some Military-technical Aspects of Regional Security in South Caucasus: Problems and Constraints and Monitoring of Armaments and Military Activities.” *Caucaskiy Sbornik, (Caucasus Collected Papers)*, vol.2 (34), MGIMO (University) of MFA of Russia, Moscow, 2005.

In view of this, the armed balance and the potential strengths of both sides of the conflict must be analyzed in a systematic manner, taking into account the political, military-technical, economic, moral and psychological components. The fact that Azerbaijan constantly declares its readiness to start the war on the grounds that it has larger armed forces, a greater demographic potential and huge revenues from selling its energy resources, does not necessarily imply that it will indeed start such a war, and if it does, that it will not suffer the same kind of defeat as in the previous 1992-1994 war.

In the case of the Karabakh conflict, political and geopolitical factors deter the resumption of hostilities and at the same time predetermine the likely outcome. The political component of the military balance of the opponents in the conflict zone includes, among other elements, Armenia's membership in the only military and political block which is institutionally present in the region, the Collective Security Treaty Organization (CSTO) which recently boosted its potential by forming a Collective Operational Response Force, the bilateral Armenian-Russian military-political cooperative partnership, and Armenia's membership in the unified air defense system of the CIS/CSTO in the Caucasus region, involving units and equipment of the Armenian and Russian armies.

In reality, in the South Caucasus, Armenia is the only state engaged in a multilateral military-political alliance, granting it the security and aid guarantees of a third party which is a nuclear power and a permanent member of the UN Security Council. Azerbaijan does not have an alliance with any other such state, and even its interaction with Turkey in the field of security and defense does not extend further than military and technical cooperation, training programs, consultations and advisory services. Actually, Turkey, in accordance with its political priorities

as a NATO member, is restricted by NATO statutes in its involvement in external conflicts and is definitely not interested in a direct military confrontation with Armenia, a member of the CSTO and Russia's military ally.

Another important element of the political component of the military balance in the zone of the Karabakh conflict is the fact that Baku can not entertain hopes for some sort of "geopolitical seesaw" in the region. Indeed, during the entire post-Soviet period, the military-political cooperation between Armenia and Russia failed to provoke the U.S., the NATO and most of the European countries into unambiguous support of Azerbaijan. Owing to its complementary policies, Armenia – a member of the CSTO and the principal military and political ally of Russia in the South Caucasus – is still regarded by Western countries as an important partner in the security network.

The results of the "Five-Day War" between Russia and Georgia in August 2008 quite clearly showed the degree of Moscow's determination to apply force when standing up for its interests in the region. It is obvious therefore that should political circumstances induce Russia to act on the side of Armenia against Azerbaijan in an armed confrontation, the quantitative comparison of the military potentials of Armenia and Azerbaijan would have purely academic value. Militarily, Azerbaijan would be unable to withstand simultaneously Nagorno-Karabakh, Armenia, and Russia with its CSTO allies, and the likely outcome of warfare would be predictable, to say the least.

For these reasons, this paper only analyses the military balance in the zone of the Karabakh conflict in the Azerbaijan–Armenia–Nagorno-Karabakh triangle, offering a detailed description of the main military-technical and strategic parameters of possible hostilities in the hypothetical case of their resumption. It looks at a hypothetical situation in which Azerbaijan initiates hostilities in

the zone of the Karabakh conflict and draws in the Republic of Armenia. However, an offensive against Armenia will trigger the entry into force of provisions of CSTO Statutes on protection of a member state in the event of an aggression by a non-member state, opening the possibility for the involvement of Russia and other CSTO member states into the conflict on the side of Armenia. This is sufficiently well understood in Baku.²⁹

In terms of politics, it would be preferable for Baku if armed hostilities, in case they flare up, were conducted only around the territory of Nagorno-Karabakh proper. It seems logical, however, that once armed hostilities involve Nagorno-Karabakh, they will inevitably extend along the borders of Armenia and Azerbaijan. Indeed, even local skirmishes and exchanges of fire can potentially expand into a full-scale war. From a purely military standpoint, simultaneous launching of large-scale offensives by Azerbaijan both against Nagorno-Karabakh and against Armenia would be more logical and expedient because this would stretch the line of combat contact of the two sides, which is more favorable for the numerically superior Azerbaijani army. Moreover, possible strikes of Azerbaijan's forces across the Nakhichevan border would create serious problems for transporting reserve troops and ammunition to the Karabakh army and jeopardize communications between Armenia and Nagorno-Karabakh.

5.2. Analysis of the Military-Technical Potential of the Opponents

Since the signing of the ceasefire agreement in May 1994, all countries involved in the Karabakh conflict have made a considerable effort to strengthen their armed forces and procure new

²⁹ Polad Byul'byul'oglu: "CSTO May Intervene if Azerbaijan Violates the Territorial Integrity of Armenia." *Radio "Azadlyg."* www.azadliq.org, 29.12.2009.

weapons and military equipment. Azerbaijan has gone especially far along this path. The armed forces of Azerbaijan were structurally reorganized and reequipped; at the moment, their combat potential is considerably higher than that of the Azerbaijani army of the time of the 1992-1994 war.

Official statistics on the armies of Armenia, Azerbaijan and Nagorno-Karabakh³⁰ do not reflect reality very well because they are mostly based on data submitted by internationally recognized states of the South Caucasus (i.e. Armenia and Azerbaijan) in the framework of the Treaty on Conventional Armed Forces in Europe (CFE) and the OSCE Vienna Document on confidence- and security-building measures (CSBMs). These official figures on weapons and equipment, as well as the export and import of armaments and military technologies, do not always correspond to reality since in the conditions of an unresolved regional conflict, these states hide, understate or distort information about their armed forces.³¹

In addition, the specifics and imperfections of the CFE mechanism make it possible for member states to submit reduced figures on armaments by formally transferring them to other bodies (for instance, to police or border guard units). In this way the states of the South Caucasus in reality get an opportunity to possess more armaments and military equipment than is formal-

³⁰ For details see: *UN Register of Conventional Arms* (http://disarmament.un.org/UN_REGISTER.nsf); *The Military Balance 2009/2010*. IISS: London, 2009; Barabanov M. "Nagorno-Karabakh: Shift in the Military Balance." *Moscow Defense Brief*, no 2 (12), 2008.

³¹ Expert assessments of the military balance in the zone of the Karabakh conflict can be found in: Aleksandr Khramchikhin. "Stalemate at the Caucasus Fronts. So far..." *Independent Military Review*, 15.01.2010. Cf.: Sergey Minasyan. "Politico-Military Aspects of the Karabakh Conflict at the Current Stage." *Foreign Policy Aspects of the Karabakh Conflict*. Policy Briefs, of the Institute for Policy Studies, iss. 3, Yerevan, 2009.

ly allowed by national limits.³² The situation grew even more complicated after Russia announced a moratorium and then left the CFE, in fact prompting the collapse of the CFE in the post-Soviet space and fostering the re-activation of a regional arms race in the South Caucasus.³³

Azerbaijan's armed forces have numerical superiority in personnel, weapons and military equipment but are plagued by a number of systemic weaknesses. In particular, they suffer from a high level of corruption which appears to affect the morale and psychological health of servicemen.³⁴ Furthermore, the level of training of personnel remains low; Western military training and experience acquired by Azerbaijani officers do not find application on the scale of the entire armed services, especially because military equipment used by Azerbaijan's army is predominantly Soviet/Russian-made. Since 1995, the post of Azerbaijan's Minister of Defense has been held by Safar Abiev, one of the most unsinkable defense ministers in the world.³⁵

In 2008, the International Crisis Group (ICG) published a brief analytical report (known as a Policy Briefing) entitled, "Azerbaijan: Defense Sector Management and Reform,"³⁶ - the

³² On the dynamics of armament transfers by the countries of the South Caucasus in 2005-2007, see: "The Military-Political Balance in the South Caucasus in 2005," *Caucasus-2005. CMI Yearbook*. Yerevan, 2007; Sergey Minasyan. "Regional Security and the Military-Political Situation in South Caucasus in 2006: the Arms Race and the Balance of Threats," *Caucasus-2006. CMI Yearbook*. Yerevan, 2008; Sergey Minasyan. "Regional security issues in the South Caucasus in 2007: Military Balance and the Asymmetry of Political Strategies," *Caucasus-2007. CI Yearbook*. Yerevan, 2009.

³³ For details see: Sergey Minasyan. "CFE Moratorium and the South Caucasus." *Russia in Global Affairs*, no 3, May - June 2008.

³⁴ For details see: Azerbaijan: Defence Sector Management and Reform. *Europe Policy Briefing no 50, International Crisis Group*, 29.10.2008.

³⁵ Liz Fuller and Richard Giragosian. "Azerbaijan's Unsinkable General," *RFE/RL Caucasus Report*, 14.03.2010 (http://www.rferl.org/content/Azerbaijans_Unsinkable_General/1983345.html#relatedInfoContainer).

³⁶ For details see: Azerbaijan: Defence Sector Management and Reform.

first study in a very long time reviewing the situation in Azerbaijan's armed forces prepared by a respected international analytic body and claiming an unbiased approach. The ICG report points out that the highest level of corruption, hazing and abuse of soldiers by officers and the worst service environments are reported from frontlines and border area units of Azerbaijan's armed forces.³⁷ The situation with abuse in Azerbaijan's army has not improved since the time of publication of the report; incidents occur time and again in which Azerbaijani servicemen kill one another.³⁸

There can be no doubt that similar phenomena also take place in Armenia's and Karabakh's armed forces but, as noted by Wayne Merry of the American Foreign Policy Council (AFPC)³⁹, the above problems there are not as acute as in Azerbaijan owing to Armenians' elevated motivation to serving in the army (especially in Nagorno-Karabakh) and to the factor of the successful outcome of the 1992-1994 war for the Armenian sides.

Azerbaijan has a very significant edge over Armenia in air force. Azerbaijan's air force has a large number of combat aircraft and helicopters (by some estimates, more than 100 planes including operational trainer aircraft of the L-29 "*Maya*" and L-39 "*Albatross*" types). This number includes some number of Su-25 "*Frogfoot*" fighter-bombers designed for supporting ground forces

³⁷ For details see: Azerbaijan: Defence Sector Management and Reform.

³⁸ For example, on 28 January 2010 two conscript soldiers shot and killed practically the entire officer corps of the artillery division stationed in Dashkesan after which they, according to official information, "shot each other." For details see: "Names of servicemen killed and wounded during an armed incident in an army unit in Azerbaijan," *Day.az*, 29.01.2010.

³⁹ E. Wayne Merry. "Karabakh: Is War Inevitable?" *OpenDemocracy*, 22.05.2009 (available from www.afpc.org/publication_listings/viewArticle/667).

with firepower⁴⁰, and several Su-24 “*Fencer*” tactical bombers; both bombers proved their efficiency in a number of local conflicts and were actively used by Azerbaijan in 1992-1994. In recent years, Ukraine sold Azerbaijan modernized MiG-29 “*Fulcrum A/B*” fighters and L-39 operational trainers; a specialized aircraft repair-and-overhaul and training center was built in Azerbaijan in collaboration with Ukraine.

Furthermore, Azerbaijan has at least 30 Soviet-made MiG-25 “*Foxbat*” fighters of various modifications mostly designed for air-to-air combat or deep reconnaissance but not quite suitable for actions against ground troops (even though attempts were made to use them for this purpose in Karabakh in 1993-1994). In view of the small number of aircraft in the Armenian air force, the potential use of Azerbaijan’s MiG-25s in air-to-air combat is very limited. In addition, MiG-25 fighters, already decommissioned in Russia and other countries, are practically at the end of service life, and not more than 10-12 out of the MiG-25 in the Azerbaijan air force are combat-ready.

Azerbaijan’s air force is opposed by a strong integrated depth-distributed air defense system of Armenia and Nagorno-Karabakh which includes integrated long-range S-300P (*SA-10*

⁴⁰ Azerbaijan officially declared that its air force includes only six SU-25, but according to the information in the UN Register of Conventional Arms submitted by Azerbaijan, it acquired seven aircraft of this type from Georgia in 2005 alone (six SU-25 and one SU-25UB). Moreover, according to the official note from the Republic of Armenia Foreign Office, in mid-1990s Azerbaijan acquired from Ukraine, without notifying the UN Register this time, two more SU-25 fighter-bombers. In the course of the military parade in Baku on 26 June 2008, at least nine SU-25 fighter-bombers were displayed, while expert estimates point to a considerably larger actual number of these planes in Azerbaijan’s AF. Five more SU-25 fighter-bombers were procured to Azerbaijan from Belarus in 2009. One of the SU-25 fighter-bombers of the Azerbaijani AF was lost as a result of an accident in the Shamkor district on 3 March 2010; the aircraft’s pilot, lieutenant commander Famil Mamedli, chief of staff of the squadron, died in the crash.

“Grumble”) and medium-range S-75 (SA-2 “Guideline”), S-125 (SA-3 “Goa”), “Krug” (SA-4 “Ganef”), “Kub” (SA-6 “Gainful”) surface-to-air missile systems (SAM), short-range anti-aircraft rocket and anti-aircraft artillery systems, and man-portable air defense rocket systems (MANPADS): “Osa”/“OSA-AKM” (SA-8 “Gesko”), “Strela-10” (SA-13 “Gopher”), 3SU-23-4 “Shilka”, “Strela-3” (SA-14 “Gremlin”), “Igla” (SA-16 “Gimlet”). Armenia’s air defense system, compatible with the air force and air defense units of the Russian Military Base no 102 stationed on Armenian territory (a squadron of MiG-29s, two divisions of S-300B (SA-12A “Gladiator”/SA-12B “Giant”) and one division of “Kubs”), makes it possible to protect the air space of the country sufficiently well.

In the second half of the 1990s, Azerbaijan started procuring antiradar missile systems to enhance the potential of its air force in suppressing surface-to-air missile systems, and buying antiradar rockets for arming SU-24 and MiG-25 combat planes. In addition, Azerbaijan bought Israeli-manufactured unmanned aerial vehicles (UAVs) (“Aerostar” and “Hermes-450” tactical UAVs⁴¹ and short-range “Orbiter” UAVs), which may create problems for Armenia’s air defense in the zone of the Karabakh conflict, by virtue of both allowing better detection of Armenian SAMs and increasing the number of real and fake targets in the Karabakh skies in the event of a large-scale offensive by Azerbaijan’s army.

A big danger for the Armenian air defense may lie in sudden missile and artillery strikes (especially against stationary SAMs in Karabakh) by “Smerch” and “Lynx” multiple launch rocket sys-

⁴¹ In 2008-2009 Azerbaijan bought four “Aerostar” UAVs and 10 “Hermes-450” systems, each including a ground-based control post, equipment for off-the-ground launching and 4-8 drones.

tems (MLRS)⁴², “Tochka-U” (SS-21 “Scarab”) tactical rocket systems, 130-mm M-46 long-range towed artillery systems, 152-mm 2A36 “Giacint” towed guns and 203-mm 2S7 “Pion” self-propelled guns. Furthermore, in view of the small depth of the territory of Karabakh (e.g., the town of Stepanakert lies a mere 30-40 km from the frontline), the Karabakh air defense is vulnerable not only to strikes by missile systems and large-caliber MLRS but also to artillery, all the more so since the Karabakh army relies for its air defense on S-125, S-75 and “Kub” medium-range SAMs which have a destruction range of up to 25-30 km even in the modern upgraded version. This shortcoming was partially reduced by the recent purchase of S-300 SAMs which have a range of up to 90 km and can process information from the regional CSTO air defense system in the Caucasus.⁴³

Taking into account the complex mountainous terrain in Nagorno-Karabakh, Azerbaijan can make good use of its Mi-24 “Hind” helicopter gunships, of which Azerbaijan now has about 30⁴⁴. Most of them are being currently upgraded to the Mi-24G

⁴² In 2004-2005, Azerbaijan bought 12 300-mm “Smerch” MLRS and no fewer than 144 rockets for them. In 2006-2009, six “Lynx” launchers and 50 rockets were bought in Israel. The range of fire of these MLRS is 70-90 km and their fire accuracy is sufficiently high.

⁴³ The combat efficiency of the Azerbaijani air force is greatly reduced, especially for missions against ground targets, as a result of obsolescence of SU-17/SU-20 “Fitter”, SU-24 “Fencer” and SU-25 “Frogfoot” aircraft and multipurpose MiG-29 “Fulcrum-A” fighters which were designed and manufactured in the former USSR. Outdated guidance systems of guided air missiles X-23 (AS-7 “Kerry”), S-25LD, X-25ML (AS-10 “Karen”/AS-12 “Kegler”), X-29L/X-29M (AS-14 “Kedge”) and guided aerial bombs (CAB-500 Kr, CAB-500L, CAB-1500L) which are in service for these types of aircraft, plus insufficient striking distance (10-12 km) make them inefficient against ground targets protected by efficient SAMs in Nagorno-Karabakh. For details see: Mikhail Rastopshin. “Simulating the Process of Creating Weapons of a New Breed.” *Independent Military Review*, 23.10.2009.

⁴⁴ According to the UN Register of conventional arms, in 2009, 11 Mi-24 attack helicopters were bought from Ukraine. For details see: http://unhq-appspub-01.un.org/UNODA/UN_REGISTER.nsf.

version (capable of executing night sorties and all-weather combat missions) with the assistance of Ukrainian experts under the Super Hind project of the South-African ATE company.⁴⁵

Ground-based troops still constitute the main strike force of the Armenian army. Its air force is weaker than that of Azerbaijan although a fairly considerable number of SU-25 fighter-bombers were acquired from Slovakia in 2004, so at the moment the Armenian air force possesses at least 15 SU-25 aircraft of various modifications. However, effective use of attack aircraft becomes a problem in the absence of fighter cover. Azerbaijan possesses a relatively large number of fighter planes (including MiG-29 fighters bought in Ukraine) and counts on procuring new and modernizing existing air defense systems (including S-200 long-range SAMs).⁴⁶ Correspondingly, Armenian combat aircraft will most probably be used for local operations only.⁴⁷

⁴⁵ As of July 2010, at least two strike gunships Mi-24G equipped with new on-board electronic equipment and communications systems, as well as an electro-optical targeting night-vision all-weather system, have been upgraded and supplied to the Azerbaijan army. While retaining the nomenclature of Soviet-made units, the gunship is armed with a new automatic GI-2 gun and an Ukrainian-made "Barrier-B" antitank missile system with strike range up to 7500 m. For details see: *South Africa and Ukraine Continue the Program of Modernization of Attack Helicopters of Azerbaijan's AF*, <http://www.armstrade.org/includes/periodics/news/2010/0709/13005140/detail.shtml>.

⁴⁶ It appears that having digested, among other factors, the results of the Georgia-Russia "Five-Day war" in August 2008, Baku made a decision to buy from Ukraine integrated "Buk-M1" (*SA-11 "Gadfly"*) SAMs. According to the contract for nearly \$36 million signed in autumn 2008, the company "Ukrspetseksport" expected to deliver to Azerbaijan by spring 2009 a consignment of 46 tanks T-72 and 3 AAMS "Buk-M1." For details see: *Ukraine is to Supply Another Batch of Weapons to Azerbaijan*, <http://azertopnews.3dn.ru/news/2008-10-09-476>, 09.10.2009.

⁴⁷ One should not forget that practically the entire fleet of combat aircraft of Armenia's and Azerbaijan's AF stayed in service for at least 18-20 years. Even though most of the weapons and military equipment in possession of both sides of the conflict were manufactured before the end of the 1980s, the problem of moral and technical obsolescence of combat aircraft is even more acute. In practical terms, the majority of planes on both sides completed their service life and even though modernization cannot be counted on for extending their combat capabilities.

In fact, the experience of local conflicts shows that even overwhelming superiority in the air cannot guarantee a successful offensive on the ground. This was conclusively demonstrated by Israel's invasion of Lebanon in summer 2006. The Israeli air force, the strongest in Middle East, using the most modern aircraft and armed with precision weapons, failed to crush the resistance of irregular Hezbollah squads only armed with portable SAMs.

As for Azerbaijan, it is even hypothetically unable to achieve the kind of absolute superiority in the air as Israeli had during the Lebanon campaign of 2006.⁴⁸ Azerbaijan has fewer than 40 combat aircraft suited for bombing ground targets (SU-24 and SU-25 fighter bombers and obsolete SU-17/SU-20); these tasks can also be executed by modernized MiG-29 fighters.⁴⁹ As for the L-29 and L-39 lightweight trainer aircraft, of

In the case of ground troops and AD personnel, the problem of obsolescence of weapons and military equipment does not affect their combat and maintenance properties so badly. This aspect was conclusively demonstrated, for instance, by the crash over the Caspian Sea on 29 January 2008 of one of Azerbaijan's MiG-29UB "Fulcrum B" trainer/combat fighters acquired from Ukraine and modernized by Ukrainian specialists. Likewise, Azerbaijan AF's fighter-bomber SU-25 crashed on 3 March 2010 in the Shamkor region.

⁴⁸ Experts in Israel predict that based on the assessment of combat actions of summer 2006, Israel will have to abandon all hopes of winning future wars against its neighbors "with a little loss of blood," only by air strikes and/or with special forces operations. At the moment the IDF will have to return to the tactics and the strategy that had won the wars against Arabs for them in the past: i.e. to be ready to undertake flexible and lightning-fast combat actions involving considerable numbers of ground forces personnel (supported of course by Israeli air force), led by determination to achieve goals at the cost of inevitable losses. Furthermore, one of the most important causes of Israel's setback in Lebanon was the wrong assessment of the results of NATO's combat actions against Yugoslavia in 1999. Israel's hopes of reducing the political and military capabilities of Hezbollah and of its support by the local population through large-scale bombardment and wiping out the objects of Lebanese economy and infrastructure proved unfounded. For details see: Spyer J. "Lebanon 2006: Unfinished War," *Middle East Review of International Affairs*, Vol. 12, no 1 (March 2008),p.6.

⁴⁹ N. Pechorina. *Modernization of MiG-29: Operation Reincarnation*, www.ugmk.info, 08.05.2007.

which Azerbaijan has a large number, the experience of using these aircraft (or their Israeli analogs) in combat by Arabs in the wars of 1967 and 1973 demonstrated that they cannot play any significant role in battle provided the enemy is equipped with even a minimal number of portable SAMs and anti-aircraft artillery.

Therefore, similarly to the war of 1992-1994, the likely outcome of war in Karabakh will be decided on the ground, but with artillery and rocket systems playing a considerably larger role this time. Due to aging, a fairly large share of the weapons and military equipment on both sides of the conflict is badly in need of major repairs or even total replacement; their fighting capability depends critically on the import of spare parts and accessories. By virtue of Armenia's membership in the CSTO and its military-political union with Russia, it is easier for the Armenian army to handle the repair and supply of spare parts and accessories, because Russian companies are the original designers and manufacturers of most of the military equipment of the Armenian army. Meanwhile, Azerbaijan has to rely on Ukrainian companies for repairs and supply of accessories for its Soviet/Russian-made military equipment; the problem is that Ukrainian companies mostly offer "secondhand" (often unlicensed) servicing of such equipment.⁵⁰

In comparison with Azerbaijan's armed forces, the Karabakh army is more compact and at the same time more

⁵⁰ This is also confirmed by numerous accidents to various types of APC left behind in Ukraine after the demise of the USSR; these went through "cosmetic" repairs at Ukrainian factories and were sold, often at dumping prices to buyers among post-Soviet states. For instance, the sale of 40 BMP-2 armored infantry carriers to Georgia in 2004-2005 (of which 38 were found unoperational) or the crashes of MiG-29UB trainer/combat fighters in 2008 also bought by Azerbaijan and Kazakhstan in Ukraine, of the Su-25 fighter-bomber of the Azerbaijan AF in March 2010 etc.

mobile, with a professional officer corps whose middle and upper echelons are almost entirely composed of veterans of the 1992-1994 war. It is technically rather well equipped, including with weapons captured from the enemy and later partially modernized; its organizational structure allows small units to be very mobile and effective in battle, especially in defensive operations and in the highlands. German military expert Hans-Joachim Schmidt expresses the opinion that Karabakh troops have the highest-level combat readiness among all military actors in the region, are better trained and better motivated.⁵¹

Even though Azerbaijan's army has numerical superiority over Armenian and Karabakh forces, it is still unable to achieve the "classical" threefold superiority in armored vehicles which is required for breaking through fortified defense. Its numerical superiority in lighter armored vehicles (armored infantry carriers and armored personnel carriers of various modifications) can be compensated for a very short time: in the event of launching of hostilities and CSTO mechanisms becoming operative, the Armenian army can be fortified with up to 300 armored vehicles of various types (APC and AIFV) from the Russian military base No 102 in Gumri. A considerable number of veterans in the Nagorno-Karabakh army (practically the entire male population of Karabakh took part in combat during the first half of the 1990s) may constitute a factor that would qualitatively outweigh the difference in numerical parameters.

The Karabakh army would face difficulties organizing offensive operations, especially on the plains outside the borders

⁵¹ Hans-Joachim Schmidt. "Military Confidence Building and Arms Control in Unresolved Territorial Conflicts," *PRIF Reports No 89*, Frankfurt am Main, 2009, p.12.

of Nagorno-Karabakh proper, owing to the lack of attack aircraft (it only has some Mi-24 helicopter gunships). However, it is very unlikely that the Karabakh army has plans for active offensive strikes at the initial stages of the war because the current defense line allows it to defend its positions with very moderate forces. The fortified positions along the entire contact line which cost the Armenian side huge material resources, are expected to reduce the effect of the first strike of the advancing Azerbaijan army and cause it to suffer heavy losses in weapons, equipment and personnel. Theoretically, though, the Karabakh army may launch counteroffensive actions after it successfully defeats the first strike, followed by wide-scale operations which, if successful, may put vitally important regions of Azerbaijan in grave danger.

Furthermore, if a war starts, rocket and artillery strikes by the Karabakh and Armenian army (regardless of the general unfolding and outcome of combat operations) could damage energy and communication facilities on the territory of Azerbaijan so massively that in the long term this would negatively affect its economic and political development. The rocket and ordnance potential of Armenia's air force far exceeds that of the Karabakh artillery; the Armenian army is equipped with WM-80 MLRS of Chinese make and 9K72 "Elbrus" operational-tactical ballistic missiles (*SS-1C "Scud-B"*) including eight 9P117M launchers and at least 32 R-17 rocket missiles transferred to Armenia from the 176th rocket brigade of the 7th Guards Army during the redistribution of Soviet military assets in the mid-1990s. The striking range of R-17 rockets is up to 300 km with a probable circular deviation of 0.6 km at large distances.

According to estimates by military experts, should Azerbaijan start hostilities and begin shelling towns and villages in

Karabakh and Armenia, the Armenian army can effectively use its Elbrus missiles and WM-80 MLRS against the crucially important military, communication, energy and industrial targets, including ones located deep in the territory of Azerbaijan. As for the counter-artillery response, the Armenian side has at least 24 152-mm “Giatsint” guns plus a large number of self-propelled howitzers (152-mm 2S3 “Akatsiya” and 122-mm 2S1 “Gvozdika”), a lot more than in Azerbaijan’s army. The efficiency of counter-artillery fire is expected to be elevated by new unmanned aerial vehicles and systems for guiding artillery fire designed at Armenian military plants.⁵²

5.3. Realities of the “Possible War”: Asymmetry of Goals and Concepts?

Based on the experience of local wars and conflicts in the greater Middle East, it is justified to expect that should armed hostilities flare up again in the zone of the Karabakh conflict, they would chiefly involve the ground forces on both sides, using large quantities of armored vehicles and heavy artillery.⁵³ Consequently, fortified defense positions of the Karabakh army and those along the existing lines of contact will play an important role. The history of

⁵² *Armenia Will Design and Manufacture its Own Drone*, <http://news.armenia.ru/2010/03/18/armeniya-nachnet-sozdavat-svoj-bespilotnyj-samolet/>, 18.03.2010; *15 Unmanned Aerial Vehicles are in Service with Armenia*, <http://www.regnum.ru/news/1287053.html>, 25.05.2010.

⁵³ According to analysts of the RAND Corporation, one of the most important results of both the Israel’s war in Lebanon in 2006, and of the Operation Molten Lead in the Gaza sector in December 2008-January 2009 (more successful for the IDF) was the recognition by military experts of the necessity and priority of land operations as a “necessary component” for the success of combat actions. It has been pointed out that “gone is the conviction that direct strikes alone, mostly by air force, will result in ultimate success”. David E. Johnson. “Military Capabilities for Hybrid War: Insights from the Israel Defense Forces in Lebanon and Gaza.” *RAND Arroyo Center Occasional Paper*, Santa Monica, 2010, p.6.

wars teaches us that fortified defense lines in Nagorno-Karabakh cannot serve as a cure-all in the case of outbreak of large-scale hostilities, and the Karabakh army will not be able to simply “crouch” behind these fortifications all through the war. However, a combination of fortified field gun points and pillboxes (both reduce the effect of a sudden offensive and leave time for mobilization and deployment of the army) and active defense leaves Azerbaijan’s army no hope of achieving rapid success against Karabakh and greatly reduces the importance of numerical superiority.

Some Azerbaijani political scientists and military experts suggest replacing the project of a blitzkrieg in Karabakh, which they consider unrealistic under current conditions, with a “confined revanche.” This implies that by buying huge quantities of armaments, Baku can change the military balance around Nagorno-Karabakh to an extent that it would become possible for Azerbaijan’s army to launch a military operation in Karabakh and liberate at least some of the regions on the plane which are currently controlled by the Karabakh army (first of all the Agdam and Fizuli regions). The proponents of this concept believe that by occupying these two areas of lowland Karabakh, Baku may gain a degree of psychological and military-political advantage over Stepanakert and Yerevan and then restart negotiations under more favorable conditions.⁵⁴

A logical extension of this concept is the idea of a protracted and exhausting long-distance trench war,⁵⁵ although to wage such a war Azerbaijan will need to buy a large amount of heavy long-range artillery, high-caliber MLRS and tactical missiles. It

⁵⁴ Arif Yunusov, *In the Case of Outbreak of War With Armenia, Azerbaijan Has a Potential for Winning It, Not as a Result of Blitzkrieg But Through Exhausting and Bloody Battles*, <http://www.day.az/news/politics/67269.html>, 29.12.2006.

⁵⁵ For details see: Samvel Martirosyan, *Azerbaijan is Preparing For a New Type of War*, <http://www.noravank.am/ru/?page=analitics&nid=643>, 19.04.2007.

will also need to strengthen the combat potential of its air force, acquire UAVs and modern means of aerial reconnaissance and target identification. It is assumed that continued missile, artillery and bomber strikes against defense positions and population centers of Armenia and Karabakh could force Yerevan to agree to concessions; this way, Azerbaijan would not need to start an offensive on the ground, committing massive army forces. The plan is therefore to partly solve the Karabakh problem and avoid heavy losses in personnel and equipment.

Azerbaijan's experts often declare that in the event of war, Armenia, experiencing a semi-blockade and dependent on communications via Georgia and Iran, will not be able to organize the supply of every necessity to its armed forces and population over a sufficiently long time. However, during the 1992-1994 war, the transportation blockade of Armenia was at least as bad as now, and yet it failed to affect the outcome of the Karabakh war.

The concept of long-distance warfare, which at a glance promises considerable advantages to Azerbaijan, has its negative aspects both from the military and even more so from the political point of view. Military-wise, the problem lies in that Azerbaijan, possessing of course greater amounts of high-caliber MLRSs and combat aircraft, is in fact more vulnerable to missile and artillery strikes of the Armenian troops, first of all because of the danger to objects of oil and gas industry (pumping, processing and transportation of raw carbohydrates) which make up nearly 70% of all Azerbaijan's industries. Given the geographic situation of Nagorno-Karabakh, the strike range of operational and tactical missiles and large-caliber MLRSs used by the Armenian armed forces is sufficient to hit the largest cities and the industrial centers of Azerbaijan, including its capital.

Moreover, the negative military and political fallout of prolonged armed hostilities in Nagorno-Karabakh will be more severe

for the side that starts the offensive. A similar situation arose, for example, in the course of the local war in Lebanon in summer 2006 (which is still waged as a long-distance war). Discussing the advantages of the defensive side, a classic military author said that "... all time which is not turned to any account falls into the scale in favour of the defence."⁵⁶ The reserves of military and civilian supplies existing in Armenia and Karabakh will be sufficient to keep fighting long enough for military-political factors to come into play, such as the presence in Armenia of the Russian Military Base No 102 and Armenia's membership in the CSTO.

Of the political factors, the attitudes of external players and world powers will put major constraints on the length of warfare in Karabakh. The international community will not allow the warring sides to continue fighting for many weeks, let alone months, in such a strategically important region, so close to considerable deposits of oil and gas, at the crossroads of the interests and tensions of world powers.

Moreover, waging a war with an uncertain outcome (but certain to trigger a sharply negative reaction of the international community) may spell very serious political consequences for Azerbaijan's political elite whose domestic legitimacy depends to a great extent on victory in Nagorno-Karabakh, more so than that of the elites of Nagorno-Karabakh or Armenia. There is a clear asymmetry of goals pursued by Stepanakert and Baku, and an asymmetry of attitudes, i.e. of the way societies perceive possible armed hostilities.

The experience of most contemporary local conflicts shows that the outcome of a military campaign does not just depend on the ratio of the sides' military potentials but also on the inter-

⁵⁶ Carl von Clausewitz. *On War* (1976, rev. 1984), edited and translated by Michael Howard and Peter Paret. Princeton: Princeton University Press.

play of military and non-military factors. The non-military factors can be political, psychological and ideological; a key issue is the ability of the parties to mobilize societies and ensure the legitimization of military activities in all social strata.⁵⁷ In its role of initiator of a new war, it will be harder for Azerbaijan to legitimize its military campaign than for Nagorno-Karabakh whose population will perceive the war as a survival issue.

The history of colonial wars and current confrontations between former “parent states” and *de facto* states show that the asymmetry of the wills and goals of the conflicting sides results in a situation in which, as was aptly formulated by Dov Lynch, “the *de facto* states play the long game, in which not losing means winning.”⁵⁸ For Nagorno-Karabakh, not winning another war with Azerbaijan (be it a blitzkrieg or an exhausting long-distance trench war) does not imply losing it. However, for Azerbaijan any outcome of an offensive short of establishing total control over the entire territory of Nagorno-Karabakh would spell out not only political but also a military defeat and would entail grave consequences for the ruling elite of a country which has been calling for a *revanche* for nearly two decades.⁵⁹

⁵⁷ Larisa Deriglazova. “The Asymmetry Paradox in International Conflicts,” *International Processes*, Vol. 3, no 3 (9), September - December 2005, pp. 86-89.

⁵⁸ Dov Lynch. “Separatist States and Post-Soviet Conflicts,” *International Affairs*, Vol.78, no 4, 2002. p. 848.

⁵⁹ Henry Kissinger gave a similar description of the asymmetrical conflict between U.S. and Vietnam: it was enough for the “weak” side in the Vietnam war not to “lose the war” in order to win it. Lesser countries or nations fighting a war in the name of a significant common cause and affected by political or moral factors (such as the cases of Finland in the 1939-1940 “Winter War,” Algeria in the 1950-1960s, Vietnam in the wars against France and the U.S. starting in the late 1940s and until the mid-1970s, Israel in the Arab-Israeli wars of 1948-1982, non-recognized states in the post-Soviet space in the first half of the 1990s etc.) are capable of sustaining a mobilization of material and human resources for a long enough time to achieve victory when outnumbered by a stronger adversary. For details see: Larisa Deriglazova. “The Asymmetry Paradox in International Conflicts,” pp.87-88.

The deterrence policy actively pursued by Karabakh and Armenia also plays its role. According to theories formulated in Cold War years and confirmed by the experience of safeguarding international and regional security in recent decades, “deterrence” is defined as prevention of undesirable political and military action of one side with respect to the other (whose potential is usually quantitatively smaller) using the threat of incurring unacceptably heavy damage. Deterrence involves a combination of military, political, economic, diplomatic, psychological and other measures aimed at persuading the potential aggressor that it will not be able to achieve its goals by military means.

During the Cold War period and the bipolar confrontation of superpowers, nuclear deterrence was the main tool. In our case, deterrence relies on conventional weapons. Recent publications on military theory use the terms “non-nuclear” or “conventional deterrence.” Non-nuclear deterrence implies readiness to implement the threat of using non-nuclear weapons to inflict “damage to the potential aggressor states’ vital interests and assets that *a priori* exceeds any gain from the aggression.”⁶⁰ Non-nuclear deterrence became possible and effective only recently when, in addition to increased accuracy and scale of destruction of conventional weapons, the technological evolution of many countries “reached a level at which the destruction of particular elements of infrastructure, communications and governance may cause catastrophic consequences that can turn the clock back on the country’s development by many years.”⁶¹

⁶⁰ V.M.Burenok, O.B.Achasov. “Non-Nuclear Deterrence.” *Voennaya mysl (Military Thought)*, no 12, 2007, p.12.

⁶¹ *Ibid.*

As a result of the arms race, the military potentials of the parties to the Karabakh conflict are now incomparable to what they were during the hostilities of the mid-1990s. Some weapons systems used by the adversaries, such as 9A52 “Smerch” and “Lynx” MLRS in Azerbaijan’s hands and WM-80 in Armenia’s hands, have considerable destructive potential in attacks against large-area targets such as large population centers, infrastructure and communications. The use of operational-tactical ballistic missiles (9K72 “Elbrus” [NATO reporting name: SS-1C/B “*Scud B*”] by Armenians and tactical ballistic missiles 9K79-1 “Tochka-U” [NATO reporting name: SS-21 “*Scarab-B*”] by Azerbaijanis) may have a similar political, psychological and military effect. It is very probable that in the case of resumption of armed hostilities, losses of military personnel and civilian population on all sides of the conflict in the very first days of war may exceed thousands and even tens of thousands of lives. Total losses may be huge because in all likelihood, this will not be a blitzkrieg but a long-term war.

Thus, the arms race in the zone of the Karabakh conflict raises the threshold and reduces the likelihood of an outbreak of hostilities. This is by no means a 100% guarantee of non-resumption of military actions but certainly a deterrent. Stability in the conflict zone will be maintained due to the currently evolving balance that we can call, using S. Walt’s terminology, a “balance of threats,” which will make the sides hold on to the fragile and unstable peace for a lot longer. Furthermore, deterrence policies, if effectively implemented, may in the future create conditions for lasting peace. Summing up nearly half-a-century of the existence of the state of Israel, then-Prime Minister Yitzhak Rabin assessed the options of Israeli policy in terms of conventional deterrence, “the longer Israel is successful in deterring an Arab leader or coalition

from being tempted to initiate war, the better become the long-term prospects for peace.”⁶²

British military theorist and historian Basil Liddell Hart remarked that “the object in war is to attain a better peace – even if only from your own point of view.”⁶³ As long as any of the adversaries in the conflict know with certainty that regardless of the outcome of the war in Karabakh, they will suffer the loss of tens of thousands of lives and huge material damage, the decision to unleash a new war will be much harder to make. Azerbaijan’s chances to attain a better peace after the war than before are quite slim. Liddell Hart wrote, “Victory in the true sense implies that the state of peace, and of one’s people, is better after the war than before. Victory in this sense is possible only if a quick result can be gained or if a long effort can be economically proportioned to the national resources. The end must be adjusted to the means.”⁶⁴

Inevitably, this begs a number of questions. How wise is it to count on a *revanche* given the arms race, the balance of threats and poor chances for a *blitzkrieg*? Is Azerbaijan’s society ready for the political, human and material costs of protracted warfare? How certain can Azerbaijan be of a favorable outcome of armed hostilities? Is Azerbaijan’s leadership ready to face the negative consequences of consolidated pressure by the international community in case Baku triggers an outbreak of hostilities? Are Azerbaijan’s political elites and society conscious of the probability and possible extent of Russia’s direct military and military-technical support to Armenia in the event of a new

⁶² Quoted from: Mark A.Heller. “Continuity and Change in Israeli Security Policy,” *Adelphi Paper* #335, IISS, Oxford University Press, London – New York, 2000, p.12.

⁶³ B. H. Liddell Hart. *The Strategy of Indirect Approach* (1941, reprinted in 1942 under the title: *The Way to Win Wars*).

⁶⁴ *Ibid.*

war? It appears that the latest armed conflict in the South Caucasus region — the August 2008 “Five-Day War” between Russia and Georgia — returned answers that look fairly pessimistic for Azerbaijan.⁶⁵

⁶⁵ For more on the effect of the results of the “Five-Day War” on the situation around the Karabakh conflict see: Sergey Minasyan. “Five-Day War” in August 2008: Military-political Analysis,” *Caucasus-2008. CI Yearbook*. Yerevan, 2010.

6. The Future of the Conflict Over Nagorno-Karabakh, or on Whose Side is Time?

Assessment of the time factor in the long-term is an extremely important and pressing task in view of the almost mutually exclusive approaches of the society and political elites of Armenia, Nagorno-Karabakh and Azerbaijan to the prospect of peaceful settlement and the lack of conditions or even hopes for achieving a compromise agreement. Consequently, the pursuit of an answer to a political but at the same time almost philosophical question of “on whose side is time in the Karabakh conflict?”, or “what are the possible outcomes of the prolongation of the *status quo*?”, is the key element of the ideological and analytical discourses existing in all countries involved in the conflict.

In the societies and political elites of Armenia and Karabakh, there is a widely held view that continued existence of the *de facto* independent Nagorno-Karabakh Republic strengthens the position of the Armenian sides, especially in view of a global trend towards the sovereignization of some unrecognized states, and of the so-called “Kosovo precedent.” Many believe that every day of the existence of Nagorno-Karabakh outside of Azerbaijan serves to reinforce its sovereignty. The

opposite point of view also exists within Armenian society but it does not dominate and is almost exclusively instrumentalized by political opposition as a propaganda resource in the domestic power struggle.

In Azerbaijan, the situation is reversed: almost every stratum of society and all political actors hoped that huge revenues from the sale of carbohydrates would either allow Baku to win back Karabakh by superior military force, or, combined with the economic blockade, force Yerevan and Stepanakert to make unilateral concessions and peacefully return Karabakh to Azerbaijan. These hopes were greatly dented, however, in 2008, by the unsuccessful Georgian campaign in South Ossetia, the Armenian-Turkish rapprochement and almost threefold drop in oil prices in response to the global financial crisis – a very heavy blow for Azerbaijan as more than 70% of its expenses are financed directly or indirectly by sales of energy resources. For the first time since 2003, the defense budget for 2009 showed a reduction of defense spending by at least 10% in response to the sharp drop in oil prices.

However, Baku will keep up its military rhetoric if only because it cannot afford to drop it due to domestic political constraints. The situation may only change either as a result of another military defeat or, in the long-term, due to the gradual de-actualization of the Karabakh conflict in societal perceptions.

The fact that officials in Azerbaijan constantly try to accelerate the Karabakh process and accuse Armenia of procrastination may be the best answer to the time question. Apparently Azerbaijan's leaders and population feel this much more keenly than the citizens of Armenia. In other words, Azerbaijan displays the syndrome of a "sand hourglass" as every new day with Karabakh not retaken amplifies the feeling of an irrecoverable loss in Azerbaijani society.

Another answer to the question about which side of the conflict time is on, does not lie in the military, political or economic spheres; it is probably not of a material nature and cannot be quantitatively evaluated because it is determined by the political will and moral strength of the sides. Time is an ally of the side which is capable of withstanding the test of time, of weathering the burden (and not just the material burden at that) of keeping its army in constant combat readiness and engaging in the arms race.

A great many things must happen simultaneously and many conditions must be met for the global community to form a consolidated position with regards to the Karabakh conflict, enabling it to affect the positions of the parties in conflict and to speed up the negotiation process. This has not happened so far and is unlikely to happen in the foreseeable future in view of the continuing geopolitical rivalry of the main external players. Domestic resistance to settlement in the societies and elites of the countries involved in the conflict is so high and so much stronger than the current “carefully dispensed” external engagement and pressure that any discussion of rapid compromises is rendered meaningless. In the long run, the conflict over Nagorno-Karabakh is not a very strong headache for international actors: otherwise attention and engagement would not be limited almost exclusively to the format of three co-chairs of the OSCE Minsk Group and Special Representative of the Acting OSCE Chairman with a small staff of military observers monitoring the ceasefire. This, along with the surviving military-political balance and the now-forming “balance of threats,” also serves to prolong the *status quo* around the conflict.

The Armenian-Turkish “football diplomacy” initiated in 2008 sent the negotiation process over Nagorno-Karabakh into a deep freeze for a fairly long time — at least two years. This

showed once again that regional and global political developments and changes can have a direct influence on the Karabakh conflict. These influences can be of various kinds and may have both negative and positive consequences in the long run, in terms of at least a transformation or lessened tension in the conflict if not full-fledged settlement. The establishment of bilateral relations between Armenia and Turkey, unsealing of borders and changes of Ankara's stance on the Karabakh conflict towards greater impartiality and objectivity could thus create a more favorable atmosphere for Karabakh settlement. In a wider context, this would help form a more stable and more secure region and activate its European integration.

As of today, the conflict over Nagorno-Karabakh remains the core conflict of the South Caucasus, defining the framework of regional developments and major trends in the relations between global and regional actors. Importantly, the interests of conflict parties and of the intermediaries closely intertwine and at times contradict each other, pushing conflict settlement to later times. However, against this background, the surviving *status quo* and the stable negotiation process are still pregnant with producing, at some later date, long-lasting peace and stable regional security in the South Caucasus.

About the author

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The Caucasus Institute (CI) is one of the leading think-tanks and educational centers in Armenia and the entire region. It implements research in the areas of political science, social sciences and media studies with regard to the Southern and Northern Caucasus. The CI also engages in regional studies on a wider scope.

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