



EU POLICY GAPS TOWARDS THE NAGORNO KARABAKH CONFLICT

Action Long Overdue

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STRATPOL Policy Paper

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Executive summary

The EU needs to do more in the resolution of the Nagorno Karabakh conflict. It is notoriously underrepresented in the peace process. The conflict between Armenia and Azerbaijan remains the only unresolved conflict in its neighbourhood where the EU still has no seat at the table.

The Nagorno Karabakh conflict is inching towards another escalation. The situation has been deteriorating for the past decade, the positions of both parties hardening and becoming increasingly uncompromising. Both Armenia and Azerbaijan have been engaged in alarming arms races. The number of crises and casualties has been increasing. Many opportunities for progress in the negotiations have been wasted, most recently the opportunity following the April 2016 escalation.

The EU needs to increase its presence because there is no other international body as capable of creating an environment conducive to a consensus between the parties. The OSCE Minsk Group, the main mediation body in the conflict, seems incapable of achieving a breakthrough in the current format. Resumption of violence would be extremely costly, and the impact would be disastrous for the entire region. Violent conflict in the South Caucasus would make it impossible to implement other foreign policy goals of the EU. Conflict prevention is a significant part of the EU international identity and makes the EU valuable. The prevention and resolution of the conflict is in EU's interest.

In the past, the go-to policy of the EU was only a verbal and political support of the OSCE Minsk Group. Mutual agreements with the conflict parties, the respective Action Plans, did more harm than good. This has been especially due to the different priority given to the resolution of the conflict and emphasising contradictory international norms and principles (namely the territorial integrity of states and self-determination of peoples). This shortcoming has motivated a war of words between the parties and damaged the reputation of Brussels as a player based on international norms and principles.

The mandate of the EU Special Representative for the South Caucasus and the crisis in Georgia is quite vast and his resources and staff are limited for all his tasks. For these reasons, the main voice of the EU in the conflict is not heard. He has no formal role in the Nagorno Karabakh conflict resolution and his influence on the conflict is only negligible.

Overall, the Eastern Partnership is a successful policy. Nonetheless, the initiative did not put the main focus on security and the countries in the region choose strikingly different approaches to the initiative. Lack of trust, distinct foreign policy orientations or existing commitments prevented the conclusion of new agreements by the conflict parties.

The Comprehensive and Enhanced Partnership Agreement (CEPA), finalised in 2017 between Armenia and the EU, is a promising tool. It allows Brussels to address some of the root causes of the conflict and creates also a greater EU leverage. However, the agreement again uses confusing terminology which is fuelling a verbal shootout between the conflict parties.

After 2008 came a period of greater engagement in the conflict by the EU and other invested parties. The efforts at reconciliation between Armenia and Turkey raised hope, especially after the signing of the Zurich protocols. However, the initiative has failed on the domestic opposition in both countries. Likewise, the intensive efforts of Russia did not deliver much improvement. During this time the EU and Russia had a unique unity of purpose sharing the view that success cannot be achieved without some degree of consensus. Nonetheless, common efforts still failed to create an environment that could foster such consensus.

The EU-led track two initiative, the European Partnership for the Peaceful Settlement of the Conflict over Nagorno-Karabakh (EPNK), is the only direct involvement of the Union in the conflict resolution process and produces some positive impact. Its main shortcoming is that its outcomes are very poorly interconnected with the formal negotiations. The period between the phases, characterised by funding gaps, prevents complex and effective work. Moreover, the conflict parties are often hostile towards the track two efforts.

The only viable solution to the conflict is based on well-known principles: some variant of a land-for-status formula coupled with strong international security guarantees. Such solution can only be achieved by some degree of consensus among the conflict parties. The goal of the EU is clear, to create an environment conducive to creating this level of consensus.

This should be achieved by several distinct policies:

- The most often recommended move is the replacement of France's seat in the OSCE MG with the EU, but this policy contains many obstacles. The EU has damaged its reputation with the parties in the past, this move could add another level of confusion into the peace process and the parties concerned would likely oppose this policy. Any change to the OSCE MG composition would also require an unlikely OSCE consensus. Due to these reasons, this policy is not viable now, although it might be necessary in the long term.
- The EU should strive to keep and possibly expand the EPNK. It should work on a more comprehensive financing of the project to achieve more sustainable civil society-based outcomes. To moderate Azerbaijani opposition to international engagement with Nagorno Karabakh, the principle of 'engagement without recognition' should be reminded at highest levels. Its outcomes should be implemented in the formal negotiations.
- The EU should expand the EUSR office. The office should aim to unify and coordinate most of the EU policies towards the conflict. The goal should be to match its staff and resources with its mandate. The most notable role of the EUSR should be to truly blend the top-down and bottom-up approaches, starting with including the outcomes of the EPNK in the formal negotiations. The EUSR should couple and more closely coordinate its work with other EU foreign policy elements to overcome possible threats¹.

¹ Mainly the threat of the EUSR being sidelined by the conflict resolution parties and possibly attacked by the conflict parties in reaction to his increased efforts.

- Brussels should strive at consistency in mutual agreements, other documents and high-level statements. This consistency should be especially in terms of international norms and principles. In the short-term it should make sure that in its upcoming agreement with Azerbaijan, it refers to the same international norms as in the CEPA with Armenia.
- The EU should present a clear plan for a post-conflict rehabilitation which will outweigh any potential gains by violence for any party. It should present a way out for the conflict parties by presenting a concrete mutually enticing opportunity. This approach needs to be closely coordinated with the mediators and needs to be produced with the parties of the conflict using their conflict analysis, needs, interests and perceptions. It needs to be recognised and considered that the mutually enticing opportunity is an event based in the parties' perceptions.
- The EU should address the root causes of the conflict and elements which contribute to the hardening of the societies, violent policies and prevent peaceful resolution. Some previously important elements in this regard, especially the OSCE missions, were forced to close between 2015 and 2017. The EU should aim to substitute at least some of the lost capacity.
- The EU members should adhere to the arms embargo imposed on the conflict parties and any transgressions should be punished.

Introduction

This paper aims to uncover the gaps in EU policy towards the Nagorno Karabakh conflict between Armenia and Azerbaijan and to overcome these gaps by concrete policy recommendations. It explores, in the first part, various approaches and policy tools the EU employed towards the conflict since the ceasefire signed in 1994 ending the Nagorno Karabakh War. The policy gaps are explored from various angles, starting from the absence of a direct role in formal peace negotiations. The chapter then uncovers the bilateral relations with Armenia and Azerbaijan and their effect on the conflict, the role of the EU Special Representative (EUSR), other diplomatic efforts aiming to improve the situation, external and internal opportunities for a breakthrough and EU-led track two efforts. The next chapter then presents concrete policy recommendations and debates their feasibility. The policy options are presented using SWOT policy analysis, which aims to identify internal strengths and weaknesses of a policy and its external opportunities and threats.

The EU has been reminded of the unresolved conflicts in the South Caucasus and their destructive impact on the whole region in 2008 with the Russo-Georgian war. But it took another eight years for the Nagorno Karabakh conflict to be painfully reminded with the “Four-day war” in April 2016. However, it was not in 2016 when the conflict parties suddenly displayed potential for conflict, in fact, the relationship between Armenia and Azerbaijan is

steadily deteriorating since at least 2008². Gradually, most reconciliation tools and processes have been discontinued, the positions of both parties hardened, and they have been engaging in increasingly hostile arms races³. After a brief window of opportunity following the April 2016 crisis, the conflict parties are now back in their increasingly uncompromising positions (ICG 2017).

So why should the EU be the one to increase its presence and change its policy to create an environment conducive to a consensus between the parties? Firstly, there are no better options. The OSCE itself is increasingly paralysed by internal political intrigue⁴ and it lacks substantial leverage over the parties. The OSCE Minsk Group (OSCE MG) co-chairs – the US, Russia and France – carry their own political weight, but the format is still burdened by the rising conflict between the West and Russia. The situation with the UN is similar, with the UN Security Council deadlocked by Russia. Azerbaijan often drags the Council of Europe into the conflict, but the organisation does not engage in security matters and its Parliamentary Assembly (PACE) is notoriously lobbied by Azerbaijan⁵.

The resolution of the Nagorno Karabakh and preventing the eruption of violence is in Brussels' interest. The resolution of violence in the conflict would be extremely costly, both in terms of human lives but also in economic terms. The EU has invested a lot in the region over the past years and a regional conflict could easily make the investment worthless. The impact of a regional conflict could have quite serious consequences on EU security as well. Perhaps most importantly, violent conflict in the South Caucasus would make it impossible to implement other foreign policy goals of the EU, goals like the advancement of human rights, democracy, economic transformation or regional cooperation. Lastly, the EU is a project built on preventing conflict. Conflict prevention is a significant part of the EU international identity and makes the EU valuable⁶.

The EU set itself some ambitious goals in the new EU Global Strategy⁷, especially regarding conflict prevention (EU 2016). The EU, among others, pledges to focus on human security, apply multidimensional approaches, engage in all phases of the conflict cycle, mobilise EU delegations and Special representatives, blend top-down and bottom-up approaches to conflict and develop more creative approaches to diplomacy, all that while focusing on gender balance

² The year 2008 marked the first serious organised clash between Armenia and Azerbaijan in the Mardakert/Ter-Ter region of Nagorno Karabakh, since then mutual relations have further deteriorated. The impact of the 2008 Russo-Georgian war also should not be underestimated in this regard (Cornell 2017). However, signs of deterioration were displayed even earlier and can be traced to around 2003 (Broers 2013).

³ Azerbaijan continuously spends billions of dollars on modern offensive weapons while Armenia is since 2014 the third most militarised country in the world (SIPRI 2017; Mutschler/BICC 2017).

⁴ The latest example was the quarrel between the conflict parties which forced the OSCE Yerevan office shut in 2017.

⁵ The think-tank European Stability Initiative reports on the Azerbaijani practice of 'Caviar diplomacy' (ESI 2012).

⁶ Especially when faced with rising Euroscepticism at home.

⁷ Shared Vision, Common Action: A Stronger Europe, A Global Strategy for the European Union's Foreign and Security Policy (EU 2016).

(ibid). If the EU wants to be perceived as an honourable actor, it should keep its promises in the approach to the Nagorno Karabakh conflict.

Background

The Nagorno Karabakh conflict between Armenia and Azerbaijan is an undetected disaster waiting to happen at the EU's doorstep. For a long time, it has been largely overlooked by the Union and the rest of the world alike. Due to this neglect, many opportunities, policies and international attitudes that could help solve this lengthy dispute are now wasted. The EU was keeping its distance and stayed away from direct involvement in the solution of the Nagorno Karabakh conflict, leaving most of the responsibility on the OSCE Minsk Group (OSCE MG), the main mediation body in the conflict. Unfortunately, all the efforts aimed at resolving the conflict largely failed. This has been painfully reminded in April 2016 when the conflict experienced the largest escalation of violence since the ceasefire signed in 1994. The EU has introduced various policies, aimed directly or indirectly at the Nagorno Karabakh conflict. Over the course of its engagement, however, more harm than good has been done in terms of the conflict resolution. Below is the overview of the EU policies and approaches towards the Nagorno Karabakh conflict, with emphasis on the last decade of the conflict deterioration, and the most fundamental gaps.

In the midst of the crumbling Soviet Union, when the Nagorno Karabakh conflict fully erupted, Europe was coming together in Paris to debate the so-called "New Europe" with the transformed Organization for (Commission on) Security and Co-operation in Europe (OSCE) as the leading organisation in managing the new challenges in post-Cold War Europe and its neighbourhood. The Nagorno Karabakh conflict was the first real test for this new ambitious mission with the establishment of the OSCE Minsk Group in 1992. The European Union and its foreign policy were now only in the making in the negotiations leading to the Maastricht Treaty, signed in 1993. However, the newly established Common Foreign and Security Policy (CFSP) did not focus much on the South Caucasus in the 1990s either. This changed only after the EU enlargement in 2004 and the creation of the European Neighbourhood Policy including the South Caucasus in the same year. Partly due to this development, the Nagorno Karabakh conflict remains the only unresolved Eurasian conflict where the EU still has no seat at the table⁸ (Cornell 2017: 150). The EU is still seen as a somewhat new player to the region, moreover, with ambiguous and still forming foreign policy role (Ó Beacháin 2013).

Several changes were necessary for greater EU engagement in the region which fostered greater engagement in the Nagorno Karabakh conflict. The main events fostering the engagement were the 2003 Rose revolution in Georgia, installing the first pro-western government in the region, and the success of the EU engagement in Central and Eastern Europe (CEE) that culminated in the 2004 enlargement. The main action of Brussels towards the Nagorno Karabakh conflict was through the individual Action plans pursued with Armenia and Azerbaijan. Unfortunately,

⁸ The only EU instrument is the EU Special Representative (EUSR) for the South Caucasus and the crisis in Georgia which does not have any direct role in the peace talks.

regarding the conflict, these agreements created more harm and confusion. As Cornell explains, with the Action plans, the EU played a worse than a passive role, it was actively sowing confusion and contradicting international principles into the conflict (Cornell 2017: 158). One of the problems of these agreements was the different hierarchy of priorities in relations with the conflict parties. In the agreement with Azerbaijan, conflict resolution is the first priority, in the case of Armenia, it was only the seventh priority (EU 2006a; EU 2006b). Perhaps even worse was the effect of different and contradicting international norms cited in the documents. In the case of Armenia, the document cites the “...settlement efforts on the basis of international norms and principles, including the principle of self-determination of peoples” (EU 2006a). The document also does not mention the principle of territorial integrity. In the case of Azerbaijan, the document cites the “...settlement efforts on the basis of the relevant UN Security Council resolutions and OSCE documents and decisions,” while mentioning the commitment to territorial integrity in the introduction and with no mention of self-determination (EU 2006b).

This discrepancy was more damaging than the previous absence of EU as a player in the conflict. Straight from the beginning, it spoiled one of the most crucial reputations of the EU as a player based on international norms and principles. Due to this key mishap, neither Armenia nor Azerbaijan are eager towards the idea of greater EU involvement in the conflict and the peace process (Ó Beacháin 2013). Both parties see that the EU can only give some political weight to OSCE MG recommendations and do not see a way for the EU to be organically involved in the conflict resolution (ibid). The overshadowing of the principle of territorial integrity and fondness of the self-determination of peoples since around 2003 coincided with recognition of Kosovo, which the majority of EU member countries did in 2008. This ‘relaxation’ of the principle of territorial integrity by Western countries has had a negative effect on all the unresolved conflicts in the EU neighbourhood, most notably on the partial recognition of Abkhazia and South Ossetia following the 2008 Russo-Georgian war (Popescu 2006, Kolstø a Blakkisrud 2012). This ‘relaxed’ position towards territorial integrity was brought to an end especially after the Russian annexation of Crimea in 2014. More EU officials made declarations supporting Azeri territorial integrity following 2014 (Pashayeva 2018: 134), but the damage was already done.

In both Action plans, the EU mentions a continuous political support of the resolutions and statements of the OSCE MG (EU 2006a, 2006b). Verbal support of the OSCE remains the main EU role in the conflict to this day.

From the other EU tools, the role of the EU Special Representative (EUSR) for the South Caucasus has been established in 2003, but only since 2006 with the appointment of Peter Semneby and the relocation of his main office to Brussels, could the EU expand its influence in the South Caucasus (Cornell 2017). The EUSR for the South Caucasus and the Crisis in Georgia, nonetheless, has no formal role in the Nagorno Karabakh conflict resolution. His mandate in the South Caucasus is quite vast, covering three countries, many issues, and several conflicts. Thus, although his official role is to contribute to the peaceful settlement of conflicts

in the region, his resources and staff are limited and his influence on the Nagorno Karabakh conflict is only negligible (Whitman and Wolff 2010).

The impact of the conflict in Georgia in 2008 on EU policy towards the region was quite substantial. In terms of security, it has illustrated the possible impact of a conflict in the South Caucasus for the EU. In turn it directed the EU more towards prevention rather than crisis management and motivated a greater engagement in the South Caucasus. Finally, it has also highlighted the shortcomings of the other international organisations acting in the regional conflicts⁹. A concrete result of these realisations was the establishment of the Eastern Partnership (EaP) in 2009. Overall, the EaP has been a great success, at least compared to previous EU policy. However, the initiative did not focus on security, and the South Caucasian partners each choose a strikingly different approach within the initiative. The initiative was (and still is) a set of bilateral relations instead of a coherent regional platform. While Georgia was moving swiftly towards its Association Agreement, Armenia was trying to balance such agreement with its strategic alliance with Moscow. The extent of Russian control over Armenia has been shown ‘in all its beauty’ in 2013, when it forced Armenia to scrap the almost finalised agreement with the EU and join the Eurasian Economic Union (EAEU) instead. Azerbaijan, on the other hand, was interested in a separate relationship with the Union, keeping to its neutrality.

Greater engagement of the EU in the Nagorno Karabakh conflict has been debated in Brussels in 2008 (Cornell 2017). One of the initiatives supported by the EU was the reconciliation between Armenia and Turkey, whose borders remained closed since 1993, much to the harm of Armenia and its economy especially. The so-called “Football diplomacy” with the goal of the establishment of mutual diplomatic relations, supported also by the Obama administration, culminated in 2009 with the Zurich protocols. Unfortunately, the initiative broke on domestic opposition. In Turkey, which originally initiated the Football diplomacy under the “zero-problem policy” (Askerov 2017), the international sponsors miscalculated the strength of Turkish support for its kindred Azerbaijan against the backdrop of its tightening regime and worsening relations with the EU. The Turkish parliament soon demanded progress towards the resolution of the Nagorno Karabakh conflict, which was not part of the agreement. In Armenia, the initiative was kickstarted by the newly elected president Serzh Sargsyan, but he was met by opposition at home as well, coupled with the strong pressure from large and generally more hard-line diaspora (ICG 2009). In the end, the agreements were left in limbo and never ratified. This failure highlighted to some extent the limits of what can be achieved and, unfortunately, had more of a destabilising effect on the conflict (Ó Beacháin 2013). The initiative was symbolically ended in 2018¹⁰ by Armenia, together with the end of the Sargsyan presidency.

At the same time after 2008, Russia, led by then president Medvedev, showed renewed commitment to the resolution of the conflict. Medvedev met with the presidents of Armenia

⁹ Mainly the lack of political weight and internal intrigues of the OSCE and the UN, deadlocked by Russia which still perceives the South Caucasus as its own.

¹⁰ In a March 1 President address to the National Security Council (President of Armenia 2018).

and Azerbaijan many times during his tenure but without much success. Although genuine interest of Russia on the resolution of the conflict can be doubted, during this time the EU and Russia had a unique unity of purpose, sharing the view that success cannot be achieved without some degree of consensus among the conflicting parties (ibid). However, the common efforts still failed to create an environment that could foster such consensus. From the EU side this could be due to the fact that the Nagorno Karabakh conflict does not need what Brussels does best – confidence building, post-conflict management and soft-security issues. Russia, on the other hand, has its own interests in the conflict which both parties are cautious about¹¹.

Since the EU does not have any role in the formal track one diplomacy in the conflict resolution format, its role is very much limited to supporting the work of the OSCE MG, addressing the root causes of conflict through conditionality on its agreements, and track two efforts. The last element was pursued by the creation of the European Partnership for the Peaceful Settlement of the Conflict over Nagorno-Karabakh (EPNK) in 2009¹². The initiative, consisting of EU-based NGOs, fulfils the role of track two conflict resolution mainly by projects with affected communities, peacebuilding activities, support for local initiatives, cross-border projects and research. This is the only direct involvement of the EU in the conflict. Although some positive effects could definitely be found in the work of EPNK, the continuous deterioration of the conflict invites looking for its shortcomings. The main shortcoming is that the outcomes of the initiative, and in general the track two diplomacy outcomes are very poorly interconnected with the formal negotiations. The affected communities, the Karabakhi Armenians and Azeris, are notoriously missing from the negotiations, which is a grave flaw continuously sidelined¹³. The project also suffers from its design, split into phases. The period between the phases often presents an existential threat for the supported local organisations and prevents them from doing complex and effective work¹⁴. The EPNK is now in its third phase until April 2019. Lastly, successful effort of the track two diplomacy is likewise halted by hostile approach towards them¹⁵ by the sides of the conflict.

The aftermath of the April 2016 escalation in the conflict, nicknamed the “Four-day war,” brought hope of a breakthrough in negotiations. The talks between the conflict parties in Vienna and St Petersburg following the crisis were praised by some as an opportunity. The EU had some role in the process, the High Representative Federica Mogherini held talks with the presidents, but mostly the EU stuck to its policy of political support of the OSCE MG. The ceasefire itself was brokered by Russia while most of the work was still done by the OSCE MG co-chairs. But in 2018 the opportunity of a breakthrough is largely wasted. The EU did not manage to use this opportunity to increase its presence in the conflict resolution process. The

¹¹ The intention to deploy Russian peacekeepers in Nagorno Karabakh was voiced by some of its experts and diplomats. This is one of the few issues on which both conflict parties can both agree. Nobody wants Russian peacekeepers in Karabakh.

¹² The phase one of the initiative started in Nagorno Karabakh in 2010.

¹³ The affected communities are usually more compliant towards a nonviolent resolution of conflicts. Moreover, in various researches, the Karabakhi Armenians and Azeris often had more peaceful attitudes (ICG, 2005; 2007; International Alert, 2013).

¹⁴ This information was almost unanimously voiced by local NGO representative during personal interviews in 2015.

¹⁵ Especially in Azerbaijan after the crackdown on civil society that begun in 2012.

positions of both parties have hardened, and they share a view that conflict is inevitable (ICG 2017). Baku is more aggressively emphasising its legal claims in the conflict, suggests Western sanctions against Armenia and restricts international actors' access to Nagorno Karabakh, while Armenia is also hardening its position while pursuing its "nation army"¹⁶ program (ibid).

In June 2016, the EU unravelled the EUGS, an ambitious document aiming to transform the EU into a more active actor in foreign policy and security. It, among others, claims the EU will engage more systematically on the security dimension. However, the only reference to the Nagorno Karabakh in this strategy is a sole indirect statement saying, "the EU will [therefore] engage further in the resolution of protracted conflicts in the Eastern Partnership countries" (EU 2016). The resolution of the Nagorno Karabakh conflict seems still not a priority for the EU¹⁷ in the strategy. The EUGS does not mention Nagorno Karabakh, Armenia or Azerbaijan.

In 2017, the EU was negotiating new bilateral deals with both Armenia and Azerbaijan. Yerevan, which is generally more active in the EaP and is more willing to cooperate with the EU, managed to finalise its Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU in November 2017. This time Moscow allowed the deal to go through, although now the agreement is much more toned down and Russia still voiced its concerns in the media. CEPA will allow pushing for more reforms in Armenia, possibly addressing some of the root causes of the conflict¹⁸ balanced by the prospect of a visa-free regime. The agreement, unfortunately, continues in the trend of confusing terminology and contradicting international principles. Although this time it includes both the principle of territorial integrity of states and self-determination of peoples along with the "purposes and principles enshrined in the UN Charter and the OSCE Helsinki Final Act" (EU 2017: 6), the terminology again turned into a verbal battleground after the agreement adoption. Baku is more sceptical towards the EU and has little belief especially to its value-based foreign policy (Ó Beacháin 2013). Mutual relations were worsened in the midst of critical resolutions of the EU Parliament following the worsening of the human rights and rule of law situation in Azerbaijan (Csabay 2017). In a rare move, Baku came first to the EU with a proposal on a new agreement during the EaP summit in Riga in 2015. The negotiations are still ongoing, and it now depends on the parties and especially on the concessions from Brussels whether the document helps conflict resolution or again turns into a war of words and principles.

¹⁶ A new and still fairly vague program, promoting closer integration of Armenia's society with its military. Generally, the program aims to promote greater role of the military in society, economy, culture, education, science, ecology and sports (Abrahamyan 2017).

¹⁷ Although the EU says in the very strategy that it will "avoid premature disengagement when a new crisis erupts elsewhere" (EU 2016: 29), the strategy talks directly about Ukraine and Syria and avoids Nagorno Karabakh or other conflicts in its neighbourhood that fly under the radar.

¹⁸ Strengthening democracy, rule of law, judiciary or good governance (EU 2017).

Policy options and feasibility

The EU is the only European institution with a potential capacity to improve the situation. The circumstances have dramatically changed from the beginning of the 1990s and the EU's absence from the peace process is the most striking shortcoming.

Direct Seat on the OSCE Minsk Group

While not compromising the trust built within the current format, the most often recommended move is the replacement of France as the OSCE MG co-chair with the EU. The EU is now a truly significant global player with a considerable weight that has the potential to genuinely affect conflict resolution. This leverage, instead of France which has limited interests in the region, could motivate the negotiations. A change in the format would also bring some fresh wind into the peace process, which is stuck on the same issues¹⁹ and fails to achieve consensus.

While there would certainly be some strengths to this policy move, they are arguably outweighed by weaknesses and threats. The first weakness is the fact that Paris has one foreign policy position towards this issue while the EU is a 27-member body with sometimes ambiguous positions lacking both internal and external coherence²⁰. EU's presence could, therefore, add another level of confusion. Brussels also damaged its reputation in the conflict by the inconsistent agreements. As a result, the conflict parties approach EU's role in the conflict with precaution. Individually, none of the concerned parties would be motivated to make this switch. Armenia is quite comfortable with the *status quo* and the current composition of the main mediating body, especially since Paris leans to favour its position in the conflict. France is also home to a numerous Armenian diaspora with strong influence. In general, Armenia feels the dismissal of France would be the result of "Azeri lobby" (Cornell 2017). Similarly, Azerbaijan despises the proposal, motivated by the distrust in Western values and double standards, EU inexperience in the region and in foreign policy in general, and also the lack of effective carrots²¹ (Ó Beacháin 2013). France is unlikely to give in its position, especially since it is a great source of prestige, and Russia is notably resisting change in the format motivated by fear of losing its privileged position in the conflict (Cornell 2017). Lastly, any change to the OSCE MG composition would require an unlikely OSCE consensus.

Due to these reasons, the EU should focus on inserting its leverage into the conflict, introducing fresh ideas and motivating a consensus between the conflict parties necessary for a resolution by other means. However, in the long run, if a solution is still not found, this possibility will still be on the table. Possibly even in a more radical form, scrapping the OSCE MG altogether.

¹⁹ Most notably on the dislocation of ceasefire monitors.

²⁰ A fact understood by the conflict parties (Ó Beacháin 2013).

²¹ Azerbaijan feels the EU is „only offering money, but it has plenty already“ (ibid: 50).

European Partnership for the Peaceful Settlement of the Conflict over Nagorno-Karabakh

Another tool in the EU's hands is the EPNK, which already is one of the most visible and perspective EU policies in the Nagorno Karabakh conflict resolution process. Brussels should strive to keep and possibly expand this platform, in accordance with the pledge in the EUGS to focus on human security, introduce multidimensional approaches and "blend top-down and bottom-up efforts" (EU 2016). The EU should work on a more comprehensive financing of the project in order to achieve more sustainable and meaningful civil society-based outcomes. Greater inclusion of Karabakhi Armenians and Azeris carries the opportunity of becoming a push factor for the parties to achieve a consensus²². The EPNK is not perfect and greater resources and political support could also help the platform to come up with more suitable approaches and allow it to more efficiently contribute to EU early warning efforts in the conflict.

There are some weaknesses and threats to this approach. Baku is notoriously and increasingly opposing and restricting any external involvement in the occupied territories of Nagorno Karabakh and the surrounding regions (ICG 2017). This position will, unfortunately, be only very difficult for Brussels to change or tone down. The principle of 'engagement without recognition' should be reminded, debated (including on the highest level) and adhered to by the EU. The threat associated with such policy, nonetheless, could involve further loss of trust and hardening of the Azerbaijani regime.

The EU Special Representative for the South Caucasus and the crisis in Georgia

In one of the most important policy moves, the EU should expand the EUSR office. The EUSR should aim to unify and hopefully coordinate most of the mentioned EU policies towards the conflict. However, in the past his office has struggled to define the EU's role in the conflict while focusing on the other aspects of its vast mandate. The goal should be, at least, to match its staff and resources with its mandate, allowing his office to fulfil at least some of the many ambitious conflict resolution goals the EU sets itself in the EUGS. The most notable (and most difficult) role of the EUSR should be to truly blend the top-down and bottom-up approaches, starting with including the outcomes of the EPNK in the formal negotiations. This effort is riddled with pitfalls but is also one of the most important processes ensuring human security, toning down hardening positions on both sides and contributes to conflict resolution.

The EUSR is already tasked with this line of work, but with its current situation is only hardly making a difference towards resolution. The EUSR should also come up with creative approaches to diplomacy and explore possible openings when they present themselves, as stated in the EUGS (EU 2016). The threat is that he will be sidelined by the parties of the current conflict resolution process and attacked by the conflict parties, especially by Azerbaijan for engaging with the occupied territories. The EUSR should couple with the other elements for the EU Foreign Policy to overcome these threats and achieve these goals. For his office, this

²² It can alter the perspectives, especially seen in Azerbaijan, that the conflict is only about territory without referencing the people of Karabakh (ibid).

will require additional capacities. Other elements of the EU Foreign Policy should target the OSCE MG co-chairs to ease this task of the Special Representative. The EUSR is the main EU presence in the Nagorno Karabakh conflict resolution, and for the EU to adhere to the principles of its Global Strategy, it needs to focus on enabling his office to do its job.

Consistency in norms and principles

Brussels should strive at consistency in mutual agreements, other documents related to the conflict and the region, and in high level statements. This consistency should be especially in terms of international norms and principles regarding the resolution of the Nagorno Karabakh conflict. In the short-term it should make sure that in its upcoming agreement with Azerbaijan, it refers to the same international norms as in the CEPA with Armenia, preferably using the same paragraph word-for-word. The goal is to prevent a battle of words and to ensure a consistent reputation of the EU which, in turn, will not jeopardise its other policies towards the conflict. Regarding this element, the benefits clearly outweigh the costs. There are two threats to this policy. First there are external pressures, similar to Kosovo, that could weaken some of these principles²³. Second there are internal pressures from the conflict parties themselves, which may try to assert favourable clauses regarding Nagorno Karabakh into mutual documents in order to justify their claims.

Creating mutually enticing opportunity

The EU is predominantly still a soft power actor, its appeal is mainly in the economy, democracy, rule of law, living standards and prestige. It is also the best in confidence building measures (CBM), post-conflict management and soft-security issues (Ó Beacháin 2013) which are not yet applicable at this stage of the conflict. This set of skills, nonetheless, allows the EU to play a crucial role in the conflict at this stage. In the words of conflict resolution theory, the EU should present a way out for the conflict parties by presenting a concrete mutually enticing opportunity (MEO) that will pull the parties towards a resolution in the mutual negotiations (Zartman 2008). Zartman finds, that in conflict it is usually a mutually hurting stalemate (MHS)²⁴ that motivates the parties to look for a way out, but the mutually enticing opportunity pulls them to look for a solution in the negotiations (ibid).

The EU should, therefore, present this opportunity to the parties in consistency with its strengths, both procedural and substantial. The EU should present a clear plan for a post-conflict rehabilitation which will outweigh any potential gains by violence for any party. There are some weaknesses to this policy, both MEO and MHS are perceptual events, they do not stand alone by themselves in objective reality, they exist in the perceptions of the conflict parties and are created by the negotiator (ibid). Thus, creating the desired pull effect might involve a quite difficult process and thorough work with the conflict parties and negotiators. The MEO must also be produced with the parties using their conflict analysis, needs, interests

²³ Although the EU seems to have learned from its mistakes regarding the deterioration of the principle of territorial integrity of states. The impact of this phenomenon in the conflicts in Georgia and Ukraine were a big lesson-learned.

²⁴ A situation in which parties are locked in conflict from which they cannot escalate to victory and the deadlock is painful to both (Zartman 2008).

and perceptions (ibid). Lastly, the pull effect of MEO only works in a limited time when the parties are pushed to look for a way out by MHS. This moment, however, is fleeting and opportunity can soon be wasted. This, arguably, occurred after the Four-day war in 2016. The big weakness of this opportunity is the need for the perception of MHS, which will be difficult to produce.

A possible weakness to this possibility could also be finding what the parties will find as a viable benefit. The deepening of economic cooperation and, in general, benefits from the EU might be contradicting Armenia's membership in the EAEU and its alliance with Russia in general. Azerbaijan, on the other hand, in the past displayed contempt for European economic assistance in comparison with its oil and gas revenues and a degree of mistrust in Western values (Ó Beacháin 2013).

Addressing the root causes

The last EU policy towards the conflict is part of a general policy towards the region, and universally the EU foreign policy based on principles and values like democracy, rule of law and liberty. In the new EUGS also it is also broadly unified under the 'catch-all' term *resilience* (EU 2016). The EU should address the root causes of the conflict and elements which contribute to the hardening of the societies, violent policies and prevent peaceful resolution. In Armenia and Azerbaijan broadly, these elements include deteriorating human rights situation, authoritarian tendencies, rule of law issues, militarisation, culture of violence, freedom of speech issues, but also economic and environmental stress. Previously, these complex issues, which act deep within the societies, were addressed by the OSCE, adhering to its comprehensive and complex approach to conflict. However, the OSCE mission in Baku closed in 2015 and the OSCE Yerevan office was forced shut in 2017. Other organisations that could improve some of these issues were also either forced out or their work made impossible.

Improving of the situation in these areas is a complex problem far beyond the scope of this paper, but these elements need to be understood as root causes or accelerators of the conflict. As such they should be part of the EU policy towards the Nagorno Karabakh conflict. The EU should also adhere to the arms embargo imposed on the conflict parties. It should investigate and punish any transgressions²⁵. If possible, the EU should also induce its partners to avoid arming the conflict parties.

Conclusion

Playing the role of the devil's advocate regarding the EU engagement in the Nagorno Karabakh is easy, especially watching the hardening and increasingly uncompromising positions of both parties in recent years. One can argue that peaceful resolution has little chance, especially looking back at the past opportunities for progress go wasted. We missed the genuinely quiet

²⁵ As in the case of Czech heavy weapons, which were exported to Azerbaijan illegally through Israel in 2017 (Soukup, Prchal and Zelenka 2017)

phase of the conflict between 2001 and 2004²⁶ coupled with the worldwide declining trend in conflict²⁷. We missed the unique opportunity after 2008, when, in a rare unity of purpose, the EU, Russia and the US were all engaged in more intensive efforts to achieve a breakthrough. Lastly, we also missed the opportunity after the escalation in 2016, when the parties were more prone to negotiation. One can also remind, that the role needed for the resolution of the Nagorno Karabakh conflict is not suitable for the EU and the mistrust cannot be overcome. The overwhelming dominance of Russia over the conflict (Zacha 2016) also adds to the doubts.

But there is no violent solution to the conflict, not without unbearable human and material cost that would sew deep grievances into several generations. The only viable solution is based on well-known principles: some variant of a land-for-status formula coupled with strong international security guarantees (ICG 2017). Such solution can only be achieved by some degree of consensus among the conflict parties. The goal of the EU is clear, to create an environment conducive to creating this level of consensus. Adhering to the rising global role of the EU and the increasing confidence of the Union in its neighbourhood, Brussels should be the one foremost player making the crucial difference. It is the best from the possible organisations to bear this task on its shoulders. The principles of the EU engagement are already set by the EUGS. Moreover, a conflict in Nagorno Karabakh would be intolerably costly, its consequences would be serious for the entire region including EU's immediate neighbourhood, violent conflict would make it impossible to implement other EU foreign policy goals and, lastly, conflict resolution and altruism are an essential part of the EU identity.

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The Nagorno Karabakh conflict is inching towards another escalation. The situation has been deteriorating for the past decade and the EU is notoriously underrepresented in the peace process. This paper aims to uncover the gaps in EU policy towards the conflict between Armenia and Azerbaijan and to overcome these gaps by concrete policy recommendations. It explores the various approaches and policy tools the EU employed towards the conflict since the ceasefire signed in 1994. Then, it presents concrete policy recommendations and debates their feasibility. The policy options are presented using SWOT policy analysis, which aims to identify internal strengths and weaknesses of a policy and its external opportunities and threats.