The Nagorno-Karabakh conflict remains a unique case among the so-called ‘frozen’ conflicts of post-Soviet Eurasia. It is both an inter-state conflict between Armenia and Azerbaijan, and a separatist conflict between the de facto Karabakh authorities and Baku. It is also the only conflict in the region without peacekeeping forces on the ground. In the first four days of April this year, an intensive round of fighting along the Line of Contact (separating Azerbaijan from Armenian-controlled territory around Nagorno-Karabakh) led to the first change in the status quo since a ceasefire agreement was reached in 1994. This came as no surprise, considering the high levels of militarisation in the region and the lack of progress in the official mediation process led by the OSCE Minsk Group (Russia, France and the US). But what can be expected next, and how have the positions of the parties and players in the game changed?

Missed opportunities for peace

The current basis for peace negotiations for the Karabakh conflict is the so-called ‘Madrid Principles’, which was proposed by the OSCE Minsk Group and to which both Armenia and Azerbaijan initially agreed. The principles include: the return of the territories surrounding Nagorno-Karabakh to Azerbaijani control; an interim status for Nagorno-Karabakh providing guarantees for security and self-governance; a corridor linking Armenia to Nagorno-Karabakh; future determination of the final legal status of Nagorno-Karabakh through a legally binding expression of will; the right of all internally displaced persons and refugees to return to their former places of residence; and international security guarantees that would also include a peacekeeping mission.

With the parties failing to agree on meaningful concessions, the pace of militarisation has accelerated over the past few years and, consequently, the likelihood of skirmishes along the Line of Contact has increased. The use of modern offensive military equipment and well-coordinated attacks aimed at securing territory by the Azerbaijani armed forces led to the highest number of casualties since the 1994 ceasefire. As the peace process remains unable to deliver on the parties’ expectations, and as the military balance on the ground changes rapidly in Azerbaijan’s favour, the temptation to resort to war as a means to achieve peace is very strong in Baku. Azerbaijan may also be drawing conclusions from the lack of international engagement in the ongoing conflict in Ukraine and Russia’s potential military overstretched in both Ukraine and Syria. Armenia, for its part, has refused to commit to any significant compromise on territorial control.

Between Baku and Yerevan

Frustrated with the stalled peace process and awash with energy money, Azerbaijan has the strongest incentives to resort to war to change the status quo. Altering the image of the defeated party and regaining (some) control over Nagorno-Karabakh and the surrounding territories is a clear goal of the Aliyev administration. Karabakh remains the main issue in Azerbaijani’s nation-building process and foreign
policy. It also remains a major tool to divert attention from the political and socio-economic problems facing the country, and tilting the balance in Azerbaijan’s favour would be Aliyev’s ultimate legacy – regardless of the direction the power transition could take after him.

The military operations also allowed Azerbaijan to test the international community’s reaction and the leeway it enjoys, especially vis-à-vis Russia. The question is whether the Azerbaijani government will remain committed to the stated goals of achieving peace through political means (in which case the operations may serve to push the peace process forward); or whether it is just a matter of time before more significant military action is launched to regain control over the occupied territories. In Azerbaijan the patriotic discourse on the need to regain territorial integrity is shared across all segments of society, leaving little room available for the concessions implied in the Madrid Principles.

The military, strategic and political consequences have been particularly troubling for Armenia. Losing parts of previously controlled territory and being out-maneuvered by well-equipped Azerbaijani forces has increased political pressure on the mediators to push Yerevan into making concessions. Armenian President Serzh Sargsyan has threatened to change Armenia’s position and formally recognise Karabakh’s independence, but such a move – which would irrevocably terminate the peace process – is probably intended as a last resort, should Azerbaijan’s military offensives continue.

Armenia has fewer incentives to change the current circumstances, in part because of its position as the victor of the 1994 war, and in part because of the limited political and economic opportunities it has had over the last decades. Russia remains a vital supporter for Armenia in the framework of both the Collective Security Treaty Organisation (CSO) and the Eurasian Economic Union (EAEU). Doubts, however, now linger over whether Russia would in fact involve itself further in the conflict in support of Armenia. Armenians are also concerned that the relationship between Yerevan and Moscow is unbalanced, as Russia has supplied military equipment to Azerbaijan and has taken over Armenia’s strategic sectors.

There may be danger ahead

The drivers and consequences of the 1 April operations can only be fully assessed by an independent fact-finding mission. Whether a retaliation or well-planned manoeuvre by the Azerbaijani Armed Forces, the fact is that the four-day fighting brought permanent changes to the status quo and the parties’ self-perception. For the first time since the 1990s, Azerbaijani forces managed to regain control of small parts of the territory surrounding Karabakh – the first time the Line of Contact has shifted. Although these changes do not significantly alter the parties’ military predicament on the ground, they send an important psychological and political message: for Azerbaijan, force has proved more effective than diplomacy; for Armenia, its status as victor in the war has changed, leaving it with limited political options in the peace process; for Karabakh, this new direct security challenge may compel the de facto authorities to change their political strategy.

As it stands, the situation on the ground is extremely tense, and both the Armenian and the Azerbaijani societies have been severely affected by this short conflict. In Armenia, deep corruption (especially in the arms procurement process) led to the removal of high-ranking officers, as a result of the conflict. The government in Yerevan is also communicating to Moscow how displeased it is with Russia’s arms sales to Azerbaijan isolier als by seeking to cooperate more closely with Western institutions, including NATO. Although this strategy has limited scope, it signals to Russia that Armenia remains focused on Karabakh and that Moscow should take its partnership with Yerevan seriously.

In Azerbaijan, the game is made more complex by its relationship with Russia: it must simultaneously maintain a strong political link with Moscow while avoiding relying on Russian policymakers to achieve its military objectives. Baku may come to face important choices, as Moscow’s diplomatic efforts following April’s war may lead to a long-sought deployment of Russian peacekeepers on the ground. Both Armenia and Azerbaijan have resisted this scenario, but considering the understaffing of the OSCE on the ground, the unpredictability of military developments along the Line of Contact and the unbalanced nature of current military positions, this may become the only alternative to prevent another war in the region.

To avoid such a deployment, diplomatic efforts need to become more focused on achieving concrete results, including some concessions by Armenia on its control of Azerbaijani territory. In order to do this, however, the international mediators need to agree on establishing some form of international presence on the ground, preventing further military activity along the Line of Contact, and providing the necessary security guarantees to Nagorno-Karabakh in the event that Armenian forces begin to withdraw.

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