

DEMOCRATIZATION AND THE CONFLICT OF NAGORNO-KARABAKH

This essay explores the relationship between democratization in Armenia and Azerbaijan and the Nagorno-Karabakh conflict. The author argues that the potential for conflict existed throughout Soviet times yet the quasi-democratization of the Soviet Union was instrumental in the breaking out of full fledged war. Though today, the conflict is an obstacle to democratization, the solution of the war in the long run also rests with democratization. These intertwined dynamics call for a long term vision of incremental democratization.

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Anyone familiar with the South Caucasus would agree that the conflict between Azerbaijan and Armenia over Nagorno-Karabakh is the most significant obstacle to peace and stability in the South Caucasus. 13 years into ceasefire the parties have failed to take any tangible steps towards a settlement. Despite the efforts of the international mediators, the conflict continues. (resumed war can not be excluded). The conflict started after World War I, but gained wide international attention when it developed into a full-fledged war between Azerbaijan on the one hand and Armenia with Nagorno Karabagh on the other, after the collapse of the Soviet Union. The conflict took around 20,000 lives. Today there is neither war nor peace.¹

There have been several studies on Nagorno-Karabakh, but few, if any, have examined the interconnectedness of the conflict with democratization. This essay will focus on the complex relationship between the Nagorno-Karabakh conflict and the democratization tendencies both in the second half of the 1980s in the Soviet Union and after the independence of Azerbaijan and Armenia. This essay explores the effect of the conflict on successful democratization in these two countries and argues that democratization is the key to the resolution of this conflict.

Democratization and the Re-Birth of the Nagorno-Karabakh Conflict

Whether the Gorbachev era ‘perestroika’ can be termed a ‘democratization’ effort or not, both ‘perestroika’ and ‘glasnost’ were the central pillars of Mikhail Gorbachev’s efforts to reform the Soviet economy and society. In the political sphere there were a number of serious decisions that indicate that the word ‘democratization’ could be applicable for the period of the last few years of the Soviet Union. For example, there were a number of constitutional changes undertaken which reflected a liberalizing spirit, such as the new electoral code, the ‘democratization’ of the Communist party, decentralization of economic management, et cetera.² These policies encouraged a more open debate about the state of the Soviet Union and its history. Opening the lid of decades of repression, it inevitably created an open arena for public opinion as Soviet publishers, newspapers, and television stations gradually expanded the limits of their criticism.³

The democratization tendencies and the eventual collapse of the Soviet Union ignited many of the suppressed ethnic-nationalist conflicts in the former Soviet Union. There is a theory that “mature democracies” do not wage wars against

¹ Detailed information and sources about the conflict from the ground and the negotiation processes, as well as the differing stories and ‘myths’ of the conflicting sides can be found in the three International Crisis Group reports: Nagorno-Karabakh: *Viewing the Conflict from the Ground, Europe Report #166, 14 September, 2005*; Nagorno-Karabakh: *A plan for peace, Europe Report #167, 11 October 2005*; Nagorno-Karabakh: *Risking War, Europe Report #187, 14, November, 2007* (www.crisisgroup.org).

² Stephen White, “Perestroika” in Joel Krieger (ed.), *The Oxford Companion to Politics of the World* (2nd ed.), Oxford, 2001, pp.644-46.

³ Jan Palmowski (ed.), *Oxford Dictionary of Contemporary World History*, Oxford, 2004, pp. 244, 508.

each other. The democratization tendencies in the Soviet Union propelled many ethnic-nationalist conflicts within its space because the democratization was incomplete and political institutions weak.⁴ This point holds not only for interstate wars but also for internal conflicts of ethnic or other nature.

In Western Europe, the concept of ethnicity had evolved into interest groups in citizen unions. Ethnic differences were institutionalized rather than repressed and thus liberal democracies came to be.⁵ The institutionalization of the European states took decades, if not centuries, to develop.

The Soviet Union “artificially institutionalized” ethnicity, which made it rather like repression. The ethnic problems were rapidly ‘solved’ within the Soviet system and Soviet citizenship was emphasized, deemphasizing ethnic identity. But the solution remained ‘on paper’ and did not reflect the reality of people. Suppression defeats its own ends: “Totalitarian governments are in “danger” of being violently overthrown to the extent to which they resort to suppression as a means of dealing with conflict”.⁶ The inability of Soviet authorities to find lasting solutions to ethnic differences and to deal with the bursts of ethnic conflicts played an important role in the clashes that resumed right before and/or after its collapse.

The re-birth of Nagorno-Karabakh. conflict’s re-birth has been partially pinned down to the ‘opening up’ of the Soviet Union and its ‘democratization’ tendencies. It is well known that the conflict has existed since the end of World War I, when the newly founded republics of Armenia and Azerbaijan each tried to have control over Nagorno-Karabakh. Eventually the decision was imposed from above after both of those republics lost their independence and became parts of the Soviet Union. In July 1921 the Caucasian Bureau of the Russian Communist Party (Kavburo) first resolved to attach Karabakh to Armenia, then immediately reversed the decision under the influence of Stalin, attaching it to Azerbaijan with ‘wide regional autonomy’.⁷ After that and before the ‘perestroika’ period there were several times when the Nagorno-Karabakh Armenians requested the unification of Karabakh with Armenia from the Soviet authorities: in 1945 the First Secretary of the Armenian Communist Party wrote to Stalin for Karabakh to be transferred to Armenia; in 1963 they wrote a petition protesting the cultural and economic marginalization of Armenians in Karabakh; and in 1977 Karabakh Armenians demonstrated in Karabakh for attachment to Armenia.

In the late 1980s it was thought that ‘democratizing’ the Soviet Union would supposedly heed the wishes of the Karabakh Armenians, and as the history and

⁴ Edward Mansfield and Jack Snyder, *Electing to Fight: Why Emerging Democracies Go to War*, MIT Press, Cambridge MA, 2005, p. 7.

⁵ Michael Mann, *The Dark Side of Democracy: Explaining Ethnic Cleansing*. Cambridge, 2005, p. 68-9

⁶ Ralf Dahrendorf, *Reflections on the Revolution in Europe*. London, 1990, pp. 16.

⁷ When Azerbaijan declared its independence in 1991 it claimed to be the successor of the Azerbaijan Democratic Republic of 1918-20 whose sovereignty over Nagorno-Karabakh was never recognized by the League of Nations.

politics of the whole Stalin era was in the process of revision, it was expected that this issue would also be taken up. The discrediting of the official ideology of the Soviet Union during the era of ‘perestroika’ and ‘glasnost’ left an ideational vacuum in politics and nationalism, given its deep roots in Caucasian societies, this was the natural choice to fill the vacuum.⁸ Meanwhile the Soviet authorities were unable to handle this issue and reacted poorly to the developments in Azerbaijan, which resulted in the conflict with Armenia and Nagorno-Karabakh becoming a full-fledged war. As the Soviet Union collapsed, the tensions became graver and hatred uncontrollable all while the newly independent states were attempting to establish functioning democratic regimes.

As the conflict in Nagorno-Karabakh continued, the Soviet Union collapsed in 1991 and Armenia and Azerbaijan became independent states. Interestingly enough in this period the democrats were the more nationalist forces in both countries. Whereas the nationalists and democrats in Armenia (i.e. the Armenian National Movement) were acting to put the Karabakh issue at the center of Armenia’s political agenda, the communists sought to play the issue down. Similarly in Azerbaijan it was the Popular Front that pressed for the creation of a democratic state, which they thought, would mobilize the nation to fight against Armenians. Thus democratization widened and intensified the conflict.⁹ This is not to say that the societies were undergoing positive democratization (as in the Baltic states) and that this was a war of democratization. On the contrary, even though Armenia held competitive elections after its independence in 1991, and Azerbaijan held elections in 1992, their democratization was still incomplete and in years democracy deteriorated in both countries. It could be argued that the escalation of the conflict to include the entirety of the Armenian and Azerbaijani societies was inextricably linked to their stalled democratic transitions (both in terms of the ‘failed democratization’ and eventual collapse of the Soviet Union as well as the post-1991 ‘democratization’ and of Armenia and Azerbaijan’s elections being assessed as worse and worse every time –with the exception of the last 2007 May Parliamentary elections in Armenia– which were assessed to be a substantial improvement).

The Nagorno-Karabakh Conflict as a Hurdle to Democratization

While the Soviet legacy left behind an ethnicized bureaucracy and culturally aware local elites in the South Caucasus and elsewhere, it did nothing to develop an institutional framework for popular political participation. In comparison to the democratic infrastructure left behind in some British colonies, for instance, there was no legacy of pluralistic party politics, competitive elections, meaningful parliamentary representation, or professional journalism. So when the Soviet Union collapsed, the “stage was set for the mobilization of mass

⁸ Neil MacFarlane, “Democratization, Nationalism and Regional Security in the South Caucasus”, *Government and Opposition*, Vol. 32, No.3, Summer, 1997, pp.414.

⁹ Ed. Mansfield and Jack Snyder, *op.cit.* pp.233.

politics animated by ethnic concerns, but there were no effective democratic channels to express or reconcile these interests. The Soviet institutional legacy left the peoples of the Caucasus with the worst of both worlds: politics organized around ethnicity, and no meaningful institutions for democratic participation along ethnic or any other lines.”¹⁰

In both Armenia and Azerbaijan the peoples underwent great sufferings for the sake of victory in the Nagorno-Karabakh war. Armenia has tried to re-adapt its economy to conditions of a closed border with Turkey (among a number of conditions, the return of Nagorno-Karabakh to Azerbaijan has been proposed by the Turkish side, though in recent times there has been signs of dissociation of the Turkey-Armenia relations from Turkey-Azerbaijan relations) as well as the closed border with Azerbaijan. In the early 1990s economic conditions in Armenia were severe, but in recent years double-digit growth rates have been experienced.¹¹ Similarly in Azerbaijan the functioning pipelines have brought much revenue and the economy has boosted.

Though war in the early 1990s had devastating implications, the recent economic boom in both countries has distracted both states’ elites from the urgency of narrowing the gap of disagreements, and preparing the societies for reconciliation by confidence-building measures.

The ‘no peace, no war’ condition between Armenia and Azerbaijan has had an immense negative impact on democratization. In Azerbaijan particularly, the conflict has become an ‘all encompassing, overwhelming issue which has been an unhealthy phenomenon’¹² The Karabakh conflict has been (mis)used for internal political problems. The opposition in Azerbaijan has been less compromise-oriented than the government, and has pushed for increased military and political pressure on Armenia. But the governing elites have been skillful. Ilham Aliyev’s lower levels of legitimacy compared to his father forced him to adopt a more hard-line position in this issue. For example, Ilham Aliyev coming to power in 2003, categorically rejected the package approach for solving the conflict by one major agreement, which would include all the conflicting points (as contrary to step-by-step solution of solving the issue gradually, by concluding agreements on every point consented and leaving the more problematic issues to a later stage)¹³ ,

¹⁰ Jack Snyder, *From Voting to Violence: Democratization and Nationalist Conflict*, W.W. Norton & Co. New York, 2000, p. 222.

¹¹ For details about the current Armenian-Turkish relations and the prospects of developments, see T. Mkrtchyan, *Post-Election Prospects for Armenian-Turkish Relations*, in TESEV, Foreign Policy Bulletin, No.5, July 2007, Istanbul, pp. 15-18, TESEV.

¹² Interview with a Senior White House official, 9 June, 2004, Washington DC, quoted in T. Mkrtchyan, *NATO and the South Caucasus*, Cambridge, 2004 (MPhil Thesis), p. 12

¹³ For the detailed nuances of those points please see the International Crisis Group reports on Nagorno-Karabakh; 1. *Nagorno-Karabakh: Viewing the Conflict from the Ground, Europe Report # 166, 14 September, 2005* and 2. *Nagorno-Karabakh: A plan for peace, Europe Report #167, 11 October 2005*; 3. *Nagorno-Karabakh: Risking War, Europe Report # 187. 14, November, 2007*; www.crisisgroup.org.

saying that confidence building would be needed after an Armenian withdrawal and before Nagorno-Karabakh status could be determined. Also if as late as 2002 the unification (of Nagorno-Karabakh with Armenia) option had been on the table, after Ilham Aliyev came to power, it has been categorically rejected.¹⁴

As an Azerbaijani analyst argues, “the current government in Azerbaijan owes its rise to power to skilful manipulation of popular protest over the handling of the Karabakh issue, and to loud pledges to resolve the conflict quickly and ‘without losses to the territorial integrity and sovereignty of Azerbaijan’”.¹⁵ This is done at the local level, where war rhetoric is strong enough, though not to the degree of the Azerbaijani opposition representatives. A retreat from that position would be dangerous and potentially threatening to the government’s legitimacy. At the same time, the need to consolidate its hold over key positions in governing apparatus and the economy prompts the regime to try, through compromise and concessions, to move from the current unstable ‘no war, no peace’ to a more stable situation. Portraying itself to the international community as the ‘party of peace’ and the opposition as extremists advocating the return of Karabakh by force, the Azerbaijani government is seeking *carte blanche* to quash its political opponents. Yet for internal consumption, the ruling elite continues to churn out populist militant rhetoric.¹⁶ The Baku authorities also use the defeat at war to discredit the former government, now the opposition. It is also used to distract attention from rule-of-law, human rights and democracy issues the state of which are under international observance and criticism.¹⁷

The overdependence on and centrality of the individual leaders, rather than institutions and wider society, in resolving the conflict is a major part of the problem. In 2002 Heydar Aliyev claimed: “If I cannot resolve the Karabakh problem then no one in the world will resolve it”.¹⁸ Similarly in Armenia the Karabakh issue and the ‘determining’ role of the leader in power to resolve that issue became a routine from election to election. In the Presidential elections of 1996 the first President of Armenia Levon Ter-Petrossian was sure that he was the one to solve the problem of Nagorno-Karabakh and people should trust him to continue with the negotiating process. One of the reasons that he could not afford a fair election in 1996 was that the tougher opposition had already gained popularity by charging him of ‘treason’ and ‘capitulation’ on the Karabakh issue.¹⁹ The 1996 post-election period was marred by massive outbursts of popular anger with an attack on the Parliament. This was a blatant retreat from any democratic path

¹⁴ *International Crisis Group Report #167*, p. 14 (2005).

¹⁵ Rasim Musabayov, ‘The Karabakh conflict and Democratization in Azerbaijan, in *Conciliation Resources ACCORD*, #17, 2005, London, p. 63.

¹⁶ *Ibid.*

¹⁷ *International Crisis Group Report #187* (2007).

¹⁸ Agence Presse France, 10/16/02; ‘*Azeri president: only I can solve Karabakh dispute with Armenia*’.

¹⁹ Edward Walker, ‘No peace, no war in the Caucasus: Secessionist Conflicts in Chechnya, Akhazia and Nagorno-Karabakh’ (Harvard University Kennedy School of Government: Strengthening Democratic Institutions Project, February, 1998), p.40.

the leadership had envisaged previously. Soon Ter-Petrosian warned that the Karabakh conflict was to be resolved through a compromise, otherwise Azerbaijan's growing oil wealth could allow it to overwhelm Armenia in the near future. This stance was termed as 'defeatism' by some of the governing elites and Ter-Petrosian was ousted from power in 1998. Upon resigning, Ter-Petrosian ominously warned that the 'party of peace' was being replaced by the 'party of war'. Compared to the 1996 elections those in 1998 were fairer. Robert Kocharyan, who was the former leader of Karabakh Armenians and more hard-line than Ter-Petrosian, was elected as Armenia's new president. Many believe that Karabakh-natives Kocharyan and Serzh Sarkisyan (the current Prime Minister and a presidential candidate) are the only people who can 'sell' an agreement to Armenians.²⁰ In the 2003 Presidential elections (which were criticized by international observers) Kocharyan claimed that the future of a peaceful solution of the Karabakh problem depended upon those elections.

Thus the perception (or misperception) that this or that individual can solve the Karabakh issue, which is vital to national survival, justified the authorities violently crushing the opposition. In Armenia and Azerbaijan, opposition parties were pressed, opposition media outlets shut down and journalists arrested or repressed. The expectation that it is up to individuals to forge a resolution is grounded in the lack of strong state institutions, weak democracies, a crude political culture and related structural capacity problems. The charismatic-authority model in Azerbaijan and Armenia put the independence of the various branches of government into question; neither the legislative nor the judiciary branches are independent from the influences of the executive.

Another hurdle to democratization in both countries is the tremendous militarization throughout the South Caucasus in the last few years. This factor has diverted the respective governments from investing more in institutional capacity, education and social issues, infrastructure and renovation. The chart below shows the level of uncontrolled and potentially explosive militarization of the South Caucasus states. Azerbaijani leaders have several times reiterated that they are targeting a military budget that corresponds to the whole budget of Armenia (and Armenian officials assert that the purchase of powerful weaponry by Baku from 2004-6 is violating the limits of Conventional Armed Forces in Europe Treaty (CFE)).²¹

We are witnessing the militarization of the respective states and elites. Nagorno-Karabakh too has become highly militarized society (where 65 persons per 1000 inhabitants are under arms surpassing almost all other countries for proportion of population in the military).²² After all, it is an illusion to assume that a final solution to the Nagorno-Karabakh could be reached through military means.

²⁰ Hratch Tchilingirian, 'New Structures, Old Foundations', in ACCORD, op. cit. p. 65.

²¹ *International Crisis Group Report #187* (2007).

²² *International Crisis Group Report #166* (2005).

Table 1: Regional Military Spending (2004-8)

Year	Armenia	Azerbaijan	Georgia
2008 (projected)	\$376 million	\$1.3 billion	\$769 million
2007	\$280 million	\$1 billion	\$310 million
2006	\$166 million	\$700 million	\$218 million
2005	\$136 million	\$300 million	\$180 million
2004	\$81 million	\$175 million	\$60 million

Democratization as the Key to Nagorno-Karabakh Conflict Resolution

Theoretically the risks of war (or re-emergence of war) are reduced by democratization and exacerbated by reversals in the democratization process. But rapid democratization (which was the case after the collapse of the Soviet Union) may bring weak regimes unable to establish effective control and political order. Therefore, some time may have to pass before democratic norms or informal institutions become sufficiently well established to have the effect of inhibiting conflicts.

Political change or democratization can take many different forms and need not proceed in a unidirectional or linear fashion. The significance is that there be steady movement (mild or strong) towards democracy in a given state. Changes toward autocracy and reversals of democratization are accompanied by increased risks of war involvement. Reversals are riskier than progress. At issue therefore is not the rapidity of change toward democracy but the linearity of the process.

Elections are indeed the first test of democratization, but by fair and transparent elections only one does not build a democratic society. Institutions do matter for liberal democracy to function and elections are just one part in this whole story.²³ The ‘dangerous democratization hypothesis’ has suggested that emergent democracies may be quite prone to international violence, largely because of “deformed” institutional forces.²⁴

Democracy provides opportunities for: 1) Effective participation (when all the members of society have an effective opportunity to make their views known); 2) Voting equality; 3) Enlightened understanding (access to information and freedom of press is vital); 4) Exercising final control over the agenda (when the members of the society or their voted representatives have an exclusive opportunity

²³ For example, in Great Britain civic institutions of representative government and free speech were already well established before the majority of the population was allowed to vote.

²⁴ Michael Ward and Kristian Gleditsch, “Democratizing for Peace”, *American Political Science Review*, vol.92, No.1, March 1998, pp. 51-61.

to decide how and what matters are to be placed on the agenda). A successfully democratized state entails the following political institutions: 1) Elected officials (providing representation); 2) Free, fair, and frequent elections (where coercion is comparatively uncommon); 3) Freedom of expression (when citizens have a right to express themselves without danger of severe punishment on political matters, including criticism of officials, the government, etc.); 4) Access to alternative sources of information; 5) Associational autonomy (right to form relatively independent associations or organizations); 6) Inclusive citizenship (no representative of an ethnic, religious or other minority residing permanently in the country and subject to its laws can be denied the rights that are available to others).²⁵

Over-rating the importance of elections is a mistake the international community has repeatedly made in the South Caucasus. Even though international observers expressed positive opinion about Armenia's parliamentary elections in May 2007, there are several institutional challenges that Armenia must overcome for successful democratization.

In a conflict where a dyad or more parties are involved, successful democratization of only one of them does not guarantee peaceful resolution. Interstate disputes are more likely to end through negotiation if both principal parties are governed democratically than if one or both are not democratic.²⁶

Without underestimating the efforts of the OSCE Minsk Group which should indeed continue with the parties involved, a number of additional issues which need to be addressed for a lasting conflict resolution should be noted: One is the need to draw the wider public in both countries towards a more domiciliary position – which necessitates a media arena more conducive to this end. Another need is to include all the societies whose future is under question (the Armenians who live in Nagorno-Karabakh and the Azeri IDPs) in the negotiation process. And thirdly, the arms race needs to be taken under control to increase the prospects of peace.

Whereas regimes change, hostility within societies towards each other can remain unchanged or even deteriorate.

The secretiveness and centralization of the inherited Soviet practice has been characteristic of the negotiation process. The regimes have maintained tight monopolies on the management of the peace process and information about its contents. This elitism in the peace process has forestalled the involvement of wider societies and maintains a huge rift between the rhetoric Armenian and Azerbaijani leaders use to frame the issues for domestic audiences and their positions at the negotiating table. By short-sighted tactics of 'tough talk' for

²⁵ Robert Dahl, *On Democracy*, Yale University Press, New Haven, 2000, p.85-86.

²⁶ William Dixon and Paul Senese, 'Democracy, Disputes, and Negotiated Settlement', *The Journal of Conflict Resolution*, vol. 46, no. 4, Aug. 2002, pp.549.

boosting domestic ratings the politicians are in fact making long term strategic miscalculations, as the prospects of peaceful co existence is endangered by the antagonized generations on both sides.

In both countries media outlets do not survive through direct relationships with their consumers, but through patronage from either the state or individuals vulnerable to state pressures on account of their wealth. As a result, success in Armenian and Azerbaijani media market dictates accommodation of official policy lines on key issues.²⁷ The interrelationship between press freedom and peace has been of great importance. It is claimed that when a democracy faces a non-democracy in international conflict, the democratic leader can expect to be the dominant source of 'legitimate' information for the domestic news media. Information reported from the government controlled media of non-democratic regimes is reported as propaganda and dismissed as such. In contrast, when two democracies come into conflict, the domestic news media on both sides accept each other as legitimate sources of information and neither leader can expect to dominate the legitimate sources of news to nearly the same extent. As a result, neither leader can expect to have an overwhelming influence on the content of the news media and the domestic political costs of war will far outweigh any potential domestic political benefit received from engaging in conflict.²⁸

Broad-based public awareness of and participation in the peace process is essential for the region to develop democratically and mutually acceptable, sustainable solution to the conflict to be found. Reconciliation starts with people-to-people contact. But for this to work civil society's rights must be respected and it should get more involved in track two diplomacy in parallel to the more elitist diplomacy. Unfortunately since the revolutions in Georgia and Ukraine, the governments in Armenia and Azerbaijan have suspected their own civil societies to be covert vehicles for the opposition. The government of Azerbaijan has repeatedly discouraged and even targeted activists of civil society who promote confidence building with the Armenians.²⁹

Civil society should develop proposals on both substantive and procedural issues for consideration by the negotiating parties. Outreach should be conducted to marginalized communities and internal dialogue on painful and taboo issues should be pursued.³⁰ In this respect the European Neighborhood Policy through certain programs might facilitate policies that would forge interactive relationships between the governments and citizens, where the civil society as well as media would be part of the political processes through the above mentioned 'effective participation' and through 'exercising final control over the agenda'.

²⁷ Mark Grigoryan and Shahin Szayev, 'Between Freedom and Taboo', in *ACCORD*, *op. cit.* p. 51.

²⁸ Douglas Van Belle, 'Press Freedom and the Democratic Peace', *Journal of Peace Research*, vol.34, no.4, 1997, pp. 405-14.

²⁹ *International Crisis Group Report #187* (2007).

³⁰ Avaz Hasanov and Armine Ishkhanian, 'Bridging Divides: Civil Society Peace-Building Initiatives', in *ACCORD*, *op.cit.* p.47.

One should not overestimate the capacity of civil society to forge peace though. In fact, sometimes, civil society can produce even more hostile attitudes about the other side.

The *de facto* government of Nagorno-Karabakh and the representatives of Azeri IDPs are left completely out of the negotiation process.

Ultimately if we accept that democratization is a prerequisite of conflict resolution we need to engage with *de facto* states as political systems in their own right and as participants of the broader processes transforming the post-Soviet space. Withholding support for democratic processes in *de facto* states eventually inhibits the development of genuinely participatory and pluralistic politics, on which any future settlement must be predicated. Thus engaging with *de facto* states could and should be seen as consistent with support for democratic governance rather than as necessarily inconsistent with adherence to the principle of territorial integrity.³¹ The conflict cannot be resolved without involving the *de facto* entities themselves. Engagement is needed now to avoid the danger of war in a few years.³² This would mean that the *de facto* government of Nagorno-Karabakh should be part of the negotiating process, which would proportionally include the representatives of the IDPs from Azerbaijan as well. In recent times there have been suggestions in EU that it could actually engage with Nagorno-Karabakh *de facto* authorities, start democratization (or support and further foster the democratization processes which it has been experiencing in the last thirteen years) and legal reform projects in the entity.³³

The existence of Nagorno-Karabakh could be internationally regularized and the government that is existent there could be brought into the scope of the international system. The previous president of the Nagorno-Karabakh Arkady Ghoukassian said that the authorities in Karabakh are “taking on international obligations which are not even obligatory”³⁴. Nagorno-Karabakh remains the only entity in the entire South Caucasus where the EU has invested no resources for economic rehabilitation projects. The ENP strategy regarding the South Caucasus relates that the “strengthening of democracy, the rule of law and respect of human rights, progress towards the development of a market economy” are the EU’s priorities for the South Caucasus countries. It also states that “increased efforts to promote the settlement of the conflicts in the region and to develop good neighborly relations are needed”³⁵. It might be premature to suggest that EU could well include Nagorno-Karabakh in the European Neighborhood Policy. But one could claim that for the genuine development of ‘good neighborly relations,’ the EU should

³¹ Laurence Broers, ‘The Politics of Non-Recognition and Democratization’, in *ACCORD*, op.cit. p.68.

³² *International Crisis Group Report #187* (2007).

³³ Dr. Sabine Freizer, ICG, *Responding to South Caucasus Conflicts in the European Neighbourhood*, Public Hearing on “Promoting Stability and Democratization in our Neighborhood: What role for the EU in the South Caucasus?” organized by the Committee on Foreign Affairs, European Parliament (22 February 2006).

³⁴ *Quoted in International Crisis Group Report #167* (2005).

³⁵ European Neighborhood Policy, Strategy Paper, Brussels, 5 December 2004, p. 11.

address the concerns of Nagorno-Karabakh people as well as of those IDPs who inhabited this geography before the conflict started through special programs spanning from monitoring the judicial processes, supporting with economic and governance projects or providing technical assistance, demonstrating that the EU is genuinely interested in engaging the entire South Caucasus.

Confidence building and the development of trust can not take place if the current arms race continues. The international community should put pressure on the sides to immediately stop re-armament, halt the rise of defense budgets, encourage the end to excessive militarization and require the sides to adopt agreements guaranteeing non-resumption of violence by ceasing belligerent rhetoric against the other side.³⁶ Moreover, the European Neighborhood Policy could set a maximum amount of defense expenditure allowed in the budgets of the Neighborhood countries.

Failed democratization in Armenia and Azerbaijan will create fortuitous conditions for an establishment of “illiberal democracies”³⁷ or autocracies in those countries, and as a consequence deprive them from the only reasonable route for the solution of the Nagorno-Karabakh conflict: a persistent and linear progress towards democratization.

³⁶ Oksana Antonenko, IISS, *Prospects for Addressing Regional Conflicts in the South Caucasus*, Public Hearing on “Promoting Stability and Democratization in our Neighborhood: What role for the EU in the South Caucasus?” organized by the Committee on Foreign Affairs, European Parliament (22 February 2006), pp. 12-13.

³⁷ For details about the meaning of this phrase see Fareed Zakaria, ‘The Rise of Illiberal Democracies’, *Foreign Affairs*, November, 1997 and Fareed Zakaria, *The future of Freedom: Illiberal democracy at home and abroad*, Norton & Co. New York, 2003.
