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MAY THE EUROPEAN UNION UNDERTAKE ANY ROLE IN NAGORNO-KARABAKH CONFLICT RESOLUTION?

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Summary

The Nagorno-Karabakh conflict is a great threat for peace and security in South Caucasian region. The European Union has not any direct involvement to the resolution process, supporting the negotiations towards a peaceful settlement leading by the Organisation for Security and Cooperation in Europe Minsk Group. However, previous attempts of the Minsk Group were unsuccessful to resolve this problem. The European Union has close relations with both sides of the conflict, Armenia and Azerbaijan, under the European Neighbourhood Policy and Eastern Partnership. Considering that the European Union extended its borders to the Black Sea, it become more involved to the security issues in both Black Sea and South Caucasus. There are too many studies in the literature emphasizing the several formats that may be used by the Union in Nagorno-Karabakh conflict resolution. However, focusing on the importance of the international organizations' role in conflict management and necessity of the peace and stability in the South Caucasus, this paper argues that in the light of existing geopolitical environment the European Union is lacking in producing real solutions for Nagorno-Karabakh conflict.

Key Words: Armenia, Azerbaijan, European Union, Nagorno-Karabakh Conflict, Peace, Resolution.

Introduction

Nagorno-Karabakh issue is an unsolved conflict in the South Caucasian region, preventing peace, development and cooperation in the Eurasian area. The conflict has long historical roots and violence has erupted at different times during its course (Svensson 2009). Rich energy resources of Azerbaijan and the geopolitical importance of the region causes to the attention of many influential external actors to the Nagorno-Karabakh conflict.

The Organisation for Security and Cooperation in Europe (OSCE) has been the main organisation leading the mediation efforts. The OSCE initiated its efforts in 1992 with the decision to arrange an international conference to settle the conflict. Since the conference was to be held in Minsk, the conference was called the “Minsk-conference”. In order to prepare to for this conference, a group of concerned countries were formed, including representatives of Sweden, the Russian Federation, Italy, and other third parties as well as representatives from Azerbaijan and Armenia. The Minsk process has so far been unsuccessful in reaching a settlement to the conflict. An important opportunity was lost at this beginning of the intervention, and the conflict is still waiting its solution.

Avoiding from the direct involvement to the conflict, the European Union’s (EU) official approach to the problem from the first is that it should be solved within the framework of the OSCE Minsk Group. The Union cooperates with Armenia and Azerbaijan within the framework of the European Neighborhood Policy (ENP) and Eastern Partnership (EaP). The launching of the ENP, which urged “to avoid drawing new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union” marked another start in the Union’s relations with the regional countries. In the South Caucasus the EU’s interest to be more visible in conflict management and promotion of political developments was reflected in bilateral documents with Armenia, Azerbaijan, and Georgia as top priorities. Additionally, a Special Representative for the South Caucasus (EUSR) has been appointed for the first time to keep an eye on the negotiation process and support the efforts of participating parties (Huseyinli 2011).

Peace and security in Eurasia is a priority for the EU. But the Nagorno Karabakh conflict rose to the top of the EU’s agenda only after the war in South Ossetia in 2008. However, an escalation of Ukrainian crisis made to forget the Nagorno-Karabakh conflict. Besides, it reminded the increasing threats of the frozen conflicts in the post-Soviet area to the European peace, security and integrity. Getting of frozen conflicts so closer to the EU borders caused to debate of the Union’s institutional capabilities and experience in conflict management.

First section of this paper focuses theoretical perspectives about the role of international organizations in conflict management. The next section of the study analyses the Nagorno-Karabakh conflict in the light of interests of regional actors. The third section aims to explain the EU’s any prospective role in resolution of the conflict, taking into consideration the interests in the region and the EU’s institutional capabilities and experience in conflict management, also current geopolitical atmosphere. General evolution of the paper is provided in the conclusion.

Theoretical Perspectives

Conflict is a situation in which people, groups or countries are involved in a serious disagreement or argument. It is a violent situation or period of fighting between two countries. This is a situation in which there are opposing ideas, opinions, feelings or wishes; a situation in which it is difficult to choose (Oxford Dictionary, 2014).

Since the humans have always waged conflicts, humans have also always engaged in various ways to end them. Different ways of settling disputes have long been practiced along history. Contemporary conflict resolution methods differ from the traditional ways of resolution, emphasising upon conflict processes that generate solutions providing some mutual gains for the opposing sides. Conflict resolution is a vibrant, interdisciplinary field where theory and practice pace real-world events. It is important to study the phenomenon of conflict and analyze ways to bring it under control, bringing their insights and concepts to bear on actual conflicts, be they domestic or international, so as to foster better and more effective relations between states and people (Bercovitch et al.2009). In order to develop theory on conflict resolution, it is important to understand the nature of conflict itself. Conflicts are not accepted within the single framework with their same features. Each conflict is different, existing within its own overall context and local framework. The nature of the conflict dictates the mediation process to be used and the conflict's likely outcome. The mediation process can be characterized as follows: it is a non-compulsory procedure in which an impartial, neutral party is invited or accepted by parties to a dispute to help them identify issues of mutual concern and design solutions to these issues which are acceptable to the parties. By analyzing a few of these components, one can begin to gain an appreciation of the strengths and limitations of mediation as a dispute settlement procedure (Stulberg 1981: 88). Successful mediation should result in cessation of violence; agreements that allow each party to save face both internationally and domestically; good precedents in the eyes of the world community; arrangements that will ensure implementation of whatever agreements have been reached; and better relationships among the disputing parties (Suskind and Babbitt 1992). In order to posit a mediation effort successful, there should be a positive impact of it on the conflict. International negotiation and diplomacy, with some obvious exceptions, have generally been the preferred means for dispute settlement at the global level since World War II. Presence of international organisations within the spheres of peace and security stems to a large extent from the experiences of the great powers in the twentieth century. Today international organisations such as the United Nations (UN) and the European Union (EU) have developed political, military, economic and civilian instruments in order to act within the areas of conflicts. In this sense the role of international organizations is being important.

Besides, a substantial debate has appeared among international relations theorists about the potential role of international institutions in the prevention and resolution of violent conflicts.

Theorists of realist view considered these conflicts within the framework of anarchical international system, where there is a lack of central legitimate governance and a high probability of violent conflict. In conflict management realists tend to see international organizations as doing no more than its member states direct (Viotti and Kauppi 2009).

However, supporters of liberalism do not see the state as a unitary actor always. For liberals, the worst aspects of anarchy can be overcome as institutions and ideas

matter to both states and non-state actors that operate transnationally across the borders and international organizations may play an important role in implementing, monitoring, and adjudicating disputes arising from decisions made by constituent states. They also see the international institutions as an organizations with independent importance. The institutionalists claim that international institutions are capable of responding to the outbreak of violence because they can enter these conflicts as third parties and may offer alternative conflict resolution tools. The vital point here is the intervention of international organizations in early stages of conflict, preventing the escalation and locking in.

Nagorno-Karabakh Conflict: Is It Only An Ethnic Issue?

Following the collapse of the Soviet Union, the Caucasus became a place of events with military confrontation, namely two separatist conflicts in Abkhazia and South Ossetia, and Nagorno-Karabakh conflict between Azerbaijan and Armenia.

Textbooks on the newly independent states of the former Soviet Union describe the Nagorno-Karabakh dispute between Armenia and Azerbaijan as an issue of minority rights of Armenians living in an enclave within Azerbaijan (Graham 1995) and as an ethno-territorial dispute that predates the Soviet era (Bater 1996). The dispute between Armenia and Azerbaijan is one of the most worrying unresolved conflicts in the Caucasus region, both because of rising tension between the two sovereign states and because the three principal regional powers – Russia, Turkey and Iran – all have a differing stance towards the issue. The tense situation polarises the regional powers with Russian support for Armenia and Turkey's strategic partnership with Azerbaijan. The ethno-territorial conflict over Nagorno-Karabakh has a multidimensional nature that involves political, socio-economic, and security-related issues. It is the main reason of that why this problem could not find its solution yet.

Russia

Russia is the main actor of the South Caucasus with its historical links with this region. The three countries of the South Caucasus are a part of what is often referred to as Russia's "near abroad" also and as such an area of vital security interest to Russia. More importantly, Armenia took a special position in Russia's policy on the South Caucasus in the every stage of the history. The Armenian-Russian relations expanded with the occupation of Kazan (1552) and Astrakhan (1556) by Russia and Turkish wars (1635-1639, 1711, 1768-1774, 1787-1791) and the attempts to conquer the Caspian lands even strengthened. During this process the Armenians started to be resettled to Russia and their colonies were established. The state order of the Peter the Great to the Armenian people (10 October 1724) played a great role in this process. The order agreed on the resettlement of Armenians on the lands occupied by Russia. This political course of Peter the First continued within the next centuries and was one of the priorities of the Russian foreign policy toward the South Caucasus. The Armenians' resettlement and unification intensified after the victory of Russia in the Russian-Iranian war of 1804-1813 and the signing of the Gulustan Agreement which divided Azerbaijan

in two parts. The Turkmenchay Agreement between Russia and Iran signed on 10 February 1828 stipulated for the resettlement of Armenians by its Article 15 later period. Transcaucasia, especially Azerbaijanian areas was the major direction of the resettlement. Thus, the resettlement of Armenians caused changes in the ethnic composition of the Azerbaijanian regions. The Soviet Russia officialized this historical injustice establishing the Autonomous Province of Nagorno-Karabakh in 1923 within Azerbaijan, which is a subject of current conflict.

From the off Moscow armed both sides and played them against each other, turning a local dispute over the status of a territory inhabited by 90,000 people into a regional war. Moscow has encouraged the fighting, at times revealing information to Armenia and selling arms to both sides (Shaffer 2014). It is clear that Russia uses conflicts like Nagorno-Karabakh, South Ossetia, and Abkhazia to protect its influence in the region. Others argue that Russia has exercised its influence in the Nagorno-Karabakh context from the onset of the conflict and has clearly monopolized the mediation process within the OSCE Minsk Group. Russia's position as co-chair is ambiguous because of its direct involvement in the conflict both as a security provider for Armenia and as a lead mediator. The closely-knit partnership with Armenia gives Russia a strategic and economic foothold in the South Caucasus vis-à-vis Turkey and Iran. In addition to its strong military presence, Russia has also heavily invested in key infrastructures of Armenia, particularly in the energy sector, the metal industry, telecommunications, and banking. Russia was the leader in investing in Armenia in 2007-2011 with a total of \$393.8 million. In spite of the fact that its investments dropped to \$122.7 million in 2012, Russia is still the main investing country in Armenia. According to the Armstat, there are about 1,300 enterprises with Russian capital, which is over one fourth of all economic entities with involvement of foreign capital (Armstat 2015). Russia has thousands of troops stationed in Armenia, it runs the country's air defenses, and it controls key elements of its economy and infrastructure. The Armenian government has sought to bolster the military alliance with Moscow, both on a bilateral basis and within the framework of the Russian-led Collective Security Treaty Organization (CSTO). Any change in the status quo is unfavourable for Russian security, political pressure and strategic energy interests in the region.

Turkey

Turkey is another important actor of the region, having also historical and traditional relations with the South Caucasus. Since the collapse of the Soviet Union, Turkey, a NATO member, has been expanding its sphere of influence in the Caucasus. Moreover, accession negotiations started in 2005, and a revised Accession Partnership was adopted in 2008 between the EU and Turkey. This process also opened new perspectives for Turkey in the region.

Turkey has established a close economic and security partnership with Azerbaijan and Georgia, also with Russia. Turkish-Azeri relations are marked by long historical and cultural links. Turkey politically supports Azerbaijan's position in the Nagorno-Karabakh conflict and it has closed borders with Armenia and frozen its

relations with this country since 1993 in reaction to the Armenian invasion of Azerbaijanian lands. The Armenia's claims about the so-called Armenian genocide against Turkey is another reason of frozen conflicts between two sides.

Meanwhile, Azerbaijan's armed forces almost double the size of Armenia's, Armenia benefits from Russian political and military support. But Armenian-Russian alliance does not attract so much attention as Turkish-Azeri relations in the negotiations. Armenian side demands to handle the genocide and Karabakh issues independently from each other. Blaming the Turkish side for relating the two issues and supporting Azerbaijan, Armenia considers its invasion of Azerbaijanian lands with Russian assistances normally.

In addition, Azerbaijan and Turkey see themselves as important energy partners. Having a special tie to Turkey, Azerbaijan is relatively reluctant to support steps that would improve Turkey's relations with Armenia, worrying about a possible downgrading of its own special relationship with Turkey. Official Baku links the normalization of Turkish-Armenian relations to the solution of the Nagorno-Karabakh issue. Therefore, the long-term support from Azerbaijan for the any dialogue in the region will depend on the precondition that the process of normalization of relations between Armenia and Turkey continue to be linked to the resolution of the Nagorno-Karabakh conflict.

Iran

Having 10% and 18% of the world's oil and gas reserves respectively (National Iranian Oil Co. 2014), Iran, because of its relations with the Western countries and desire not to lose the control over the region, also because of the existing problem with the Caspian states on the legal status of the sea, follows the developments closely.

Tehran has repeatedly offered its services in settling the Nagorno-Karabakh conflict. Iran is willing to act as a mediator in this area. Iran maintains quite cautious policy which is non-hostile towards Armenia. Moreover, Iran trades with Armenia, supplying gas and building railways together with transport monopoly Russian railways (Chitadze 2012). Iran is fourth big trade partner of the country with \$323 million annual turnover in 2011. For Armenia, this alliance is a way to circumvent economic sanctions taken by Azerbaijan and Turkey since the beginning of the occupation of Azerbaijani territory by Armenian force. Moreover, it allows Yerevan to diversify its energy supplies and to position itself as the central element of a North/South axis that would both open the "Warm seas route" to Russia and the European markets for Iran (Moniquet and Racimora 2013).

However, Azeri-Iranian relations are complicated by the presence of around 15-20,000,000 ethnic Azeris in Iran and occasional calls for "reunification". Some parts of Iranian lands are the South Azerbaijanian areas and a serious rate of the Iranian population consists from the Azeri Turks. Iranian fears of Azeri irredentism is one of the deterministic factors in Iran-Azerbaijan-Armenia triangle. On the other hand, Azerbaijan's close relations with the Western states and the NATO, and Azerbaijan's close relations with Israel - \$1.6 billion purchase of Israeli military equipment and oil

sales to Israel (Abbasov 2012) - disturb Iran. Keeping the good neighbourhood relations with Azerbaijan, Iran demonstrates different policies on Nagorno-Karabakh conflict. Of course, Iran is not interested in the armed conflict nearby, considering the results of war, such as geographic proximity to the conflict areas, refugees, intervention of foreign powers to the region. But in terms of Nagorno-Karabakh conflict, Iran never gave support to the Muslim Azerbaijan, in spite of that it declared itself as a leader of Islamic world (Keskin 2009). Iran formed its national policy taking into account of the reunification threat of the northern and southern parts of Azerbaijan and its close relation with Armenia is a result of this policy. So, in Tehran view, the special relationship with Armenia offers a way to evade international sanctions and pursue its nuclear ambitions. It is aimed at struggling against largely imagined Azeri "irredentism" and at weakening Azerbaijan as part of the competition for Caspian Sea's hydrocarbon resources. Taking a position into the Caucasus lastly allows Iran to oppose the involvement of the United States and of the European Union in the region and to respond the strategic ambitions of its traditional foes: Turkey and Israel (Moniquet and Racimora 2013).

United States of America

Since the collapse of the socialist regime, Washington has been constantly seeking "to prevent Russia and Iran from re-establishing dominance in this region, especially with the increasing importance of Caspian energy resources while backing Turkey, a NATO member state and the United States of America (U.S.A.) ally in strengthening its regional leadership. The U.S.A.'s long term strategy was to ensure the independence of Azerbaijan, Armenia and Georgia, while sustaining democratization and promoting regional integration (Baban and Shiriyev 2010).

Regarding to the Nagorno-Karabakh conflict, there is a large Armenian minority in the U.S.A, who is able to influence senators and representatives for anytype of pro-Armenian resolution and whose votes and supports are using by American political circles for achieving goals. A key example of the role of the Armenian diaspora in the United States is the getting the Congress to pass Section 907 of the Freedom Support Act of 1992, which banned all US government assistance to the Azerbaijani government, even though Armenia was receiving more assistance per capita than any other post-Soviet country. While the diaspora sent few of its members to fight in the war against Azerbaijan, it did help provide aid to refugees and stepped up its lobbying effort on behalf of Yerevan's positions (Koinova 2009). Another known example of the Armenian lobby's strong influence in the U.S.A.'s policy toward the region is the pressure about the recognition of Armenian genocide and acceptance of all claims by Turkey, without making any reference to the unresolved problem of Nagorno-Karabakh.

On the other hand, according to the testimony of the Assistant Secretary of State, Philip Gordon, Azerbaijan is an important partner of the United States on regional security (especially on counter-terrorism) and on helping its European allies diversify their supplies of natural gas (Nichol 2009). Although the hydrocarbon potential of the Caspian basin is far from challenging the primacy of the Middle East, it appeared out to

be another North Sea in providing an opportunity in eliminating the negative effects of the dominance of the Middle East (Demir 2010).

For decades, Washington has tried to resolve the Nagorno-Karabakh conflict through the Minsk Group, inviting and supporting the negotiations between sides. But the effort hasn't met with any success. Now, the U.S.A. seems to be content with the current status quo in light of its own strategic interests and geopolitical context of the region.

The EU and Nagorno-Karabakh Conflict: May the Union Undertake Any Role for Resolution?

While the role and capacity of the EU in the South Caucasus has evolved and strengthened over the past decade, the institution continues to face serious challenges because of the Nagorno-Karabakh problem and other unsolved conflicts (Shiriyev 2013).

Generally, the development of the EU's security role has taken two main forms. On the one hand, the institutional development of the European Union served as a platform for conflict prevention in Europe, on the other, the gradual development of a shared foreign and security policy and the necessary policy instruments for addressing violent conflict provided the Union with more effective tools for peace promotion (Simao 2014).

So, the Minsk Group, established by the OSCE in order to settle the Nagorno-Karabakh conflict may be accepted as a first (and also last) attempt of the EU. The Minsk Process has so far been unsuccessful in reaching a settlement to the conflict. An important opportunity was lost at this beginning of the intervention. This may be considered because of its co-chairmen, consisting of France, Russia and the United States. By participating in these negotiations, the U.S. hoped to expand the sphere of its political, economic, and, perhaps, military influence in the region, and Russia, as always, wanted to retain and strengthen its hegemony as one of the main regional players. France, on the other hand, supported by the European Union, tried to say, by its presence in the Minsk Group, that some kind of European intercession was required to resolve the regions major economic problems. Each of these actors has its own conception of the system of national priorities and interests (Nuriyev 2014). The strong pressure of Armenian lobbies in both France and the U.S.A., also Russia's interests in the South Caucasus limited the effective operation of the Minsk process. Turkey was excluded from the co-chairmanship by argument of its bias to the issue.

Acknowledgment of the potential negative implications of conflicts, like Nagorno-Karabakh for its own energy interests represented a "paradigm shift" in the EU's approach, with the EU Security Strategy in 2003 building on the ENP. Progress came in the form of a new EU Special Representative for the South Caucasus in the summer of 2003, whose mandate included increasing the EU's role in the conflict settlement process. However, despite these initiatives, the August 2008 Russia-Georgia War sparked criticism that the EU not only has been ineffective in solutions of existing

conflicts, but also has not become a decisive force for good in the region; specifically, it has not alleviated negative regional conflict patterns. Following this, the EU launched the “Eastern Partnership”, which also states conflict resolution as one of its priorities, yet has so far failed to deliver a success story in this respect (Shiriyev 2013).

The ENP opened new partnership perspectives for both conflict sides, making different references about the conflict in relevant action plans for them. The EU used the statements: “continuing strong EU commitment to support the settlement of the Nagorno-Karabakh conflict in close consultation with the OSCE; ready to consider ways to strengthen further its engagement in conflict resolution and post conflict rehabilitation” (European Commission 2009) for Armenia. However, in its Action Plan for Azerbaijan, repeating the same statements, additionally the Union defined the Nagorno-Karabakh problem as “a number-one priority” for the EU and Azerbaijan (European Commission 2006). Nagorno-Karabakh issue did not defined as a number-one priority for the EU-Armenian relations. These references demonstrated that the EU perceived the conflict as the internal problem of Azerbaijan, disregarding the armed supports of Armenia to Nagorno-Karabakh Armenians, closed borders between two countries, occupied lands of Azerbaijan by Armenia. Action plans signed with both countries included two conflicting principles — “territorial integrity” when it comes to Azerbaijan and the “right of nations for self-determination” for Armenia, which drastically reduces the chances to apply any coherent strategy in resolving the Nagorno-Karabakh conflict (Huseyinli 2011). In time existing imbalances of the EU’s approaches toward the Armenia and Azerbaijan ended up with the zero contribution to the solution of the conflict.

A purpose of the appointment of the EUSR was to make a contribution to the settlement of conflicts rather than merely assisting in conflict resolution. But unfortunately there was any visible progress in the solution of Nagorno-Karabakh problem and an appointment of the EUSR remains a passive step that was taken toward the problems of the region.

In its resolution of 20 May 2010 on the need for an EU strategy for the South Caucasus (2009/2216(INI)), European Parliament mentioned about the EU’s respects the principles of sovereignty and territorial integrity in its relations with the South Caucasus states. The part of the resolution on the Nagorno-Karabakh conflict stated that Armenian forces should rapidly withdraw from all occupied territories of Azerbaijan, noting that an interim status for Nagorno-Karabakh could offer a solution until the final status is determined and that it could create a transitional framework for peaceful coexistence and cooperation of Armenian and Azerbaijani populations in the region. But during the past years there was any sanction against Armenia in order to fulfil this resolution and the mentioned Azerbaijanian lands are still under the Armenian occupation.

Summarizing the EU’s initiatives during the past years for the solution of the Nagorno-Karabakh problem, puzzle pieces are composed of “double standards”, passivity, ineffectiveness, inability rather than solution, compromises, agreements, peace and cooperation.

In theory, the EU has a clear position on the frozen conflict of Nagorno-Karabakh in its backyard: a peaceful and sustainable settlement must be encouraged as soon as possible within the framework of the international law. This settlement must be endorsed by the OSCE Minsk Group, who is so far the only legitimate body with a mandate to negotiate in the conflict that impacts the whole socio-economic dimension in the South Caucasus region. The last thing the international community and the EU want is to see an outbreak of violence, since this situation would destabilize a strategic region of high importance (on different levels, but especially in the field of energy diversification in the EU).

The official positions of Azerbaijan and Armenia are known in the EU. The EU is well aware that the diplomatic struggle between Armenia and Azerbaijan is very emotional for both countries. Therefore, it realizes that any official position that would go in the direction of one or the other's favour, could be seen as a victory for one and a blame for the other. On the other hand, the European Commission and its EEAS should already take into account the new 'wind of change' coming from Europeans, which has been clearly expressed on 23 October 2013 by the European Parliament resolution 2013/2621(RSP) and its paragraph 16.

In spite of all above, there is an ongoing conflict between Azerbaijan and Armenia still, which is a great threat for the regional cooperation as well as regional security. This is one of the oldest conflicts in post-Soviet area, but not the last one. Two frozen conflicts were being created in Ukraine – in the center of the Eurasia – recently. With 2008 Georgian-Russian War, Donetsk and Lugansk disputes the number of frozen conflicts increased, which threaten the peace, stability and cooperation not only in the region, but also in Euroasia and they became closer to the EU's borders. Banning Russian TV channels in Baltic countries (former USSR republics) is not a solution for Russian propaganda, besides, this may be considered as a warning of next conflicts. Only after the invasion of the Crimea the EU began to take some measures – economic sanctions – against Russia, who uses the frozen conflicts and instability in this geography as a tool of saving influence. (By the way, the effectiveness of these sanctions is also under question.) However, similar measures should have been taken at the beginning of the armed conflict - in 1991-1993 years, when the Armenian troops occupied Azerbaijan's regions with the Russian military supports. The EU could not predict Russia's next steps towards to its ambitions to regain its influence in "near abroad" countries. In the existing geopolitical environment practically the EU can not make any effective contribution to the resolution process of the Nagorno-Karabakh conflict. On one hand, the EU is on the verge of the armed conflicts in its borders, on the other hand, it struggles to survive political and economic crisis inside. Today as a result of absence of the common foreign and security policy, the Union can not produce any political will to resolve the Nagorno-Karabakh problem. It seems that the Nagorno-Karabakh conflict is not in the top agenda of the Union. Of course, this does not mean that the conflict should be left to its own devices. But expecting any rational resolution from the EU is not realistic for now. On the other hand, getting of the armed conflicts closer to the EU borders may push the member states towards the common voice on

external affairs and security issues. Only alternative in current situation is the EU-Russia partnership on all frozen conflicts in the post-Soviet geography. Russia (also the conflict sides) should be convinced that democracy, peace, stability and economic cooperation is the best method for sustainable welfare and good neighbourhood and any governance not adopting these values would most probably ultimately fail anyway.

Conclusion

Using its rich oil resources, Azerbaijan is the most developed country of the South Caucasus. Azerbaijan's choice is Europe, and this is reflected in many fields. Azerbaijan already plays a very important role in the European energy security, which is one of the primary issues of the EU's security agenda recently. It is a supplier and transit country of Caspian energy resources to the world markets. Azerbaijan continues following right path to the European integration and it is very much interested in using Europe's best practice, and the process of democratisation is continuing as well. After all, Azerbaijan is a very strong Europe's and NATO partner.

But Azerbaijan has serious defense expenditures also. Its military budget has reached \$3.7 billion in 2013, however, this amount was \$163 million in 2003 (Aliyev 2014). The ongoing armed conflict in and around the Nagorno-Karabakh region has resulted in the occupation of almost one-fifth of the territory of Azerbaijan by Armenia and made approximately one out of every eight persons in the country an internally displaced person or refugee. 20,000 people were killed by Armenians, 50,000 people were wounded or became invalids, about 5000 citizens of Azerbaijan are still missing (Azerbaijan MFA 2015). Besides, new generations of Azerbaijan, who were born into the Nagorno-Karabakh conflict, are full of revenge, feeling the pain of history. They see the Armenians as occupants rather than a neighbour.

On the other hand, Armenia is an isolated state because of its invasion of Azerbaijanian lands with the armed supports of Russia. It took control of not only Nagorno-Karabakh Autonomous Republic's areas, more than them - 7 districts of Azerbaijan, located around the Nagorno-Karabakh. An unbalanced bilateral Russian – Armenian relations, widely favorable to Russia has succeeded in downgrading Armenia from a partner to a vassal (Minassian 2014). Armenians can not participate in regional projects. It has no open borders with Turkey and Azerbaijan. This landlocked country spend the limited sources to the defense instead of using them for the welfare and economic development of its nation. Economic problems forces the people to leave Armenia. Day by day the country's population falls down. Declaring the Nagorno-Karabakh problem as their statehood and national issue blindly, Armenia loses its existing national, political and governmental values. Above all, because of the Nagorno-Karabakh conflict, Armenia is not a part of regional, especially pipeline projects, which could be a tool for economic welfare and an opportunity for integration with global economy.

Despite being recognized as a part of the Azerbaijani sovereign territory by the international community, Nagorno-Karabakh remains to be a disputed land between Azerbaijan and Armenia. After four UN Security Council's resolutions and more than

twenty years of OSCE Minsk Group negotiations, there is no solution on the horizon. Despite of this, the EU sees the Minsk Group as an only format for the Nagorno-Karabakh conflict resolution. After the Vilnius Summit, it was expected that the European Commission would come with some innovative approaches and frameworks for the EaP countries, taking into account the current developments in revising the EaP. However, on the Riga Summit of May 2015 it was emphasized the importance of the conflict resolution in the region only and all summit participants agreed to pursue all efforts aiming at de-escalation and a political solution to the crisis in Ukraine, and the peaceful settlement of other unresolved conflicts in the region. But there was any concrete action or suggestion toward resolution of the Nagorno-Karabakh conflict.

Absence of the common foreign and security policy is one of the deterministic factors of the EU's approaches about the Nagorno-Karabakh conflict. The Union can not offer any constructive mechanism to resolve the Nagorno-Karabakh problem. This situation questionizes the EU's capabilities in conflict management. But expecting any rational resolution for the Nagorno-Karabakh conflict from the EU is not realistic for now.

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