

All Quiet on the Karabagh Front?

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The present state of the Armenian-Azerbaijani conflict over Nagorno Karabagh and the surrounding territories can be simultaneously assessed in three completely different tones: hopeful, alarmist, and cynically bored. A flurry of recent diplomatic moves involving the long-entrenched belligerents, as well as Turkey, Russia, and the West, have generated optimism about an impending breakthrough in the peace settlement. At the same time, a bountiful harvest of petrodollars has afforded Azerbaijan an impressive military buildup and an ominously assertive (if not bellicose) shift in its domestic discourse on Karabagh. Many in Armenia have taken this as validation of their worst fears and have braced themselves for another war. Seasoned regional commentators, however, remain skeptical, believing that Armenian and Azerbaijani leaders are likely to pursue the *realpolitik* agenda of avoiding unforeseen consequences by perpetuating a politics of “neither peace nor war.”

These divergent expectations have a certain credibility inasmuch as all three outcomes are structurally plausible. This means that political choices are, in fact, real and could be influenced by the complex political and economic interaction of contingencies emerging at the domestic, regional, and global levels.

Thus far, the potential implications of the global financial crisis on the Karabagh conflict have been neglected by regional analysts, who have instead focused on obscure details of domestic power intrigues, international diplomacy, ethnic identities, and often wildly imaginary geopolitics. The current economic downturn, however, is not only fraught with great peril; it brings some hope precisely because adversity in the global market may render untenable the low-point equilibrium that has existed during the last decade.

Looming ahead is a bifurcation point between a calculated game of peace and an incalculable slide into another war. While war could resume by default and for domestic political reasons, peace will have to involve purposeful multilateral action. Peace in Karabagh offers an opportunity to establish practical cooperation between former imperial powers Russia, Turkey and Iran, who traditionally have had conflicting interests in the Caucasus. Cooperation may also extend to include the united core of Europe and the still hegemonic United States. With the uncertainty of global and regional futures, these countries might find it mutually advantageous to address this relatively “marginal” source of friction, which can disrupt cooperation on more important issues, such as nuclear nonproliferation, normalization in the Middle East, and global energy flows. Moreover, a resolution to the conflict may lead to the eventual solution of analogous conflicts elsewhere in the Caucasus.

Burdens of History

It is customary in places like the Caucasus or the Balkans to invoke deep historical causes for conflict. Let us here outline a different perspective, based on the reconstruction of structural processes, rather than fence with presumably factual claims. This will help us emphasize historical contingencies and actual material causes rather than the rhetoric of ancient civilizations.

On the ancient geopolitical faultline between the agrarian empires of the east Mediterranean and the Middle East, Karabagh, along with the rest of the Caucasus, was a part of the fabled Silk Road and was repeatedly invaded from the north by steppe nomads. These competing pressures were chiefly responsible for the region’s mindboggling ethnopolitical fragmentation.

The more proximate cause of conflict, however, was the intersection of demography and uneven economic development during the nineteenth century. Once the Russian conquests secured the outer perimeter of the Caucasus and forcefully curbed both slaving raids and internecine warfare, rural populations began to grow quickly. Within a few generations, land became too scarce to continue traditional subsistence agriculture and seasonal pastoral lifestyles.

Modern towns provided an alternative outlet for both native elites and labor migrants, turning them into intelligentsia, entrepreneurs, bureaucrats, and proletarians. In the Caucasus, however, modern towns were relatively few, limited largely to the administrative capitals of Tiflis (Tbilisi) and Vladikavkaz and oil hubs like Baku, Batum[i], and Grozny. These colonial towns also acquired a typically “Levantine” brand of cosmopolitanism, with a complex and often uneasy division of labor among various status groups.

In the Caucasus, the rural and urban class struggles associated with modernization became intertwined with ethnic conflicts. This volatile mixture exploded twice during the Russian revolutions of 1905 and 1917 as the sudden collapse of the state produced a power vacuum amid competing claims and the rapid emergence of various militias. This period became known, on all sides, as the terrible time of massacres.

In the 1920s, the Bolsheviks treated “nationality problems” with their trademark

combination of vigor and violence in the name of grand historical goals. The Bolsheviks, however, were of two minds on the nationality issue and engaged in their own factionalist fights; in the later time of perestroika, all wrongs would be blamed on the evil genius of Joseph Stalin, but, in reality, he often vacillated between the two sides. This dilemma is instructive as it recurs in our own thinking about solutions to ethnic conflict.

In 1921, the predominantly Armenian parts of Karabagh were first awarded to Soviet Armenia, only to be transferred immediately, with the status of an autonomous region (*oblast*), to Soviet Azerbaijan. The first decision clearly followed the principle of national self-determination; its immediate reversal was justified in terms of economic progress. Industrial Baku, not underdeveloped Yerevan, was expected to pull Karabagh out of its “medieval” feuds.

The fate of Karabagh was also affected, however, by Georgian Bolshevik misgivings about South Ossetia and, primarily, Ajaria. At the time, Ajaria’s linguistically Georgian, yet devotedly Muslim population identified much more closely with Turkey (Ajarian identity has since changed so profoundly that there is no longer talk about Ajarian separatism). Following the Karabagh precedent, native Ajarians could have left the nascent Soviet Union altogether, which would have meant the loss of Batumi, once a major oil terminal. The Bolshevik compromise was to grant limited autonomy to separatist regions across the Caucasus and, instead of accommodating territorial demands, offer economic development.

Patterns of Post-Soviet Transitions

Today one cannot help but draw rather awkward parallels between Soviet hopes for modernization as the cure for ethnic conflict and plans to reintegrate the fragments of former Yugoslavia into the European Union. Cynicism, however, is unwarranted. The Bolshevik national-industrializing model of incorporating ethnic conflicts worked for several generations. It ultimately collapsed because Soviet nation-building unwittingly dug its own grave, producing large and substantively modern national elites, who demanded still more progress without despotic controls.

Twenty years later, the causes of the Soviet collapse remain obscured by ideological stereotypes and the ingrained tendency of the modern political imagination to assume that nations are unitary actors. There is little truth to common statements such as “Armenians claimed” or “Azerbaijanis responded.” A more meaningful approach is to ask when, why, and against whom certain groups and individuals on each side advanced one or another mobilizing slogan in the nascent political arena; more importantly, how did they draw a mass response?

To compress a rather complex theoretical argument at the expense of nuance, perestroika began as an elite project of reintegrating with the West on honorable conditions, akin to Spain after the death of Franco a decade before. Unlike Spain, however, the much larger Soviet bloc failed to coordinate its multiple segments, each of which contained its own potential set of hardcore conservatives, modernizing technocrats, moderate alternative elites (i.e., an established intelligentsia), and fringe radicals. Instead of an all-Union centrist political pact between “enlightened”

nomenklatura and higher-status liberal and social-democratic intelligentsia, which might have overcome the inertia of conservatives and outer-fringe radicalism, the ensuing chaos bred opportunistic instability within the union republics, making the USSR ungovernable.

In most cases, including Russia itself, the fragments of power and its material spoils, thanks to a good deal of chance and violence, fell into the hands of the inevitably corrupt and cronyist personal networks of the former *nomenklatura*, who were best positioned to grab them. Elsewhere, the national intelligentsia seized power with or without fringe radicals. It was the first of these last two roads, of democratic and market transition, that Armenia, Georgia, and Azerbaijan appeared to embark upon in the early 1990s (similar to the Baltic republics and central Europe), as the powers of the erstwhile *nomenklatura* were demolished suddenly and dramatically.

Of course, Central Europe also contained a full range of nasty “historical burdens”: relatively recent and massive ethnic expulsions, major border shifts, fresh memories of nationalist rebellions, and many surviving fighters. Thus, it is tragic but not surprising that, in the Caucasus, fringe radicals violently stormed to the forefront of emerging politics by inflaming the issues of Karabagh and Abkhazia.

The relative size, traditions, and maturity of social classes within different republics certainly had an impact. Soccer hooligans and rabid nationalists are found everywhere, but the crucial difference was in the realistic goals and external commitments of countries like post-communist Hungary, Poland, and Lithuania that set those countries on a historical trajectory so different from that of Armenia and Azerbaijan. Yet, the course of history was not fatally overdetermined.

Into the Crisis

The danger now lies in the destabilizing effects of global economic volatility upon the former Soviet republics. The majority of these new states came to be ruled by narrow cliques of rent-oriented politicians and businessmen. Inevitably, not all elite actors can enjoy direct access to the benefits of power, including conditional protection from prosecution. Excluded elites often find themselves exiled and in opposition, hoping to return under the banners of either democratization, extreme nationalism, or, most likely, both. The disruptions caused by botched elections, sudden economic downturn, and war typically shape the structure of opportunity, as demonstrated in the recent wave of color revolutions. With good reason, this prospect worries current ruling factions, sometimes to the point of paranoia.

Extreme nationalism and brinksmanship can flow from both incumbents and challengers. Who may access these political weapons and how is an empirical question, yet a very different scenario is also possible.

The involvement of civil societies in conciliation efforts typically includes humanitarian intellectuals and ecumenical clerics, with little regard for “classical” constituencies of national bourgeois. In many former communist states, business opportunities overwhelmingly depend on political connections, rendering the bourgeoisie a less than autonomous class. What happens, however, when sources of

export and import rents drastically diminish and influential political patrons fail to cope with rising social tensions? Extreme nationalism is, of course, a common distraction in such situations. Armenia and Azerbaijan have been there just recently; patriotic rhetoric aside, few on either side are prepared to undergo the same casualties and privations again. This sentiment, therefore, remains as yet untapped.

Modern political leaders, democratic or otherwise, ultimately draw legitimacy from their performance as defenders of the national interest. The question is: what is the national interest? Is it claiming symbolically important, though economically marginal, territories, or is it concentrating efforts and resources on recovering at least Soviet levels of education and social protection, stimulating domestic consumption, and actively pursuing new cross-border opportunities?

In private conversations, diplomats and international mediators admit that the general formula for settling the Karabagh conflict has long been in place, the problem is a lack of will in Yerevan and Baku. As this memo has sought to demonstrate, this obstacle is fortunately neither rooted in some profound depths of history nor in the immovable values of ethnic culture. It is fundamentally political. The chaotic events of 1988-94 showed that, in this region, fringe political entrepreneurs can invoke memories of past traumas with huge effect during crisis. Extreme popular emotions benefit extreme political actors. Once such mobilization begins, it is extremely difficult to prevent it from running its devastating course.

Nevertheless, it is not too late to prevent a renewed cycle. The dangers and obstacles are, fortunately, political and mostly domestic in nature. In both Armenia and Azerbaijan, political leaders face opponents whose roots are in the popular mobilizations of the previous cycle of conflict. In the absence of a major legitimating alternative, the power of the incumbents in Yerevan and Baku would be immediately jeopardized by any compromise on the extremely sensitive issue of Karabagh. The way out of this stalemate may be a plan coordinated and guaranteed at a broad international level making a compromise over Karabagh the first necessary step on the road to involving the South Caucasus in the global division of labor on more advantageous terms. This cannot be achieved by Baku and Yerevan alone, and it cannot be expected to emerge from merely mediating international diplomacy. A broad international vision, including cooperation between Russia, Turkey, Iran, the EU, and the United States is required. Karabagh could be a good first step precisely because, unlike neighboring Georgia, the conflict has not yet entered its second violent cycle. Time, however, may be running out.

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