

# Karabakh 2014: The day after tomorrow – an agreement reached on the Basic Principles, what next?

3

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## Introduction: the Basic Principles

The ongoing talks, revolving around the so-called "Basic Principles" first outlined by the Organization for Security and Co-operation in Europe (OSCE) Minsk Group in 2005 and officially presented to Armenia and Azerbaijan at the Madrid summit of the OSCE in November 2007, provide the best framework yet for a peaceful resolution of the Nagorno-Karabakh (NK) conflict. No other previous proposal by the mediators has drawn so much attention from either the Armenian or Azerbaijani sides.

The advantage of the Basic Principles<sup>1</sup>, also known as the "Madrid proposals", over previous proposals is that they avoid a false choice between package and step-by-step methodologies preferred respectively by Armenia and Azerbaijan. Throughout the negotiation process, Armenia has preferred to agree all contentious issues in one package. This approach maximizes its negotiation power, allowing it to use the occupied territories adjacent to NK as a "bargaining chip" to get more concessions from Azerbaijan on the status of NK itself. On the other hand, Azerbaijan, mindful of this strategy, has demanded

Armenian withdrawal from its occupied territories first, leaving the status issue unresolved. This is a hard sell for Armenians, because of the fear of losing their strategic political and military advantage without clear security guarantees.

The novelty of the new approach centred on the Basic Principles is that both Armenia and Azerbaijan have fundamentally agreed that the final status of NK will be determined at the last stage after the consequences of the conflict are eliminated and other confidence building measures have been put in place (an element of a "stage-by-stage" approach), but these measures themselves will start after agreement on the *mechanism* for the determination of that status is reached (an element of a "package" approach).

While Armenian and Azerbaijani sides fundamentally agree on this general framework, they remain deeply divided on the specifics, which would determine the ultimate outcome. As both Azerbaijani Foreign Minister Elmar Mammadyarov and his former Armenian counterpart Vartan Oskanian used to say, "the devil is in the details". The principal differences concern the modalities of a population vote to determine the final status of NK and the fate of the Lachin district, which serves as a vital corridor to Armenia for the Karabakh Armenians. There are also significant points to be agreed on the issue of what kind of "interim status" Armenians and Azeris are prepared to agree among themselves, how much international access NK will have and what role and rights the Karabakh Azeris will have under this temporary status.

In sum, the agreement on the details of the Basic Principles and its implementation poses both opportunities and challenges for a sustainable and just peace in NK. The Basic Principles envisage an open-ended process, which gives both Armenian and Azerbaijani sides ample room for manoeuvre. This formula certainly has its merits, as it is highly unlikely that Armenians and Azerbaijanis can agree on any definite status for NK in advance, but its ambiguity also presents a challenge, since both sides tend to instrumentalize every aspect of the peace talks, including the issue of Armenian withdrawal from occupied territories,

<sup>1</sup> In general terms, these include, renunciation of the use of force; gradual Armenian withdrawal from parts of Azerbaijan surrounding NK, most probably with special modalities for Kelbajar and Lachin; interim status for NK, with substantial international aid, including peacekeepers; and mutual commitment to an internationally supervised population vote on NK's final status after the return of displaced Azeris.

the return of the displaced population, and the opening of communications and trade – all in order to achieve a better deal.

Consequently, understanding the potential pitfalls in the peace process and examining different scenarios for implementation of a peace agreement is a useful endeavour to try to discern a path to a durable and just peace between Armenians and Azerbaijanis.

## Scenario-building: big assumptions and creative thinking

The paper deliberately adopts a very narrow and micro-level focus by looking at several major scenarios that could follow the signing of the Basic Principles.<sup>2</sup> The conviction behind this approach is that such a hypothetical exercise could be useful for stimulating greater discussions on the substance of a future possible peace deal and pre-empting possible future problems.

Thus, the paper proceeds from the rather bold assumption that Armenia and Azerbaijan sign a framework agreement by the end of 2009, followed by a more detailed and comprehensive peace agreement by 2010. Therefore, the paper will try to look at possible developments within the first several (four) years after a peace agreement.

The main goal of the paper is to discern a scenario which, as the Minsk Group co-Chairs put it in their groundbreaking 22 June 2006 statement, would allow Armenians and Azeris to create "a non-coercive environment in which well-informed citizens have had ample opportunity to consider their positions after a vigorous debate in the public arena" before they decide on the final status of NK.

Before proceeding further, it is important to note that the author personally finds it unlikely that Armenia and Azerbaijan will sign a peace deal by 2010. Even a possible formal agreement on Basic Principles by the end of 2009 would not necessarily imply that Armenia and Azerbaijan quickly agree on a comprehensive peace agreement and begin swift implementation, since they may still be bogged down in technicalities. However, the purpose of this paper is not actually to look at the year 2014 proceeding from the current realities on the ground, but to look at the year 'X' four or five years after the year 'Y', when a peace agreement based on the Madrid proposals is signed. In this sense, the paper conditionally takes 2014 to be the year 'X'.

It is important to consider that the implementation of a peace agreement based on the Basic Principles will probably be a long-term process, lasting at least 10-15

years. This process will culminate with a "population vote", the modalities of which are now subject to discussion, determining the final status of NK. According to the draft document on Basic Principles, prior to determination of final status, NK will have an "interim status", the specifics of which are also the subject of ongoing talks. In general terms, the interim status would essentially semi-legitimize NK's *de facto* Armenian administration, while ensuring the return of the Azeri displaced and deployment of international peacekeeping forces to provide security.

The current paper looks at possible developments during the initial four to five years following the signing of a peace deal. It briefly discusses but does not focus on the later stages of a particular possible scenario, including the crucial last stage when the final status of NK is determined. This approach derives firstly from the purpose of the Karabakh 2014 project, for which the paper is written and which, as the project's name suggests, aims at discerning scenarios for the short- and medium-term, rather than long-term prospects. Also, the way the Basic Principles are agreed and implemented in the first years will be the most decisive factor determining the success of the whole peace process.

## Major possible scenarios based on modifications of the Basic Principles

The paper will focus on four major scenarios that could emerge from certain modifications of an agreement on Basic Principles.

### Common traits for all scenarios

Considering that the most contentious issues relating to an agreement on the Basic Principles concern the status of the Lachin corridor and the modalities of a population vote to determine NK's final status, the four scenarios revolve around possible agreements or disagreements on these most contentious points.

All the scenarios envision a dynamic peace process, characterized by gradual Armenian withdrawal from a certain number of occupied Azerbaijani districts around NK, gradual return of the displaced, re-opening of communications and trade. This initial stage will completely transform the atmosphere in the region, and will generate keen interest from international donors to help Armenians and Azerbaijanis solidify their much-anticipated progress. In the years immediately following an agreement, both the Azerbaijani government and international donors will spend billions of dollars to clear mines and rebuild homes and infrastructure to enable safe return for displaced Azerbaijanis, as well as to develop the economy in and around NK.

2 The paper does not review the possibility of resumption of hostilities, continued stalemate of "no war, nor peace", or drastic domestic or regional cataclysms not related to the NK conflict which would derail an agreement. It does not discuss geopolitical rivalries and assumes that major external powers (primarily, the EU, the US, Russia, as well as Turkey) would cooperate constructively to facilitate the smooth implementation of a particular agreement.

Most of the initial investment, including from international donors, may go on rebuilding completely devastated infrastructure in formerly Azeri-inhabited territories to enable speedy and safe return of the bulk of Azeri internally displaced persons (IDPs). This may create tensions with the relatively better established Armenian population in NK, which may feel that most of the money is being allocated to the Azerbaijani returnees. These grievances can be effectively minimized by means of Azerbaijani and international investment in the NK economy and by involving, however paradoxically it may sound now, Karabakh Armenians in rebuilding the ruined infrastructure in formerly Azeri-inhabited territories around NK. By giving Karabakh Armenians a stake in rebuilding the infrastructure destroyed during the war and its aftermath, this measure would not only provide economic benefits to Karabakh Armenians but would also serve as an important confidence-building measure with a profound symbolic meaning. It would also serve Azerbaijani interests well, not least because it would allow for reconstruction in these areas to start earlier. Because of security considerations and inadequate living conditions, the Azeri population may not be able to start returning in great numbers to their original places of residence immediately after Armenian troops' withdrawal. Hence, involving NK's Armenian population in the reconstruction projects would compensate for the initial lack of labour force in these newly liberated territories and would foster a joint interest in IDP return.

A major predictable source of tension relating to all post-conflict scenarios is the issue of Armenian settlement in formerly Azeri-inhabited territories. In an effort to create a new reality on the ground, the Karabakh Armenian authorities have manipulated the regional demographics through a deliberate policy of resettlement of certain formerly Azeri-inhabited areas. Especially in Shusha, Lachin, Kelbajar and certain areas of Agdam, which were overwhelmingly populated by Azeris before the war, the *de facto* authorities of NK have provided economic incentives to Armenian settlers, such as free housing, utilities, money and livestock. These illegal settlements and privatization of Azerbaijani property will likely complicate the peace process, especially in the middle stages as Azeris begin to return to Kelbajar, Lachin and NK itself, where most of the new Armenian settlers live. In the earlier stages, including the time frame which is the focus of the present paper (i.e. three to four years after the signing of a peace deal), this issue will be more manageable, since the number of Armenian settlers in Azerbaijani lowland districts east and south of NK are relatively negligible and the Armenian side has not strongly insisted on keeping the Armenian population in these areas.

Interestingly, the dynamic peace process in the early years following the signing of a peace deal is likely to serve the interests of the Armenian and Azerbaijani elites, which is important for the successful implementation of any peace deal. Thus, the Azerbaijani leadership will present Armenian withdrawal from most of the occupied territories

as its diplomatic victory and will be able to return most of the displaced to their homes in lower Karabakh (Agdam, Fizuli, Gubatli, Jabrayil and Zangilan). The Armenian and Karabakh Armenian leadership will also have a reason to celebrate a diplomatic success, because any Armenian withdrawal from the occupied territories adjacent to NK will most likely take place only after Azerbaijan renounces its right to use of force to reclaim its lost territory and these territories will be demilitarized in the short- to medium-term.

Enthusiasm on both sides and among the international observers will therefore be high in the early stages, since each side will benefit from the immediate effects of the peace process: Azeris will regain peacefully most of their lost lands; Armenians will receive internationally-backed security guarantees and will benefit from the opening of communications and trade with Azerbaijan. The frustration and grievances may grow in later stages, putting more pressures on the peace process, as greater numbers of Azeris return (or remain unable to return) to their homes in Lachin, Kelbajar and NK and more pressure accumulates to deal with the ambiguities concerning the use of Lachin corridor and the population vote to determine the final status of NK.

## Scenario I: A half-agreed peace plan

This scenario envisions a situation when Armenia and Azerbaijan formally agree to the Basic Principles document as a framework by the end of 2009, but fail to achieve an agreement on the technicalities concerning the most contentious issues of the Lachin corridor and the population vote. In this case, the conflict parties may nevertheless move ahead and start implementing some of the measures deriving from the Basic Principles document a few months later, presumably by 2010. This would be an essentially stage-by-stage peace plan, which leaves the final status of NK unresolved and a subject to be agreed at a later, unspecified date.

As part of this scenario, Armenian forces withdraw from five Azerbaijani districts east and south of NK followed by the gradual return of Azeris to these districts. Azerbaijan renounces its right to the use of force in NK, agrees to demilitarization of the liberated territories, at least in the short- to medium-term, and resumes communications and trade with Armenia. As Armenian forces withdraw, they will be replaced by international peacekeepers to separate forces and provide security for the Azeri returnees. NK will be given "interim status", allowing its Armenian population to legitimately elect its representatives, freely conduct economic affairs with the external world and receive direct aid from international donors.

Within this scenario it is likely that Armenian withdrawal from Lachin and possibly even from Kelbajar districts will be postponed, pending further agreement on the vote modalities and status of Lachin. As an alternative

modification of this scenario, it is possible that pending successful implementation of the initial steps outlined above, Armenian forces will withdraw a few years later (say, by 2013 or 2014) from Kelbajar district in return for greater legitimacy for NK's *de facto* authorities as part of the territory's interim status. This could entail granting NK observer status at the OSCE. A similar proposal to decouple Kelbajar from the population vote and link it instead to the agreement on interim status for NK was actually made by the OSCE Minsk Group during the Armenian and Azerbaijani presidents' meeting in Bucharest in June 2006.

This initiative may be highly unpopular in Azerbaijan, since many Azeris may view this as a first step towards international *de jure* recognition of NK. It may be an even harder sell for the Armenian side and would require greater leadership from their side, since Kelbajar hosts fairly large numbers of Armenian settlers (some 2,500), who will likely oppose leaving their new homes. Kelbajar's strategic location as an alternative land corridor between NK and Armenia is likely to increase opposition within the Armenian and Karabakh Armenian societies to any Armenian withdrawal from this district, which was home to some 50,000 Azeris before the war. Unless Armenian resettlement reaches critical levels, Azerbaijan and international donors can provide compensation and economic incentives for the Armenian settlers in Kelbajar, many of whom are actually IDPs from Azerbaijan, to vacate Azerbaijani homes. They can be offered a choice to remain in the district or resettle in NK.

The positive element of this scenario is that in the absence of a full agreement, it allows Armenians and Azeris to start removing some of the consequences of the conflict in the hope that they can bridge the remaining differences at a later stage. The ambiguity concerning NK's final status could initially serve as a face-saving strategy for the Azerbaijani leadership to downplay for domestic audiences the extent of the internationally-backed legal powers NK would gain as part of its interim status, while capitalizing on Armenian withdrawal from most of the occupied territories and post-conflict reconstruction work in these territories.

However, there are also significant pitfalls associated with this scenario. The ambiguities that it leaves on the most contentious issues would over time turn into a serious source of tension and may lead to a deep impasse in the peace process.

Thus, Azerbaijan by renouncing *ad infinitum* its right to the use of force may face the challenge of the permanent *de facto* loss of both NK and Lachin (and possibly even Kelbajar). Although this point is usually diplomatically omitted in many analyses, Azerbaijan's claim that it has the right to use force in NK as a legitimate exercise of self-defence is in effect a key source of strategic leverage over the peace process. In the absence of a complete roadmap, having secured a non-use of force commitment from Azerbaijan and a certain degree of internationally

recognized legitimacy, the Karabakh Armenian authorities may opt for dragging their feet indefinitely on any further compromises relating to withdrawal from Lachin and Kelbajar and return of Azeris to these districts and to NK itself. Because of this fear, convincing the Azerbaijani leadership and public to give up this right will not be easy if the peace process does not provide sufficient guarantees for the return of Azeris to NK in safety and dignity.

The Armenian side, on the other hand, may also have its objections to this scenario as it, for instance, does not address the end status of NK and risks condemning the territory to indefinite legal limbo. If no progress is achieved on status in the medium- to long-term, the advantages that NK would receive as part of its interim status would be lost in practice. Because of the growing tensions, the entity would become unattractive for investors, Azerbaijan would increasingly apply economic sanctions and the threat of renewed conflict would be a real possibility.

## Scenario II: An "almost agreed" peace plan

According to this scenario, Armenia and Azerbaijan formally agree on all aspects of the conflict settlement, including the Lachin corridor, but fail to agree on the modalities of a future population vote, although endorsing this element of a peace deal in principle. Hypothetically, they still move ahead with implementing the peace deal by 2010.

Most of the elements of this scenario are similar to the previous one: the parties commit to the non-use of force; Armenian forces gradually withdraw from five districts east and south of NK and then, pending successful implementation, also from Kelbajar and Lachin; transport and trade routes reopen; peacekeepers are deployed; displaced Azeris gradually return to the liberated territories, which become demilitarized; and NK receives interim status, including observer status in the OSCE. The conflicting parties agree to deal with the modalities for a population vote at a later, unspecified date.

The major difference between this scenario and the previous one is that the conflict parties agree on Armenian troop withdrawal from most of the Lachin district, while retaining joint and equal rights to use of a road linking NK and Armenia. Azerbaijan is unlikely to ever agree to Armenian maximalist claims to treat Lachin district and NK as the same entity with the same status. Decoupling the issue of a secure land corridor from the issue of Lachin town, through which the vital road currently passes, would remove a major stumbling block in the peace talks and would make the Azerbaijani side more willing to consider Armenian demands for a secure land corridor.

To provide for this solution, an alternative road linking NK with Armenia bypassing the Lachin town could be built. This would allow a sizeable Azeri population of the town

(some 11,500) and district (some 65,000) to safely return, while providing for a free and secure passage for the Armenians travelling between Armenia and NK. The road would be jointly patrolled by international peacekeepers and the Karabakh Armenian side.

Much has been said about the importance of a land link through Lachin for the Armenian side; however, in post-settlement period the road through Lachin will similarly be very important for Azerbaijan for economic and humanitarian reasons. In the first years following the implementation of a peace plan, the Lachin road will provide the shortest and economically most efficient link between Azerbaijan and its Nakhichevan exclave as part of the existing Agdam-Lachin-Goris-Nakhichevan road. Given that the railroad between mainland Azerbaijan and Nakhichevan passing through the occupied territories and Armenia has been completely destroyed and will take years and significant finances to rebuild, most cargo shipments and communications in the initial years will pass along this road. Considering that this road will pass through Armenian-controlled NK as well as Armenia itself, the Armenian side will benefit from these transits. Thus, both Armenian and Azerbaijani sides will be interested in the security of the Lachin corridor as a vital transport link between NK and Armenia and Azerbaijan and Nakhichevan. This will lay the ground for confidence-building. In the more distant future, the humanitarian-strategic value of Lachin road will grow for the Azerbaijani side, since it will be the only Azerbaijani-populated neighbouring district that the Karabakh Azeri population concentrated in Shusha in NK will have direct access to.

The economic and humanitarian interest of both Armenian and Azerbaijani sides in maintaining the secure joint use of the Lachin corridor is the most important positive aspect of this scenario. As a result, both sides will have more incentives to cooperate even if no agreement is found on population vote modalities in the next several years.

The biggest challenge to the realization of this scenario is significant Armenian settlement in Lachin. The largest number of Armenian settlers, possibly up to 10,000, now lives in this district. Because of greater numbers of settlers and the vital strategic importance of Lachin, the Armenian opposition to withdrawal from the district will be even higher than from Kelbajar. As the experience of the Israeli-Palestinian conflict shows, dismantling illegal settlements is a painful decision that haunts both the peace process and leaders themselves. Therefore, it is important that the Armenian leaders understand their responsibility and cease resettlement policies that pre-empt and could sabotage a future peace plan.

The problem with the distorted demographics of Lachin may be somewhat minimized by compensation payments and economic incentives for the Armenian settlers to vacate Azeri homes and be offered a choice to remain in the district or resettle in Armenia. Resettlement to NK may

be a choice if the settler was born in the region or is an IDP from other parts of Azerbaijan.

Although the second scenario provides more positive interdependencies for a future peace in comparison with the first one, the major shortcomings of the first scenario still apply to the second as well. Because of the ambiguity surrounding the question of a population vote, the Armenian side will most likely prevent any return of Azeris to NK, including to Shusha, the historical capital of the region and the largest predominantly Azeri-populated regional town before the war. Over time, this issue could increasingly poison relations and become a cause for nationalist mobilization. This would sever communications along the Agdam-Lachin-Goris-Nakhichevan road and would jeopardize the delicate achievements of peace.

### Scenario III: Majority-rule plebiscite in NK

This scenario envisages a situation in which the parties agree on a full peace plan, including the determination of NK's final status through a population vote to be held exclusively among Armenians and Azeris of the region. The final decision would be based on the will of the majority; however, the vote would take place at the very end of the peace process (say, in 15-20 years), after all the other confidence-building measures mentioned above have been put in place. In effect, this scenario regards the holding of a population vote as conditional and tied to achieving certain governance and human rights standards. These would encompass functioning democratic institutions, rule of law, sound economy and minority rights, including sustainable return, security and power-sharing arrangements for the Azeri population of NK.

Theoretically, Azerbaijan may agree to a majority-rule plebiscite in NK provided that it does not commit itself to automatically recognizing the decision of this plebiscite if that decision would endorse independence for NK. This is because the Azerbaijani Constitution requires a nationwide referendum on the issue of border change. Thus, a plebiscite in NK, which endorses its independence, would have to be followed by an Azerbaijan-wide referendum, which would either confirm or reject the plebiscite decision.

However, to enable the process envisioned by this scenario to move forward, conflict parties and mediators would agree not to overemphasize the problem of an all-national referendum, instead focusing on the will of the population of NK in determining their future status. The assumption behind this approach would be that in the long-term, as Armenians and Azeris normalize their relations and learn to coexist peacefully in NK, they would be more prepared to consider any outcome that would be based on the will of the local majority. Furthermore, the Armenian side could argue that the outcome of an independence plebiscite, carried out in a peaceful and democratic manner would

boost the Armenian case and legitimize it in the eyes of the international community, thus eventually forcing Azerbaijan to comply too.

Under this scenario, the return of Azeris to NK is unlikely to take place before 2014, assuming that the parties sign a peace deal in 2010. Hence problems associated with their return (or inability to return) will remain beneath the surface in the early stages, although they will significantly influence the attitudes and behaviours of both Armenians and Azeris vis-à-vis the unfolding peace process. On the surface, the implementation of this scenario within the first four to five years would largely repeat the policy actions and challenges described in Scenario Two.

The biggest deficiency of this scenario is that it sets up an ambiguous and competitive process, which will run contrary to its own stated assumptions on the conditionality of a self-determination plebiscite, particularly relating to Azeri minority protection and representation in the government of NK. As experience in Kosovo illustrates, a "standards before status" policy may easily degenerate into "status before standards", thus effectively overshadowing the debate about standards.

Within this scenario a majority decision based on local demographics eventually allows the ethnic majority to impose its will on the minority. Armenians constituted three-quarters of NK's population before the war and will likely remain a majority in NK even if all displaced Azeris return to the region at some stage of the peace process. Therefore, the threat of having to comply with the decision of the Armenian majority to secede from Azerbaijan will discourage the Azeri minority of NK from returning to the region and engaging in its institutions as equal citizens.

However, there is also a possible flip side to this scenario. The opportunity for the majority to impose its will on the minority will in effect lead to attempts from both sides to manipulate NK's *de facto* and *de jure* demographics by listing as many as possible Armenians or Azeris as eligible voters at any future plebiscite. Although Azeris constitute a minority at present, the demographic situation may change in Azeris' favour in 15-20 years, especially given traditionally higher birth rates among them. The Azerbaijani official estimates claim the number of Azeris from NK has increased in the last 20 years from slightly over 40,000 to 65,000. Within the next 15-20 years, the demographic trends may further change in favour of Azeris, thus making the outcome of the majority-rule self-determination plebiscite less certain, while also contributing to ethnic insecurity and polarization.

It is highly unlikely that Azeris would constitute a majority in NK *per se* and would be able to impose their own will on the Armenian population. Many Azeris may choose not to return to NK at all, given the years of displacement. But those Azeris who for whatever reason do not return to NK, would still be listed as potential voters for a future

plebiscite and thus, would be able to influence the final outcome simply by voting from their places of residence outside of NK.

These considerations would be likely to increase the insecurity of the Karabakh Armenians, prompting them to discourage the substantial return of Azeris to NK before final status determination. This motive may express itself in the failure of the Karabakh Armenian administration to ensure adequate protection for returnees, hindering institution-building efforts of the Azeris within their municipalities in NK and limiting their representation in common institutions established as part of an interim arrangement. On the other side, the frustration of Azerbaijanis over the fate of NK's Azeri minority would become a serious source of tension. This would threaten to disrupt the delicate peace process later on, once Armenians withdraw from Azerbaijani districts surrounding NK and the issue of Azeris' return to NK itself becomes the next priority.

## Scenario IV: Consensus-based plebiscite in NK

This scenario envisions that Armenians and Azeris of NK will decide the final status of the region after successful implementation of all confidence-building measures discussed previously. However, the decision will be based on two parallel plebiscites held among Armenians and Azeris of NK, similar to the parallel voting on the reunification of Cyprus held among the island's Greek and Turkish communities. If Armenians and Azeris vote in diametrically opposite ways, which is likely to be the case in their first try, the interim status would continue for a few more (e.g. five) years, until the population of the entity votes again.

The idea behind this approach is that by agreeing to disagree in a peaceful, democratic and non-coercive environment, Armenians and Azeris of NK would in the long-term manage to come to a joint decision equally acceptable to both. Over time, as they re-learn to coexist peacefully within the framework of interim status, which in effect would grant most attributes of independence to NK, both Armenians and Azeris of the region would revive their common identity as Karabakhis and develop common interests. This would take the edge off the final status controversy. Thus, the question of NK's independence or its *de jure* association with Azerbaijan would cease to be a divisive issue. Any outcome that is endorsed by the NK population would be fundamentally acceptable for both Azerbaijan and Armenia.

The advantage of this scenario is that, while still providing for an open-ended process, it limits the inbuilt factor of ambiguity as a source of insecurity and conflict. Knowing that the process is not structured in a way that would eventually force them to an agreement against their will, Armenians and Azeris would feel more confident about the

peace process, hence more flexible and willing to consider different options.

If both the Armenian and Azerbaijani sides agree on this option, the implementation of the peace agreement could proceed quickly. This is because neither side would face the insecurities associated with an uncertain process, as described in the previous three scenarios, and thereby be tempted to instrumentalize various elements of the peace plan. This accelerated peace process would most apparently express itself in a relatively shorter time frame, within which Armenian troops would complete their withdrawal from the seven adjacent districts around NK, an earlier date when Azeris would be able to start returning to NK and an earlier date at which both Armenians and Azeris could agree to hold the first self-determination plebiscite in the entity (e.g. already in seven to 10 years after the signing of a peace agreement).

A consensus-based plebiscite scenario is apparently the best possible option for a peaceful and speedy solution of the NK conflict. However, it will be hard to convince the parties of this option as long as they think in zero-sum categories and pursue their own security at the expense of insecurity of the other side.

## Conclusion

This paper visualizes the most likely scenarios arising from the implementation of a peace agreement based on various modifications of the Basic Principles. The realization of these scenarios, and especially of the third and fourth ones, is a big "if", considering that Armenians and Azeris still disagree on the most fundamental questions.

Moving the current peace talks out of deadlock requires a serious shift in approaches and policies towards the conflict. There is a need to break win-lose attitudes by articulating a common vision, which would lead to a common discourse based on shared values, needs and aspirations.

Ongoing negotiations revolving around the "Basic Principles" represent the best chance yet to achieve a settlement. However, a brief look at the NK peace process shows that any procedure that would pre-determine the NK's final status is by definition unacceptable to either Armenians or Azeris. For these negotiations to succeed, both Armenians and Azeris should know that they will not be forced into a decision against their will at the end of this process, particularly on the issue of determining NK's status. If the parties feel more confident, they will be more flexible and willing to consider different options. That means final status determination can and should take place in a "non-coercive environment" based on a decision made by "well informed citizens", as articulated by the mediators.