

Karabakh 2014: A forecast on power-sharing and power transformation

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focus of this paper is Azerbaijan's institutional capacity to take that process forward, looking at its domestic power structures and their ability to accommodate the substantial resulting changes. I will explore possible scenarios, assuming a peace treaty is signed later this year or possibly in 2010.

This paper assumes that non-governmental peace groups are powerless to influence the signing of a peace agreement. The decision to sign a peace deal is solely down to the Armenian and Azerbaijani governments, and the mediation efforts of the international community. This means that civil societies lack the motivation to bring about significant change in the current process. However, they may resist a settlement they disagree with and any unacceptable move could spur a wave of discontent and disobedience.

After signing an accord, governments will need to address a broad range of issues including confidence-building, social transformation (including transformation of power relations), building infrastructure and the resettlement of refugees and internally displaced people (IDPs).

I will begin by identifying possible 'peace-makers' in Azerbaijan who can help address the problems that will arise after Armenia and Azerbaijan have signed the peace deal. I will also look at the possibilities of a broader coalition of pro-peace forces and organizations to see if there is some kind of peace and reconciliation movement emerging within Azerbaijani society. So far, this has not been the case, although smaller civil society initiatives have taken place across the border.

Secondly, I will identify potential 'trouble makers' who may oppose the peace agenda and declare 'justice' and not 'peace' as the primary goal.

Finally, I will consider these stakeholders within a possible scenario of post-conflict development. I will try to look at this from the perspective of the liberal theory of democratic peace. This theory suggests that democracies do not fight each other because the political elite and citizens on both sides have the ability to manage conflicts, establish contractual relationships and make compromises.

Introduction

Recent developments around the Nagorny Karabakh (NK) conflict have opened up new opportunities for all sides to engage in a genuine peace-building initiative. This is largely as a result of the new US administration's decision to improve damaged relations with Russia, Turkey and Iran. As the situation in the South Caucasus improves, major powers are deciding to invest more in resolving the region's conflicts.

Matthew Bryza, US co-chair of the Organization for Security and Co-operation in Europe (OSCE) Minsk Group stated that the meeting of Azerbaijani and Armenian presidents in Prague on 7 May brought new positive developments in the peace process, something qualitatively new during his tenure as co-chairman.¹

The previous month, Azerbaijan's President Ilham Aliyev talked about the necessity of providing security for the population of NK, in an interview with the Russian ITAR-TASS news agency and *Rossiya TV* channel. He said: "We understand Armenia's wish to have a land connection with NK. We see no problem in that. An effective solution of the Lachin corridor issue is possible and this should not worry people who currently reside there and Azerbaijanis, who will settle there in the future."²

Signing a peace accord is an important step but it is just the start of a complex process of conflict resolution. The

1 Exclusive interview with Matthew Bryza (in Azeri). *Radio Liberty* (8 May 2009): <http://www.azadliq.org/content/article/1623751.html>
2 Ilham Aliyev on Lachin Corridor (in Azeri). *Radio Liberty* (19 April 2009): <http://www.azadliq.org/content/article/1611659.html>

Stakeholder analysis

There are a wide variety of stakeholders that can influence the post-war reconciliation process in Azerbaijan. They cover the political spectrum, and cross social and generational divides. The following stakeholders can be identified:

Civil society groups and NGOs

Since the 1990s, non-governmental organizations (NGOs) have been involved in cross-border initiatives between Armenia, Azerbaijan and Georgia. Almost all conflict resolution and confidence-building projects in the region have been supported by international sponsors mainly from Western Europe and the USA. The Armenian and Azerbaijani governments discouraged cross-border initiatives, so projects initially took place within a South Caucasus framework that incorporated Georgia and its conflicts. These NGOs became important because they realized they could attract funding if they worked using a peace-building agenda and international cooperation. This is what I would call the 'commercialization of peace'. These groups did not all have a genuine interest in peace and NGO work became a form of business activity aimed at channelling funding into the solution of goals set by regional partners. However, some genuine peace supporters do exist and in a more favourable environment they could become catalysts for positive post-conflict development.

Any kind of classification can be open to misrepresentation, but it is possible to identify two particular civil society groups which are important peace actors:

- The older generation, raised and educated during Soviet times when the ideology of 'friendship among nations' dominated. This was an ideology resembling modern Western ideas of tolerance and social cohesion. This generation includes the Russian-speaking intelligentsia, including scholars and artists.
- Youth groups, student movements and youth NGOs involved in cross-border cooperation, supported by international organizations. Although the majority of young people are still sceptical about the possibility of peace, and many feel aggressive towards the 'enemy', over the last few years a special youth agenda with local and international support has been implemented among active civil society youth groups. These groups are probably the most dynamic part of Azerbaijani and Armenian societies and they use every opportunity to travel and engage in international projects and attend international events where they can meet each other, although not necessarily to discuss peace *per se*.

If the peace process continues and the governments make a commitment to people and processes that may take years to come to fruition, civil society organizations will emerge as organizations equipped with the tools of multi-track diplomacy. As mentioned above, two groups are really important: the older intelligentsia and young pro-Western groups. Civil society organizations (CSOs) will be engaged in cross-border cooperation and the transformation of their respective societies. Importantly, civil society initiatives are able to include representatives from two groups which have had no role in the formal peace process – the internally displaced population in Azerbaijan and the Karabakh Armenians.

Of course, this will only happen if governments are committed to peace and agree on basic principles. One positive development is that they have begun to recognize that second-track diplomacy is a useful tool. This happened for the first time in June 2007 when a delegation of senior academics from Baku, headed by Azerbaijan's ambassador to Russia, Polad Bulbuloglu, visited NK and Armenia to meet senior officials. The visit confirmed that the Azerbaijani authorities can organize different types of peace initiative. In July 2009 this initiative was repeated by Bulbuloglu and the Armenian ambassador to Russia, Armen Smbatyan.

The Helsinki Citizens Assembly South Caucasus Network has organized another new initiative, the Civil Minsk Process, which brings together civil society representatives from Armenia, Azerbaijan and both communities in NK (Armenians and Azerbaijanis). Armenia and Azerbaijan are watching the process carefully.

Overall, the Azerbaijani authorities now appear to be more tolerant towards second-track initiatives, and are less likely to label civil society activists contacting Armenians or visiting Armenia and NK as 'traitors'. This change in attitude will give the government greater legitimacy in the conflict resolution process.³ However, it is likely that Azerbaijani authorities will involve pro-government or governmental people (such as Ambassador Bulbuloglu) in the process.

The ruling party and opposition in Azerbaijan

The situation with political parties is more complex because they claim the support and legitimacy of bigger audiences. Currently, the ruling elite and opposition parties hold more or less the same position on Karabakh. The recent issue over the possible opening of the Turkish-Armenian border caused dissatisfaction on both sides. In general, the ruling elite and political opposition compete over the Karabakh issue, but this competition involves discussions on the failure of the authorities to 'restore territorial integrity', rather than talks about mistakes in the peace negotiations.

3 Personal communication with Erkin Gadirli, participant in the Civil Minsk Process.

Both sides use the rhetoric of historical justice. The only difference is in their priorities. The ruling elite is more concerned with security and the sustainability of the political establishment, so it tends to give higher priority to the issue of Karabakh. As the question of Karabakh is a hot topic in internal politics, the government has used it extensively to gather support during election campaigns. In the 2005 parliamentary elections the opposition's discourse on the necessity of extending political and economic freedoms and achieving greater democracy and human rights in the country was confronted with the ruling elite's heavy emphasis on Karabakh.

The government tends to be extremely cautious in its dealings with the peace process, because any mistake might be very damaging for it. The issue is a sensitive one that can quickly unite the majority of Azerbaijanis. Similarly the opposition does not want to lose out to the ruling party.

The fundamental question is: what will happen if the ruling elite takes up the challenge of agreeing on the Basic Principles and even signs a peace accord? Opposition parties may accuse the government of selling out on national interests. On 14 May opposition forces organized a Karabakh Forum in Baku, which was attended by most opposition political parties. They expressed great concern about the government's secretive negotiations on Karabakh, and some of the participants said the issue is about whether Azerbaijan is compromising too much *vis-à-vis* Armenia.⁴

Although a peace agreement is negotiated by lawyers and signed by leaders, it has a real impact on people's lives. Therefore its success or failure depends on the ability of negotiators to win over their constituencies and deliver on any concessions and reforms. The Azerbaijani government may find this difficult, and it may consider starting a dialogue with the opposition, something it has not done for a long time. Generally, the government's strategy is to deny the opposition any legitimacy by saying there are no major problems in Azerbaijan and therefore the opposition does not have any real support or 'social base'.

Media and public opinion

The media has always been vital in maintaining public awareness of the NK conflict. Some TV channels, like *ANS TV*, emphasize patriotic sentiments. Azerbaijani websites are slightly more balanced.

There are contradictory views as to what public opinion really believes about the Karabakh conflict. Many people have strong nationalistic feelings about it, NK is a burning issue in Azerbaijani politics, and politicians and the media address it more or less on a daily basis. Memories of the war and related enmity and rivalry surface during periods when both Armenia and Azerbaijan try to re-establish

damaged self-esteem and national pride. This happened during the 2009 Eurovision song contest when an Armenian presenter showed images of a monument in NK. Azerbaijani Public TV responded by deleting Armenia's voting number, making it impossible for Azerbaijanis to vote for Armenia.

However, this does not necessarily mean it is a high priority on the daily agenda in everyday life. Individuals are more preoccupied with their social and economic problems, although opinion polls always suggest otherwise. (This may be because people feel they are being more patriotic if they prioritize NK in this way.) There seems to be a paradox here, but the situation may be understood better using the democratic peace theory. This assumes that the majority of people carry a heavy burden in any conflict and its consequences and therefore want to avoid renewed bloodshed. However, it is worth repeating that ethnicity and national pride evoke strong emotions which are unpredictable and easily inflamed during conflict.

Scenario I: Azerbaijan as 'wealthy peacemaker'

Let us now consider one way in which things may change in Azerbaijan if it agrees to the Basic Principles in 2009.

The government will need peace-building initiatives, so it will start promoting and seeking help from groups and organizations with the ability to carry out multi-track diplomacy. Civil society organizations, youth groups, NGOs, academics and intelligentsia will carry out second-track diplomacy to build confidence and help improve relations between Armenia and Azerbaijan, as well as between NK and the Azerbaijani authorities.

As Azerbaijan's claims for territorial integrity are satisfied, the issue of NK's autonomy will become a topic for discussion. Azerbaijan will feel obliged to engage in power-sharing if NK is 'returned'. The key concept here is the status of Karabakh, which has always been the most intractable issue. The most widely discussed suggestion initially was to grant Karabakh autonomy with the option of holding a referendum some time later. But the parties to the conflict did not support this approach and it was decided to defer discussion on NK's status.

Two questions are key for us to understand this process. What does the term 'autonomy' mean (or 'highest autonomy')? And which tools would the government use to negotiate with NK, as well as Azerbaijan's opposition, civil society and media? The Basic Principles seem to propose that NK will have a form of 'interim international status' (basically *de facto* what it now possesses) while the territorial integrity of Azerbaijan is not disputed, and NK's final status will be decided by referendum at a later date.

4 *Yeni Müsavat*, 15 May 2009.

The issue of a referendum is key. If Azerbaijan agrees to one, it will try to convince the people of NK that Azerbaijan is a better place to live than Armenia. This will pressure the Azerbaijani political establishment to create more economic and political freedoms.

Yash Ghai, a scholar of constitutional law, suggests that "autonomy is a device to allow an ethnic group or other groups claiming a distinct identity to exercise direct control over important affairs of concern to them while allowing the larger entity to exercise those powers, which are the common interest of both sections".⁵ The important issue here is what "common interests" are shared between the Azerbaijani and NK authorities and populations.

A high level of autonomy for Karabakh would create two issues. The first concerns Azerbaijan's constitution and the way it relates to power-sharing. Autonomy arrangements divide power and contribute to constitutionalism as they emphasize the rule of law and the role of independent institutions. Since Azerbaijan held a referendum which ended limits to presidential terms, the authorities feel more confident about promoting a peace deal to the public. But it will still require a great deal of internal discussion and negotiation.

The second issue is to do with the relationship between the Azerbaijani authorities and NK. The Azerbaijani government will have to make itself more attractive to NK, which is likely to be an unwilling negotiating partner. Azerbaijan will have to show that it has something to offer NK and be able to persuade NK to accept its offers.

This is the point where the two issues connect. To build a solid negotiating position the Azerbaijani government will be forced to draw support from different layers of society. One way to do this is to provide economic incentives which address the "common interest" of both NK and the Azerbaijani people and authorities. By involving NK in various regional economic projects Azerbaijan will act as a 'wealthy peacemaker'. This will be another opportunity for the government to open up economic opportunities to both sides of the conflict and improve regional trade and economic growth.

Karabakh's autonomy would require more respect, discussion and compromise on the part of the Azerbaijani government. This is not the first time that Azerbaijan will have an autonomous region within its border. The Nakhichevan Autonomous Republic has been an autonomous entity for a long time, but especially during the independence period. However, this is a completely different case in which ethnic differences play no role.

The Azerbaijani ruling elite does not have a culture of political power-sharing. Since 1993 the Yeni Azerbaijan Party has repeatedly enjoyed majorities in the Milli Majlis, the parliament of Azerbaijan, as well as total control over the executive. Several opposition representatives were allowed into the parliament in 1995, but their numbers fell in subsequent elections. Currently only five or six members of parliament are considered genuine members of the opposition and their activities in parliament are challenged. In October 2008, when Aliyev was elected president, major opposition parties boycotted the elections. Later, in March 2009, the ruling party decided to amend the constitution and end limits to presidential terms, allegedly to prevent an intra-elite struggle for power and guarantee Aliyev's presidency beyond 2013. The reasoning behind this was the shared understanding that Aliyev is a candidate who satisfies all the different power groups within the elite.⁶

Power is not equally shared between the different branches of government either – the executive branch has much greater control than the legislative and judicial branches. So Karabakh's 'return' would be a major challenge for Azerbaijan's ruling party, since it would have to 'digest' such a big political and legal entity into the system.

The government shows no signs that it is prepared to face these issues. This may polarize the positions held by the government and the opposition which would demand fewer rights for NK and Armenians in any new constitution. The opposition would be in a better position to mobilize around this cause. The biggest question of course is how the government is going to technically arrange autonomy and share power with NK.

The best-case scenario is for Aliyev to begin a dialogue with his political rivals. This would mitigate domestic tension and build consensus at a time when the government needs the support of a broad spectrum of political forces, civil society and media. It would be a difficult step for Aliyev, who has not held talks with the opposition since he came to power in 2003. (His father, former President Heydar Aliyev, used to engage the opposition in parliamentary discussions on Karabakh during sensitive times and share the burden of difficult decisions.) However, it would also be a relatively safe step for the government to take because the opposition is very weak and is highly likely to accept the offer of talks.

5 Sick, Timothy D. 'Power-sharing after Civil Wars: Matching Problems to Solutions', in John Darby and Roger MacGinty (eds) *Contemporary Peacemaking* (Palgrave MacMillian Ltd, 2003)

6 However, a prominent lawyer and the co-founder of Republican Alternative Public Union, Erkin Gadirli, pointed to a detail that, in fact, this new amendment cannot be applied to Ilham Aliyev but to the next elected president as the constitution was amended after Ilham Aliyev's election in October 2008 (in Azeri): <http://erkin13.blogspot.com/2009/04/post-referendum-bzi-qeydlr.html>

It is important to mention here that the opposition and international organizations like the OSCE have already suggested the idea of a dialogue several times. Each time the ruling elite was unwilling to take part, so these initiatives only took place at a junior level. So it is quite possible that if Aliyev offers the opposition a deal, it will be very willing to hold talks on the future of Karabakh.

The government would still have to deal with public opinion but, as mentioned above, the majority of Azerbaijanis would support a peaceful resolution of the conflict. Although it would be challenging to redesign the government's information policy, multi-track diplomacy will be a useful tool to promote new agendas and policy. Prominent public figures, artists and intellectuals can also help to promote a peace agenda. Trips across the border can reinforce confidence among societies. Also the government might build a new concept of patriotism by stressing the importance of the return of territory and peace, and ending the 15-year plight of displaced people living in unbearable conditions.

Scenario II: Autonomy fails; a 'cold peace'

A second scenario might develop if power-sharing arrangements fail between the Azerbaijani government and the NK authorities, or insurmountable tensions develop within Azerbaijani society and the political opposition.

Power-sharing guarantees are not very durable. Timothy D. Sick argues that "a key figure of power-sharing – the mutual veto, whereby decisions are taken with the widest possible consent and only with a near consensus – often leads to the use of political blackmail. Unable to get consensus governance stagnates and policy-making drifts; the result is a 'cold peace', in which the parties do not continue to employ violence, but neither have they embarked on a serious process of reconciliation".

This situation is possible if Azerbaijan does not develop a workable model of constitutional arrangements, or if NK decides to put more pressure on the Azerbaijani government in the negotiations over the content of its autonomy. This leads to a situation where both sides reject compromise and the peace process stalls.

Another cause of stalemate could be Azerbaijan's failure to deliver economic or financial support it might promise to NK. The international financial crisis and possible cuts in Azerbaijan's oil production after 2010 may affect its ability to contribute to NK's economic sustainability. Azerbaijan's government is forecasting nearly a 10-fold decline in the country's GDP growth. Its oil production will peak in 2009-10 at 65 million tonnes a year, and begin to decline

in 2011. The next peak in its oil and gas sector is expected after 2012 when it launches Phase 2 of the Shah Deniz Gas Project.⁷

If the government mismanages this decline, it might turn into social discontent that could be used by opposition to gain more legitimacy. The authorities could be blamed for spending oil revenues on NK while Azerbaijanis suffer from the financial crisis. The displaced population in Baku could be central to this kind of social frustration.⁸ Also, if opposition parties are dissatisfied with the peace deal and their participation in decisions regarding NK's status and related issues, they can use these arguments to mobilize the electorate against the government.

Oil may also trigger an escalation in the conflict. Azerbaijan has recently gained both self-confidence and revenue from the implementation of large multinational projects. This may be used by hawks in Baku to push for a military solution of the conflict.

Whether it is the result of an increase or decrease in oil production, the ruling elite could be divided over the means and ways of resolving the NK conflict. The difference between hawks and doves is not so obvious now, but it may become more visible if a crisis occurs in the relationship between Azerbaijan and an autonomous NK. Hawkish attitudes could cut across political divides and be mutually reinforced by the government and part of the hawkish opposition, thereby creating hostile attitudes in society towards a re-demonized enemy. The media could fuel this tendency very easily.

However, regardless of the motivations of different actors, it is highly improbable they will result in war, because this would be disastrous for the economic interests of the Azerbaijani elite. Also, they do not want to hurt the country's image by antagonizing international efforts to mediate peace. The international community wants to achieve a settlement sooner rather than later, since oil revenues increase and are then predicted to fall again relatively soon.⁹

A failure in power-sharing could backfire on the relationship between the Azerbaijani authorities and the opposition. An unsuccessful experiment in the 'culture of contracting' might force the authorities to discontinue attempts at dialogue with the opposition in order to gain more legitimacy *vis-à-vis* NK autonomy. If the Azerbaijani authorities do not see any need to gain domestic support they will be more inclined to disregard the opposition and reverse the democratization process.

7 Azerbaijan has seen quite pessimistic medium-term forecasts with GDP growth reducing, hypothetically, to 3.5%: http://abc.az/cgi-bin/wnews_one.cgi?nid=18713&lang=eng

8 Cohen, Michael. 'The effect of oil revenues on transition economics: the case of Azerbaijan'. *Geopolitics of Energy*, Vol. 28, No. 6 (June 2006) : [http://www.eia.doe.gov/cabs/Azerbaijan/images/GoE_Jun06%20\(last%20article%20only\).pdf](http://www.eia.doe.gov/cabs/Azerbaijan/images/GoE_Jun06%20(last%20article%20only).pdf)

9 Cohen. 'The effect of oil revenues'

Conclusion

Power-sharing suggests a contractual relationship according to fixed and predictable rules. The Azerbaijani state's institutional capacity to provide a suitable environment for such a relationship is currently limited, and a transformation in the way power is exercised is needed for power-sharing proposals to become more plausible. While second-track efforts have an important role to play in the overall process, governance standards and institutional capacity to deliver on rights remain central to the feasibility of plans for autonomy in NK.

The resolution of the Karabakh conflict has the potential to radically transform the way power is exercised in Azerbaijan. This is because the models of autonomy and power-sharing suggested for Karabakh imply a wide series of relationships, not only between Karabakh and Baku but also between the Azerbaijani government and wider domestic actors, such as political parties and civil society groups. Indeed, a transformation in the exercise of power is necessary if Azerbaijan is to evolve into a state capable of accommodating a genuinely autonomous unit.

Azerbaijan's status as a major oil producer will affect its ability to change. Periods of 'boom' in the oil industry will provide fewer incentives for Azerbaijani elites to engage seriously with the peace process; periods of economic crisis and recession will motivate greater engagement. In either case, Karabakh Armenians' view of the economic benefits of joining the Azerbaijani state will depend on whether they think Azerbaijan can deliver on any promises it makes. That implies transparent and accountable standards of governance. It also underlines the fact that since it is Azerbaijan that is offering autonomy, it is Azerbaijan's responsibility to make that offer credible.

At the same time Karabakh Armenians will have to shoulder much of the responsibility to compromise, since they are by definition a reluctant partner. If they want peace, they will have to overcome that attitude.