

November 23, 2020

The Disputed Territory of Nagorno-Karabakh: Part I

(Due to the Thanksgiving holiday, our next report will be published on December 7, 2020.)

On November 9, Armenia agreed to give up some of its territory to Azerbaijan in a deal brokered by Russia. After six weeks of fighting and three failed ceasefires, Azerbaijan and Armenia have ended their war over the disputed territory of Nagorno-Karabakh. In accordance with the agreement, Armenia vacated the disputed territory on November 15. Following the departure, Russia deployed 2,000 peacekeepers to the region to ensure a smooth transition. Turkey, which provided Azerbaijan with military support, was also able to stake its claim in the region. Unlike the previous three ceasefire attempts, this one appears to be holding.

The truce freezes conflict between the two rival nations, while bolstering Russia and Turkey's influence in the region. The absence of the West's involvement in negotiations suggests that its role as power broker could be shrinking in favor of regional competitors. Over the last several years, Turkey and Russia have expanded their reach into Eastern Europe, the Middle East, and Northern Africa, thus filling a leadership void left by the West. If this trend continues, we believe it could raise the

likelihood of increased geopolitical tensions as regional powers compete for influence. In Part I of this report, we will focus on the history of the tensions between Armenia and Azerbaijan. We will begin with a summary of the geography of the Nagorno-Karabakh territory, followed by a discussion of Russia's invasion of the Caucasus during Russia's Imperial era and its downfall. We will then examine the conflict between Azerbaijan and Armenia following the dissolution of the Soviet Union, with a more detailed summary of the recent conflict between the two regions.

Geography

Nagorno is Russian for northern, while Karabakh combines the Turkish word for black, kara, and the Persian word for garden, bakh. The Nagorno-Karabakh region refers to an autonomous region of the former Azerbaijan Soviet Socialist Republic (S.S.R.) and the self-proclaimed Republic of Nagorno-Karabakh. It is located in the southwestern part of Azerbaijan and is considered to be between 1,700 and 2,700 square miles.¹ The area extends from the northeastern flank of the Karabakh Range of the Lesser Caucasus into the margin region of the Kura River.²

¹ The dispute over the size of the area is due to Armenia claiming a region connecting the old autonomous region (in red on map) and areas it took in the early 1990s (in dark yellow.) The area in dark

yellow is widely considered to be Azerbaijan even though Armenians live there.

² <https://www.britannica.com/place/Nagorno-Karabakh>



(Source: BBC)

Nagorno-Karabakh has a population of 145,000, consisting of ethnic Armenians (76.4%), ethnic Turk Azeris (22.4%), and smaller groups such as Kurds, Russians, Greeks, and Assyrians. Armenian is the most widely spoken language and Christianity is the most practiced religion. That being said, cultural and religious significance of the area has led to conflict between the Armenians and the Azeris. The area is home to many monasteries, monuments, and religious buildings that Christian Armenians deem sacred. Azeris, who are predominantly Muslim, do not share the same level of affinity for these structures.

Early History

Known formally as Artsakh to the Armenians, Nagorno-Karabakh's known history dates back before Christ. In 387 A.D., it officially became part of the Armenian Kingdom. Following centuries of being conquered by various monarchies, it was invaded by Turkic nomadic and Persian tribes in the mid-18th century. Less than a century later, the region was annexed by the Russian monarchy following its conquest of the Caucasus region in the early 1800s.

The Russian monarchy controlled the region until the Russian Revolution in 1917. The fall of the monarchy and the establishment of the Soviet period led to the development of three Soviet Republics—Armenia, Azerbaijan, and Georgia. As the communists established control of Russia during the period of flux, Armenia and Azerbaijan began fighting over control of Nagorno-Karabakh. As a result, the period of 1918-1920 became a very hostile time for the two rivaling countries.

1918-1920

After gaining autonomy in 1918, Azerbaijan attempted to incorporate Nagorno-Karabakh into its territory. The people of Nagorno-Karabakh, 90% of whom were Armenian, rejected the overture by the Azeri government, preferring to be independent. Accordingly, the region formed its own government and established an army. In response, Azerbaijan, along with Turkey, attempted to seize control of the region. Azeri and Turkish forces killed thousands of Armenians, but to no avail as they still refused to submit to Azeri rule.

After several defeats and a failed peace treaty attempt, Armenia assisted Nagorno-Karabakh in its fight for independence, swaying momentum in favor of the rebels and the region became liberated. Following the triumph, Nagorno-Karabakh declared itself “an inseparable part of Armenia.”³

As Moscow began to consolidate its near abroad, Soviet Armenia was formed in 1919. Soviet Russia declared Nagorno-Karabakh as part of Armenia. The move is thought to have been a way for Stalin to curry favor with the Armenians. However, three years later, Stalin would reverse this decision and return the region to Azerbaijan. Nagorno-

³http://www.nkrusa.org/nk_conflict/nk_1918_1920.shtml

Karabakh was allowed to remain autonomous, which led to peace but still left the dispute unsettled.

The Fall of the Soviet Union

During the dissolution of the Soviet Union, Nagorno-Karabakh petitioned to become part of the Republic of Armenia in 1988. The Soviet Union denied this request. In November 1989, Azerbaijan ended the autonomy that Soviet Russia had granted to Nagorno-Karabakh. In a show of defiance, the government in Nagorno-Karabakh refused to disband and proclaimed unification with Armenia. In 1991, after Armenians in Nagorno-Karabakh approved the creation of a new state, the two newly formed nations, Armenia and Azerbaijan, went to war over Nagorno-Karabakh.

The conflict between the two sides went on for three years. The Armenian side was able to take over Nagorno-Karabakh and the territory connecting the two regions. Following several failed ceasefires, Russia and the Minsk Group secured a treaty called the Bishkek Protocol.⁴ Although the deal called for both sides to end the fighting and return to their internationally recognized borders, Armenia continued to occupy the enclave in Azerbaijan that connected it to Nagorno-Karabakh. As a result, a future deal that was expected to finally settle the dispute never materialized. Nevertheless, the ceasefire largely held, with few exceptions, until September of this year.⁵

Armenia-Azerbaijan Today

Despite their long feud, it appears that the recent conflict may have started due to growing tensions over worsening social and

economic conditions within these respective countries. Armenia has struggled to contain the COVID-19 outbreak, while energy-rich Azerbaijan, which was not in good shape prior to the pandemic, is struggling to stimulate its economy after being adversely affected by low oil prices. These deteriorating living conditions made both sides irritable and resentful of each other. Azerbaijan has always resented Armenia's occupation of land that is internationally recognized as belonging to Azerbaijan, while the Armenians want Azerbaijan to finally forego its claim of the region. These disagreements paved the way for the current conflict between the two rivals.

Although it isn't clear what sparked the current situation, speculation is that a small conflict in the enclave occupied by Armenia escalated into an all-out war. Russia attempted to prevent escalation but was undercut by Turkey. In the lead-up to the war, there were rumors that Turkey had already begun lining up Syrian mercenaries along the Armenia-Azerbaijan border.⁶ Additionally, protests from locals in both countries made de-escalation politically impossible. As the escalation continued, it became clear that Russia and Turkey were preparing to take opposing sides in another proxy war.⁷

Summary

After being overwhelmed by the combined power of Turkey and Azerbaijan, Armenia reluctantly accepted a peace agreement, brokered by Russia, which forced it to respect the boundaries recognized internationally as being part of Azerbaijan. However, outrage from Armenia, which

⁴ The Minsk Group is headed by a co-chairmanship consisting of France, Russia, and the United States.

⁵ There was a flare-up in 2016 but the conflict was resolved before it turned into war.

⁶ <https://zartokmedia.com/2020/07/18/breaking-news-turkish-army-occupying-northern-syria-to-send-its-mercenaries-to-azerbaijan-to-fight-against-armenia/>

⁷ The other two being in Libya and Syria.

eventually led to the assault of its president by protesters, does suggest that this matter is far from being settled.

Both Turkey and Russia were able to benefit from this truce agreement. Russia was able to display its military capabilities on the world stage and also emerge as a power broker in the Caucasus region, while Turkey was able to expand its presence within the Caucasus. Moreover, the lack of Western involvement makes it clear that this region will likely be dominated by regional powers.

In Part II of this report, we will discuss what Turkey and Russia gained in the conflict, how this conflict impacts Europe, and conclude with potential market ramifications.

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