



By: Iuliia Mendel, TA Kyiv

Armenia: winning through loss



"Let's grab a coffee." With that casual invitation in Russian, a short video of Armenian Prime Minister Nikol Pashinyan unexpectedly went viral across post-Soviet social media. The offer, directed at his long-time nemesis, Azerbaijani President Ilham Aliyev, **came** during a summit in Albania last May.

That coffee, it seems, set the stage for history. Three months later, Christian Armenia and Muslim Azerbaijan arrived in Washington to **sign** a peace deal, smiling broadly for the cameras as they shook hands alongside Donald Trump — after 35 years of war.

The disputed territory of Nagorno-Karabakh went to Azerbaijan. But can anyone call such diplomacy cowardly?

"There is no other security guarantee apart from peace," **said** Pashinyan in mid-September.

Peace never truly settled in Nagorno-Karabakh

The conflict between Armenia and Azerbaijan over Nagorno-Karabakh began in 1988. In just six years of fighting, an **estimated** 20,000 to 30,000 people were killed on both sides.

Though the region was regarded as relatively calm until 2020, peace never truly **settled** there. Tensions along the contact line and among different ethnic groups simmered constantly, breaking out into recurring clashes that at times **claimed** dozens of lives.

Nagorno-Karabakh, a region of fewer than 150,000 people, was **home** mostly to Armenians. After the Soviet Union collapsed in 1991, it declared itself the Nagorno-Karabakh Republic — an unrecognised state that lasted until 2023.

"Convincing Armenian society of the need for peace was, in fact, quite straightforward, and there was little need for persuasion" - Arsen Torosyan

Its end **came** after a second major war in 2020, which left about 8,000 people dead. Russian peacekeepers were **tasked** with monitoring the situation, but in 2023 Azerbaijan gained the control over the territories.

"Convincing Armenian society of the need for peace was, in fact, quite straightforward, and there was little need for persuasion," said Arsen Torosyan, Armenia's new Minister of Labour and Social Affairs and a veteran of Armenian politics.

"On the contrary, it was the Armenian people who convinced the political elite that, like any other nation, they desire peace. No territories from Armenia's sovereign land were ceded to Azerbaijan. As for Nagorno-Karabakh, it has always been recognised as part of Azerbaijan, including by Armenia, under our domestic laws and the Alma-Ata Declaration, which we signed. We have simply reaffirmed that no such territorial claims exist."

From eternal war to tentative reconstruction

The Washington Declaration, signed on August 8, affirms that Armenia and Azerbaijan recognise each other's borders and territorial integrity on the basis of the 1991 Alma-Ata Declaration, which preserved Soviet-era boundaries. The two sides agreed that border delimitation must be settled in good faith, acknowledging mutual sovereignty over their territories.

"If there is no peace, nothing else is possible. This holds true for all nations and all peoples. But if there is peace and democracy, then our people will be able to build their economy and everything that follows," says Dr Vahan Vardapetyan. "Look at Germany and Japan: they suffered defeat, yet in peace they rose to immense strength. Let that be our example."

“We won — both the war and the peace. We ended the occupation and began reconstruction” - Azerbaijani President Ilham Aliyev

For years, few believed that peace could ever take hold between the seemingly irreconcilable peoples of Armenia and Azerbaijan. Even today, some in Yerevan refuse to accept it, nursing resentment over the surrender of territory.

“This is an eternal war!” exclaims Tigran, a Yerevan taxi driver, his fist trembling with emotion. Yet in Nagorno-Karabakh, demining has begun, and tentative reconstruction is underway — a process that will take years, if not decades. In many ways, Karabakh now resembles the more widely known Donbas, ravaged by Russian aggression. At the same time, for official Baku, the region represents the return of historic lands.

“We won — both the war and the peace. We ended the occupation and began reconstruction,” **declared** Azerbaijani President Ilham Aliyev at the 80th session of the UN General Assembly.

Armenia’s ambition to join the European Union

But for nearly 120,000 Armenians, this **meant** displacement. Forced to leave Karabakh, they are now adapting to a new life. According to Torosyan, Armenia has allocated around two billion dollars to manage the needs of those who left Karabakh.

When Azerbaijan **launched** its offensive in 2023, some Armenians placed their hopes on Russia. At the time, Yerevan was still a member of the Collective Security Treaty Organization (CSTO), and many believed Moscow was bound to help prevent Azerbaijan from taking Karabakh. Yet the Kremlin effectively recognised the enclave as Azerbaijani territory by the second day of fighting.

Armenia infuriated Moscow by withdrawing from the CSTO and soon began openly declaring its ambition to join the EU

“De jure, these are the actions of the Republic of Azerbaijan on its own soil,” stated Dmitry Peskov, spokesman for Vladimir Putin.

“At that time we were completely dependent on Russia,” Security Council Secretary Armen Grigoryan stated in 2024.

Nikol Pashinyan realised it was time to chart a new course. In 2024, Armenia **infuriated** Moscow by withdrawing from the Collective Security Treaty Organization and soon began openly **declaring** its ambition to join the European Union.

Forced to walk a tightrope

Still, Yerevan is forced to walk a tightrope. As a small state with a Soviet past, sitting on Russia’s doorstep, an open break with Moscow risks triggering a “Ukrainian scenario,” that is open military attack.

Whether Armenia with little over three million of population could endure such pressure as long as Ukraine has, remains a rhetorical question. That is why Pashinyan treads carefully — **attending** Moscow’s Victory Day parade and making working visits to maintain a channel of diplomacy.



Unable to change the territorial outcome, Armenia has chosen not to remain trapped in resentment - Nikol

Pashinyan

For Armenians, the territorial concessions remain a collective trauma. Yet they have also created space for new opportunities.

“Peace brings new investment opportunities for Armenia and the wider region. Implementing the agreements creates prospects for stability and economic cooperation, including through the reopening of communications and the lifting of border closures,” notes Vladimir Karapetyan, Armenia’s ambassador to Italy.

To that end, Pashinyan **launched** a new economic initiative, the Crossroads of the World. The project seeks to reopen transport routes across the South Caucasus, restoring links between Armenia, Azerbaijan, and Turkey – borders that have remained closed since Armenia’s independence. It even envisions simplified border and customs procedures to encourage regional trade.

Unable to change the territorial outcome, Armenia has chosen not to remain trapped in resentment. Instead, it is pursuing economic opportunities, betting that prosperity and democracy will bring greater rewards than perpetual conflict. And who knows – Ukraine, too, may one day draw lessons from the Armenian–Azerbaijani experience.