

THE FUTURE OF NAGORNO-KARABAKH: UNTIL THE 2030S GEOPOLITICAL, DEMOGRAPHIC, AND CULTURAL PERSPECTIVES

Rustamov Dilshod G'ofur ugli

Oriental University, Faculty of History, 1st-Year Master's Student

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ABSTRACT: This article analyzes the near future of the Nagorno-Karabakh region, which came under the full control of Azerbaijan in September 2023, focusing on demographic, economic, geopolitical, and cultural-historical changes up to the 2030s. The article is based on recent publications from the International Crisis Group, the European Parliament, the ICTJ (International Center for Transitional Justice), OC Media, EVN Report, and other leading research centers. Three main scenarios are considered: the signing of a peace treaty and stable integration; the continuation of the frozen conflict in a new form; and the resurgence of the risk of military conflict. The article demonstrates that while Azerbaijan's dominance in the region will strengthen in the 2030s, peace will remain fragile, and the issues surrounding the Armenian diaspora in Armenia and international law will remain unresolved.

Keywords: Nagorno-Karabakh, Azerbaijan, Armenia, South Caucasus, ethnic cleansing, peace treaty, "Great Return" program, cultural heritage, geopolitics, 2030

1. INTRODUCTION: HISTORICAL BACKGROUND AND THE 2023 TURNING POINT

Nagorno-Karabakh is a mountainous region in the South Caucasus that stood at the center of one of the most complex territorial disputes between Azerbaijan and Armenia for many years. This conflict, which began on the eve of the dissolution of the Soviet Union in 1988, passed through three main stages: the 1991–1994 war, the 44-day war in 2020, and finally, the definitive military operation in September 2023.

On September 19–20, 2023, Azerbaijan launched a military offensive in Nagorno-Karabakh, which concluded with the surrender of the self-proclaimed Republic of Artsakh and the dissolution of its armed forces. This event marked a true turning point in the region's history.

As a result of the Azerbaijani offensive, more than 100,617 people—99 percent of the population—left the region by October 3, 2023. This massive displacement altered the entire region from a demographic standpoint. The President of the self-governing Republic of Nagorno-Karabakh (Artsakh), Samvel Shahramanyan, signed a decree on September 28, 2023, to dissolve all state institutions effective January 1, 2024.

2. DEMOGRAPHIC CHANGES: THE "GREAT RETURN" PROGRAM AND PERSPECTIVES ON AZERBAIJANI RESETTLEMENT

2.1. The Armenian Departure and the Vacuum

The near-total displacement of the region's population naturally created a massive demographic vacuum. Out of more than 150,000 ethnic Armenians who once lived in Karabakh, fewer than 20 individuals remain today. This figure indicates that the region is undergoing a process of complete restructuring. The government of Azerbaijan has launched a large-scale program to fill this vacuum with its own citizens.



2.2. The "Great Return" Program: Objectives and Implementation

As of May 2025, 13,745 Azerbaijani internally displaced persons (IDPs) have settled in the region under the "Great Return" program. Azerbaijan aims to resettle 150,000 people into this territory by 2027. By 2026, 140,000 IDPs are expected to return to the region. The largest city to be built is Aghdam, which is planned to be expanded to nearly three times its original size, making it the largest city in the region.

According to President Aliyev, 33 tunnels (spanning over 70 kilometers), 435 bridges, power plants, reservoirs, houses, schools, and hospitals have been constructed in the region. Nonetheless, the resettlement process faces a series of challenges.

2.3. Resettlement Challenges

While the Azerbaijani government reports the continuation of construction and restoration works, materials regarding the low quality of buildings have circulated on various social media platforms. For instance, the price of houses in the villages of Lachin and Jabrayil ranges between \$100,000 and \$140,000 USD, which is significantly higher than the average prices in other regions of Azerbaijan.

Demographic Forecast for the 2030s: If current rates are maintained, between 100,000 and 150,000 Azerbaijani citizens could be settled in the region by 2030. However, to achieve this figure, both infrastructure and economic opportunities must be expanded.

3. ECONOMIC RECOVERY: INVESTMENTS AND DEVELOPMENT PERSPECTIVES

3.1. Financial Scale

Since the 2020 liberation, Azerbaijan has directed a total of 17.5 billion manats (\$10.3 billion USD) toward reconstruction and restoration efforts in the Karabakh and Eastern Zangezur regions. In the 2025 state budget, 4 billion manats (\$2.35 billion USD) were allocated for these regions. For comparative perspective, this is on par with the annual GDP of several small Central Asian states. This immense investment demonstrates strong political will.

3.2. Foreign Investments and the Business Environment

The Azerbaijani government offers special conditions for foreign companies operating in the region, such as tax incentives and subsidies (especially in agriculture). As of May 2024, 503 foreign companies have submitted official applications to participate in the reconstruction of Karabakh. Turkish companies have taken the lead: as of December 2023, the volume of their contracts exceeded \$3.4 billion USD.

3.3. Industrial and Logistics Centers

The Aghdam Industrial Park and the Araz Valley Economic Zone Industrial Park in Jabrayil are currently under construction in the region. Modern agro-parks are being established in Zangilan, Jabrayil, Fuzuli, and Aghdam. The Zangilan logistics center is also being designed. By 2030, if these industrial and logistics hubs become fully operational, the region will be significantly strengthened economically. However, the volume of a stable population and specialized personnel will ultimately determine this process.

4. GEOPOLITICAL LANDSCAPE: THE PEACE TREATY AND ITS CHALLENGES

4.1. August 2025: The "Historic Declaration"



On August 8, 2025, in Washington, with the participation of US President Donald Trump, Armenian Prime Minister Nikol Pashinyan and Azerbaijani President Ilham Aliyev signed a Joint Declaration on Future Relations. The document called for refraining from the use of force, delimiting borders, and establishing diplomatic relations.

However, many analysts did not accept this document as a genuine peace agreement. In reality, this document is neither a treaty nor an act signaling the end of the 37-year Nagorno-Karabakh conflict. It is a political framework that demands international support and attention.

4.2. Factors Preventing the Signing of a Treaty

Baku demands the removal of provisions referencing Armenia's Declaration of Independence as a condition for signing the treaty; however, the expected constitutional reform process must be completed by 2026 or 2027. Armenian voters could reject the new constitution in a referendum, which could derail the agreement.

Azerbaijan believes that the text of the peace treaty drafted in March 2025 must also regulate issues related to the presence of the European mission on the Armenian border. Aliyev emphasized that the new treaty agreement must prohibit the deployment of any third-country forces along the borders.

4.3. Unresolved Issues

The August 2025 agreement says nothing about the fate of the Artsakh Armenians and their return to their ancestral homeland. There are also no international guarantees protecting the religious and cultural heritage of the region. Armenia's concerns have been fueled by years of aggressive rhetoric from the Azerbaijani side. Azerbaijanis, on the other hand, worry that Armenia might regain military superiority in the future and attempt to retake Karabakh.

5. ARMENIAN CULTURAL HERITAGE: THE RISK OF ERASURE

5.1. Cultural Heritage as an Unresolved Point

The European Parliament noted that following the 2020 ceasefire, 1,456 monuments—mostly Armenian—came under Azerbaijani control, and significant deliberate damage was inflicted upon Armenian cultural heritage during the 2020 war.

During the negotiations between Armenia and Azerbaijan in March 2025, a provision protecting the Armenian cultural heritage in Nagorno-Karabakh was not included in the treaty. Armenia and international observers emphasize the vulnerability of these cultural sites and how this situation complicates reconciliation.

The European Parliament condemned Azerbaijan's policy of systematically destroying and denying Armenian cultural heritage in violation of international law. The Parliament called on Azerbaijan to fully implement the ruling of the International Court of Justice (ICJ), and to refrain from suppressing the Armenian language, destroying Armenian cultural heritage, and other forms of eliminating Armenian presence.

5.2. Forecast for the 2030s

If the issue of cultural heritage is not resolved through international mechanisms, by the 2030s, the Armenian churches, monasteries, and architectural monuments built over centuries in Nagorno-Karabakh will either be destroyed or have their names and identities altered. This could lead to profoundly severe consequences in terms of the lessons of history.

6. SOUTH CAUCASUS GEOPOLITICS: THE REGIONAL POWERS' GAME



6.1. The Weakening of Russia

Azerbaijan's 2023 military victory significantly diminished Russia's prestige in the region. Russian peacekeepers did not intervene during the conflict, which weakened Moscow's influence in the area. Occupied with the war in Ukraine, Russia could not devote adequate attention to the South Caucasus. By the 2030s, if the conflict in Ukraine continues or if Russia weakens further, Moscow's influence in the region may decrease even more.

6.2. The Strengthening of the Turkey-Azerbaijan Axis

Azerbaijan's military victory bolstered Ankara's aspirations to construct a corridor (the Zangezur Corridor) aimed at connecting Turkic states with Central Asia. The most critical element of the Declaration is the opening of a transport and communication corridor connecting Azerbaijan to the Nakhchivan Autonomous Republic through Armenian territory. This corridor directly links Azerbaijan with its ally, Turkey. This geopolitical shift will further strengthen the Turkey-Azerbaijan strategic partnership in the 2030s and tilt the regional balance of power toward Ankara and Baku.

6.3. The Role of the West and the European Union

In March 2024, the European Parliament adopted a resolution on the "need for a peace treaty between Armenia and Azerbaijan" and the "rapprochement of EU-Armenia relations." However, the practical influence of the West remains limited. The US played a mediator role in the August 2025 Washington Declaration, but the implementation of the declaration remains uncertain.

6.4. The Iran Factor

Azerbaijani nationalists lay claim to Azeris living in the northern provinces of Iran, and Baku maintains a long-term alliance with Tehran's arch-enemy, Israel. The implementation of the Zangezur corridor confirms Turkey's dominance in the South Caucasus and strengthens Azerbaijan. This could deepen the desire for unification among ethnic Azerbaijanis living in northern Iran, further complicating the balance of power in the South Caucasus during the 2030s.

7. SCENARIO ANALYSIS: WHAT WILL HAPPEN IN THE 2030S?

7.1. First Scenario: Stable Integration

Conditions: Armenia reforms its constitution in 2026–2027, and a peace treaty is signed. Azerbaijan's "Great Return" program continues successfully. Around 150,000 residents settle in the region. Economic development stabilizes.

Probability: Medium-low. It is uncertain whether the constitutional reform will pass in a referendum; internal political resistance in Armenia is strong.

The Landscape in the 2030s: The region becomes an economically active territory of Azerbaijan. Shusha develops as a cultural capital. However, Armenian cultural heritage will be almost entirely destroyed or renamed.

7.2. Second Scenario: Frozen Equilibrium

Conditions: The peace treaty is not signed. Armenia's constitutional reform process drags out or is rejected in a referendum. Minor skirmishes occasionally occur in the border areas. The text of the Armenian-Azerbaijani peace treaty has been finalized, but Baku has declared that it will not sign it until Armenia removes claims over Azerbaijani territories from its constitution.

Probability: High—the current diplomatic situation is closest to this scenario.

The Landscape in the 2030s: The region is officially under Azerbaijani control, but



diplomatic issues remain unresolved. The Armenian diaspora continues its movement for return, but practical impossibility persists.

7.3. Third Scenario: Emergence of a New Conflict

Conditions: Armenia accelerates its rearmament program and aligns closer with the West. Azerbaijan intensifies border provocations. Regional powers (Russia, Iran, Turkey) seek a new balance.

Probability: Low-medium. However, if a peace treaty is not signed for many years, the risk will increase. Azerbaijanis worry that Armenia might regain military superiority in the future and attempt to retake Karabakh, while Armenian concerns are linked to Baku's aggressive rhetoric.

8. THE RETURN OF ARMENIANS: LEGAL AND PRACTICAL CHALLENGES

In the text of the peace treaty, the issue of return remains unresolved for hundreds of thousands of ethnic Armenians who previously lived in Karabakh. The Armenian leadership has removed this issue from the negotiation agenda. According to the Lemkin Institute, the 2025 declaration between Armenia and Azerbaijan may not provide an opportunity to achieve a just and lasting peace because Azerbaijan's recent mass crimes and systematic aggression remain unaddressed.

Furthermore, domestic politics within the countries deepen the fragility of the agreement. Azerbaijan suppresses opposition and restricts civil society. It conducts sham trials over Armenian prisoners and sets constitutional changes in Armenia as a condition for signing the treaty. By 2030, the return of Armenian refugees to Karabakh will become practically impossible, as the demographic composition and infrastructure of the region will have completely changed.

9. CONCLUSION: KEY FORECASTS FOR THE 2030S

Based on existing research and facts, the following main trends are expected to be observed in the Nagorno-Karabakh region in the 2030s:

Demographics: Between 100,000 and 150,000 Azerbaijani citizens will settle in the region. The Armenian population will practically disappear. Cities will be rebuilt anew and filled with an Azerbaijani identity.

Economy: Due to Azerbaijan's large investments (totaling \$10+ billion), industrial parks, agricultural enterprises, and tourism infrastructure will develop in the region. Shusha will be fully established as a cultural and tourism center.

Politics: A peace treaty may be signed by 2027, but this depends on Armenian constitutional reforms. Even if the treaty is signed, its implementation will remain fragile.

Cultural Heritage: Armenian cultural monuments, monasteries, and churches will remain under threat of destruction or renaming. The absence of international monitoring mechanisms intensifies this risk.

Geopolitics: The Turkey-Azerbaijan axis will strengthen in the region. Russia's influence will continue to decline. A series of diplomatic processes mediated by the West (US, EU) will continue, but practical results may be limited.

In conclusion, in the 2030s, the Nagorno-Karabakh issue will be viewed not as a "conflict resolved by victory," but through the lens of "living with the unresolved remnants of historical injustices." The peaceful and stable future of the region depends not only on Azerbaijan's effective integration policy but also on the rights of the Armenian diaspora, the protection of cultural heritage, and the balance of power among regional players.



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