Band 4 / 2022

Stability Risks and New Conflict Management Platforms in the South Caucasus

Frederic Labarre and George Niculescu (Eds.)

Study Group Information

UNSER HEER

Study Group Information

Frederic Labarre and George Niculescu (Eds.)

Stability Risks and New Conflict Management Platforms in the South Caucasus

Compendium of the 2021 "Regional Stability in the South Caucasus" Study Group Workshops

4/2022
Vienna, March 2022

Imprint:

Copyright, Production, Publisher:
Republic of Austria / Federal Ministry of Defence
Rossauer Lände 1
1090 Vienna, Austria

Edited by:
National Defence Academy
Command
Stiftgasse 2a
1070 Vienna, Austria

In co-operation with:
PfP Consortium of Defense Academies and Security Studies Institutes
Garmisch-Partenkirchen, Germany

Study Group Information

March 2022
ISBN 978-3-903359-46-8

Printing:
ReproZ W 22-xxxx
Stiftgasse 2a
1070 Wien

Disclaimer

The following documents have been edited for syntax, length and coherence. The opinion found herein are those of their respective authors only and in no way represent that of the co-chairs, sponsors, PfP Consortium stakeholders or anyone having helped facilitate the hosting of the 21st and the 22nd workshop on Regional Stability in the South Caucasus, nor is the inclusion of articles and chapters into this publication an acknowledgement or endorsement of any opinion found therein by the co-chairs, sponsors or stakeholders of the PfP Consortium. The use of certain place names does not imply a particular status for said place, nor does it imply endorsement for any status, but merely the personal choice of the author owing to linguistic preferences.

Table of Contents

Acknowledgements

Work of this scope would not have been possible without the support of the Austrian National Defence Academy, the Austrian Ministry of Defence, the Partnership for Peace Consortium of Defense Academies and Security Studies Institutes, as well as the contribution of the authors and participants. Too often we neglect the graceful facilitation offered by those who work in the background. We therefore want to recognize here Ms. Mirjam Habisreutinger of the Austrian National Defence Academy for helping make those two workshops and the resulting Study Group Information (SGI) possible.

The RSSC SG completed its 21st and 22nd workshops with the release of this SGI. It has come to the attention of the co-chairs and the sponsors that our work has helped inspire policy makers in the South Caucasus to take practical steps towards stabilization based on the RSSC SG policy recommendations. We congratulate all those concerned who have taken those courageous steps, and salute all those from the RSSC SG whose initiative make such steps possible.

Abstract

This combined Study Group Information booklet gathered the papers and the policy recommendations from the 21st and 22nd workshops of the Partnership for Peace Consortium Study Group on "Regional Stability in South Caucasus" (RSSC SG), held in Rome, on 07-09 September 2021, and Reichenau, on 04-07 November 2021, respectively.

The former workshop addressed "Risks and Opportunities of the Emerging South Caucasus Regional Order" and explored the evolving situation in the South Caucasus one year after the start of the 44 days war on Nagorno-Karabakh. In practice, the Trilateral Statement signed on November 9th, 2020, in Moscow, by the presidents of Azerbaijan and Russia and the prime-minister of Armenia has created a new geopolitical reality founded upon a Russo-Turkish strategic partnership, possibly leading into an emerging new regional order. This new reality has been established in the South Caucasus, which have been the catalyst for renewed diplomatic and government activity in the region. They called into question new patterns of relationships and expressions of interests mainly by great powers, but diplomatic and administrative initiatives which align with the RSSC SG's mission of helping forge a strategic personality for the South Caucasus have also been carried out.

The latter workshop aimed to review the progress in the implementation of the Trilateral Statement on Nagorno-Karabakh, against the backdrop of the RSSC SG agreed Policy Recommendations, and thereby to provide means of "Supporting New Conflict Management Platforms in the South Caucasus". It focused mainly on the idea of regional cooperation promoted by the prime minister of Georgia, Irakli Garibashvili, as to the establishment of a "Peaceful Neighbourhood Initiative" – PNI, which would likely involve all three South Caucasus countries. The overall intention was to generate new ideas that help bilateral and regional dialogues move forward towards new forms of conflict management and regional cooperation. In that latter case, much has been made of the promises of economic cooperation in bringing about a more lasting peace to the region. A proposal was made to set up a distinct sub-platform to discuss economic issues. The RSSC SG has chosen to take up this challenge at its 22nd workshop as a separate panel in the

agenda. This panel could symbolically represent a model for an eventual sub-platform of an "official" PNI.

Writing on Karabakh and the South Caucasus

I continue to write on conflict and injustice.
I know peace in the South Caucasus is very unlikely at this time.
But I also know that with extraordinary effort, it is perhaps possible.
It is definitely necessary to try.
For the sake of the children and grandchildren,
we must try.
With all our effort,
we must try.

Alan Whitehorn

Introduction

Frederic Labarre and George Niculescu

The co-chairs of the RSSC SG are proud to present this combined Study Group Information booklet, which reunites the papers of the 21st and 22nd RSSC SG workshops, held respectively in Rome, Italy, in September 2021, and in Reichenau/Rax, Austria, in November 2021. We shall not delve into the contingencies which have forced the organizers of the workshops and the co-chairs to host these two meetings in quick succession after a one-year hiatus; the effects of the Covid crisis are evident to all.

The hosting of in-person meetings was deemed urgent and essential to the work of the RSSC SG. The few extraordinary virtual meetings which were held in 2020 and 2021 have shown that the quality of interaction, if not the quality of the end-product, depended on face-to-face meetings. In conditions of on-going tension, and, in our case, outright war, the aloofness afforded by distance and technology (not to mention the false sense of invulnerability offered by the computer screen as a shield), it is essential, to hope to approach the truth, to reconvene in person.

The workshop held in Rome addressed "Risks and Opportunities of the Emerging South Caucasus Regional Order". It was meant to explore the situation in the South Caucasus which is still evolving one year after the start of the most recent Armenian-Azerbaijani conflict. Much has happened since then, and while a new reality and a new stability have been established in the South Caucasus, it has been the catalyst for renewed diplomatic and government activity in the region.

The Nagorno-Karabakh war has thrown the whole South Caucasus relations into convulsion. First the military action taken by Azerbaijan has successfully regained control over parts of Nagorno-Karabakh and over adjacent Azerbaijani districts. Second, it has propelled Russia into a dominant role as potential arbiter through the deployment of peacekeeping forces between Armenian and Azerbaijani belligerents. As Chinese aspirations are also being felt in the South Caucasus, one has to wonder whether the involvement of

Russia is to support or balance that involvement. The Nagorno-Karabakh conflict has also consummated the inability of the OSCE Minsk Group of helping hammer out a working compromise between the parties of this conflict. It would therefore seem that Euro-Atlantic powers, including the United States and the European Union, have been somewhat marginalized from the region. Yet, probably buoyed by the more activist policy from the new Biden administration in the United States, we have been witnesses to renewed diplomatic activity from the United States in the South Caucasus, a more determined push by France and Germany to involve the EU more constructively with the Russian Federation, and a qualitative evolution of the language of the latest NATO Summit Declaration.

As discussed in the Third Extraordinary Virtual Roundtable held online on June 7th 2021, multilateral efforts which had been deployed by the United Nations and the OSCE since the beginning of the South Caucasus troubles some 30 years ago have now fallen into irrelevance. There seems to be a great power contest brewing over the South Caucasus which has substituted multilateral diplomacy. We can detect an increase in the attention of the United States regarding Georgia's challenging territorial integrity. Elsewhere, and following the recent NATO Summit, Turkey and Azerbaijan have embraced the "Shusha Declaration", while Presidents Biden and Putin were concluding their first bilateral Summit in Geneva. These are potent indicators of a ferment of activity which cannot be ignored.

Between Armenia and Azerbaijan, Russian peacekeepers have being deployed. Assuredly, the news of the Turko-Azeri mutual security declaration has been met with sharp warnings from the Russian Federation, ever cautious about potential NATO flanking moves. Yet, while the Russian peacekeeping mission remains the better guarantee of Armenian-Azerbaijan stability, it does not offer a way ahead for an eventual relaxation of tensions. The RSSC SG did well to lean on the possibilities offered by the new reality.

Amidst all this, Georgian diplomacy has never been more active, and more constructively so. First by facilitating the exchange of prisoners between Armenia and Azerbaijan, and recently, at the Antalya Security Forum, calling for a "trilateral dialogue", Georgia's international personality has rapidly

evolved. It apparently shed the excesses of the Saakashvili regime, while calling into question the Georgian opposition's mantra that the current Ivanishvili regime was sold to Moscow.

The NATO Summit held in Brussels on 14 June 2021 has produced interesting statements. First China was named as a clear and present danger to Alliance members. This increased the value of the South Caucasus exponentially. It is well known that China has economic interests in the South Caucasus, and Armenia and Georgia, in particular, have been seen as receptive to China as a potential regional balancer. Second, the Russo-Chinese rejuvenated strategic partnership is a geopolitical move that Euro-Atlantic actors cannot ignore. Little surprise then that the Biden-Putin Summit was hastily convened, and, while it seemed to have yielded little of note, France and Germany have been keen on bringing the European Union's role in engaging Russia up to par.

These developments indicate a sea change in the structure of relations in the South Caucasus. It is clear that the West, supported by an alliances-restoring Biden administration, seeks to take advantage of the opportunities that are emerging. At the same time, change is the harbinger of risk. The aim of the Rome workshop was to produce actionable policy recommendations to mitigate the risks and expand on conflict resolution possibilities.

The workshop held in Reichenau/Rax aimed to provide means of "Supporting New Conflict Management Platforms in the South Caucasus". It focused on three aspects of recent developments in the South Caucasus. The most important was certainly the idea promoted by the prime minister of Georgia, Irakli Garibashvili, as to the establishment of a "Peaceful Neighbourhood Initiative" which would likely involve all three South Caucasus countries. This initiative could not be presented at a more opportune time, as the 44-Days War ceasefire agreement has created a new geopolitical reality founded upon a Russo-Turkish partnership, where Western powers (whether collectively – from within the OSCE and the EU – or individually), as well as Iran are seeking to play their role. One of the aims of this workshop was to determine the substance and the possible implications of the Peaceful Neighbourhood Initiative on the region. The Study Group considered ways to effectively (and perhaps more directly) make its recommendations known to the champions and supporters of this initiative.

During the Rome workshop, suggestions were made for a variety of platform formats to mediate and negotiate restoring good neighbourly relations between Armenia, Azerbaijan, and Turkey for further improving stability. These platforms included Georgia, and therefore it would seem that, conceptually at least, there is commonality (if not some overlap) between the ideas presented by Mr. Garibashvili and the RSSC SG policy recommendations over the past years aiming to support various forms of regional cooperation in the South Caucasus. We believed that the RSSC SG would be of substantial assistance if it were able to determine how well the provisions of the November 2020 Trilateral Statement were implemented (if they were in any shape or form) and what it was the way ahead towards their consolidation. We therefore encouraged our participants to look critically not only at this issue, but also at the possibility of lending assistance to further implementation through past policy recommendations (such as the conflict resolution ideas presented in Rome), or through new ideas presented during this workshop. The overall intention therefore was to generate ideas that helped dialogue move forward towards new forms of conflict management and regional cooperation. In that latter case, much has been made of the promises of economic cooperation in bringing about a more lasting peace to the region.

The result is the booklet you see here that has had the advantage of combining the points of views of participants as they may have changed with the rapid context of the South Caucasus. What can we foresee? We can reasonably presume that the Azerbaijani participants, buoyed from their country's victory in the 44-Day war, will deem the question of Nagorno-Karabakh definitively closed. At the same time, we can expect the Armenian participants to claim that the conclusion of hostilities – as tentative and fragile as they may be – will open up new areas of controversies. For our part, at the RSSC SG, we think that controversies, as disquieting as they are, are all the more fodder for careful consideration and discussion.

There is also the question of the involvement of "external" actors in the South Caucasus. No one views this involvement with equanimity. Readers will see that our participants were divided between maintaining the good offices of this or that greater power to facilitate negotiations, while others preferred a trilateral or Caucasus-specific approach. There is no doubt that, until

the Russian Federation started rattling sabers above the Donbas, it had secured a strategically-significant position in the South Caucasus, effectively linking itself militarily from the Caspian to the Black Sea, thanks to its peacekeeping mission on the Armenian-Azerbaijani line of contact. The conditions under which this mission might end are open to question, as many would have an interest in seeing the Russian forces return whence they came. To some of our contributors, "peacekeeping" is a cynical expression.

This Study Group Information booklet sought to consider the role of other great powers, not all of whom are keen to maintain a benevolent façade. The Chinese menace, for instance, is not interpreted with equal gravity by our contributors. Although the Chinese are worming their tentacles into Europe through the South Caucasus, their funding of large infrastructure projects is nevertheless essential to the integration of the region. Opinions are therefore divided as to the implications of this attention, but, if Africa is any indication of the future of a South Caucasian addiction to Chinese money, there are grounds for worry.

Iran is the new variable in an equation which grows in complexity. Our contributors have addressed the question of Iran's interest in the South Caucasus from the territorial, commercial, and imperial points of view. In doing so, they have recalled the rich history of the South Caucasus, and the vast geopolitical importance it can assume, given the right conditions. In this case, the conditions are the rent-seeking opportunities that Iran has lost thanks to the creation of a corridor linking Azerbaijan to Nakhichevan, and the fear that the connection of Iran to Russia may also be lost by virtue of this bisection. Fears of a wider conflagration involving Iran have dissolved, but they raise the specter of a greater diplomatic role for that country.

These are some of the topics that are considered in this double-issue. As always, we hope it will provide food for thought for scholars and policymakers in the region and beyond, and support the elaboration of novel solutions to problems of increasing complexity. The co-chairs have attempted an experiment of sorts, inviting an expert from a totally different area to provide ideas on alternative conflict management based on Track 1 diplomacy (the Arctic Council). During the interactive discussions, this has pro-

vided a new orientation to the definition of policy recommendations. Unfamiliar, perhaps, but definitely new. Brain-storming is always better than storm-trooping, after all.

In 2022, we hope to return to the regular RSSC SG format, with one regional workshop in Spring and the usual Reichenau/Rax workshop in early November. Correspondingly, we shall also return to the normal production schedule of one Study Group Information booklet per workshop with attendant policy recommendations. The situation in the South Caucasus and in the wider Eastern Europe does not augur well, and renewed attention must be cast on the harbingers of instability if Europe is to remain at peace.

21st RSSC SG WORKSHOP: RISKS AND OPPORTUNITIES OF THE EMERGING SOUTH CAUCASUS REGIONAL ORDER

The South Caucasus after the "Summer of Summits"

China's Economic Outreach in the South Caucasus

Yana Leksyutina

China as the second largest economy with rapidly expanding economic footprint all over the world and the economic policies very distinct from those of Western countries has become a focus of international attention. China raises admiration and high expectations from many developing countries, yet causes concerns from the countries that are critical of Chinese economic policies, suspicious of Chinese intentions or face strong competition from China on the external markets. What is usually seen as the most alarming is China's capability and already existing practice to use economic leverage over dependent developing countries to pursue certain political goals.

In some countries or even regions China has managed over a very short time to become a dominant economic power, both in terms of trade, investment, and loans provided. However, in some countries or regions the scale of China's economic footprint is largely exaggerated by experts and in reality it is still very limited. This research paper is intended to provide an estimation of China's current economic outreach in the South Caucasus − a region of high geopolitical importance and a place where various great powers' interests overlap. An analysis of statistics and data on trade, investment, and loans, provided below, would certainly suggest that so far, the South Caucasus remains a low priority region for Chinese economic expansion.

Trade

Over the past two decades, trade relations between China and the South Caucasus have developed considerably: according to China's Customs statistics, from $25 million in 2001 to $3,706 million in 2020 (see Diagram 1) or, according to South Caucasus countries' national data, from $1,102 million in 2009 to $3,998 million in 2020 (see the Diagram 2). However, despite its rapid growth, though from initial low base, China's trade with the region pales in comparison with other South Caucasus' trading partners. In 2020, China − the largest trading nation and exporter in the world, the largest trading partner for over 130 countries in the world − was merely the 4th largest

trading partner for both all three South Caucasus countries combined and for Azerbaijan and Georgia individually (after the EU, Russia, and Turkey). Only for Armenia it was 3rd largest trading partner (or 2nd largest if EU is excluded). China's share in South Caucasus countries varies from minimum 7.5 % for Azerbaijan to maximum 13.6 % for Armenia (see the Table 1), and it is slowly but steadily rising.

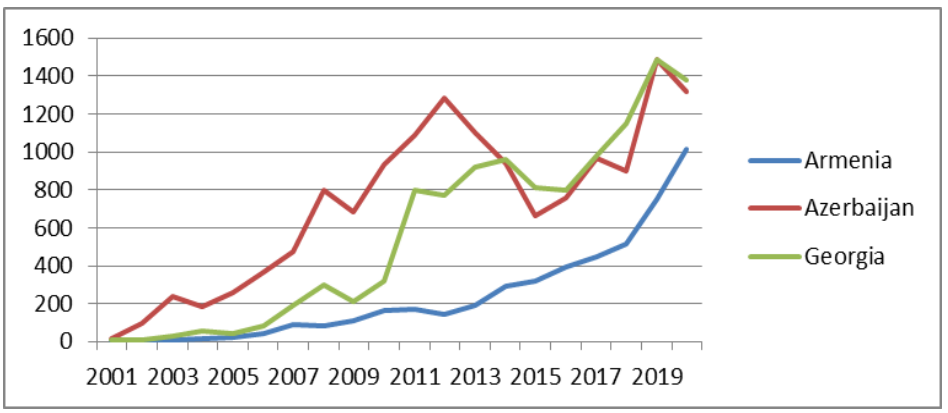


Diagram 1. China's trade with South Caucasus countries, based on China's Customs statistics, 2001-2020, in $ million

Source: General administration of customs, PRC. http://english.customs.gov.cn/

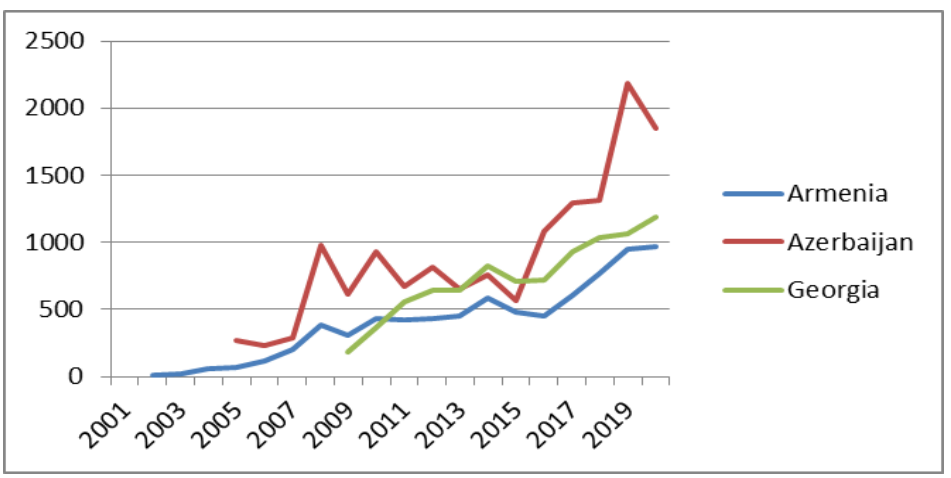


Diagram 2. China's trade with South Caucasus countries, based on South Caucasus countries' national statistics, 2001-2020, in $ million

Source: South Caucasus countries' national statistics

	Russia		EU 27		China		Turkey		total, mln
	€ mln	%	€ mln	%	€ mln	%	€ mln	%	
Armenia	1 887	30.3%	1 117	18%	844	**13.6%**	203	3.3%	6 219
Azerbaijan	2 339	10.9%	7 787	36.3%	1 616	**7.5%**	3 643	17%	21 438
Georgia	1 163	11.7%	2 230	22.4%	1 038	**10.4%**	1 399	14.1%	9 957
South Caucasus	5 389	14.3%	11 134	29.6%	3 498	**9.3%**	5 245	13.9%	37 614

Table 1. South Caucasus' Trade with its largest trading partners, 2020

Source: European Commission. *European Commission Statistics.*[1] https://ec.europa.eu/trade/policy/countries-and-regions/statistics/index_en.htm

In line with general patterns of China's trade relations with developing nations worldwide, China's imports from South Caucasus countries are dominated by raw materials (ores and oil), and exports are largely various machinery and equipment. In terms of composition of China's imports from South Caucasus, it is dominated by two groups of commodities − ores and oil, while other imports are negligible. In 2020, copper and molybdenum ores/concentrates accounted for over 97 % of China's imports from Armenia (as a matter of fact, almost one third of copper ore and 85 % of molybdenum ore exported by Armenia goes to China), copper and precious-metal ores/concentrates − for 94 % of China's total imports from Georgia (over a half of Georgia's exports of these commodities to the world), petroleum oils − for 89 % of China's imports from Azerbaijan.[2]

There is a trade deficit problem for all South Caucasus countries relative to China. According to South Caucasus countries' national statistics, in 2020, Armenia's imports from China were 2.3 times larger than exports to China ($674 against $290 million),[3] Georgia's − 1.5 times ($709 against $477 million), Azerbaijan − 3.3 times ($1414 against $433).[4]

1 European Commission Statistics is based on South Caucasus countries' national statistics.

2 ITC. ITC Trade Map Statistics. https://www.trademap.org/.

3 Statistical Committee of the Republic of Armenia. Socio- Economic Situation of RA, January 2020 (in Russian). Yerevan, 2020. https://armstat.am/file/article/sv_12_20r_411.pdf.

4 The State Statistical Committee of the Republic of Azerbaijan. The Foreign Trade of Azerbaijan. https://www.stat.gov.az/source/trade/?lang=en.

On the positive side, there are some factors that might result in greater trade flows in future. In 2017, Georgia and China signed an FTA (effective as of January 1, 2018), which eliminates tariffs on 96.5 % of Chinese exports and 93.9 % of Georgian exports. A 2015 feasibility study estimated that the full bilateral tariff elimination would result in a 9 % increase in exports and a 1.6-2.2 % increase in imports for Georgia.[5] Substantial increase is expected in the export of wine products, water, mineral water products and other non-alcoholic beverages. Overall, the FTA is believed to result in intensification of bilateral trade between Georgia and China. Moreover, the completion and the launch of Baku-Tbilisi-Kars railway line in 2017 created an alternative route of overland transportation between China and Europe via South Caucasus and may facilitate the cargo freight between China and South Caucasus countries.

Investment

While in trade China and South Caucasus countries have done relatively well, Chinese investment activities in the region are extremely low. According to Chinese official statistics, during the period from 2014 through 2019, China's FDI stock in South Caucasus countries combined have not exceeded $700 million (see the Table 2). Chinese investment in Armenia and Azerbaijan − at least investment that are registered in official statistics (both in Chinese and in these two South Caucasus countries' national statistics) − are negligible.

China's investment in Azerbaijan is mainly concentrated in the oil field and was made in the beginning of this century. China National Petroleum Corporation (CNPC) has been present in Azerbaijan since 2002. In 2002, CNPC through its various affiliates bought the 30 % stake in the Kursangi and Karabagli oil fields in Azerbaijan for $52 million, a 50 % share in Salyan Oil Ltd. In 2003, CNPC acquired 31.41 % in Canub-Qarb Qobustan project. However, compared to other foreign investors, Chinese investment in Azerbaijan's oil is marginal. Chinese companies are also engaged in Azeri non-oil

[5] Joint Feasibility Study on China-Georgia Possible Free Trade Agreement. 2015. P. 116-117.
http://www.economy.ge/uploads/meniu_publikaciebi/ouer/2015.08.28_JFS_China_Geo_FTA-UIBE-final_report-clean.pdf.

sector: according to China's official statistics, more than $30 million has been invested in trade, export support or after-sales services. Various small private enterprises and individual merchants, including restaurants, shops, goods storage and processing enterprises, etc., also have investment in Azerbaijan.

In April 2019, Azerbaijan and Chinese companies signed 10 investment agreements worth $821 million on the sidelines of the second Belt and Road Forum for International Cooperation held in Beijing. The agreements were signed for the construction of a tire factory in the Sumgayit chemical-industrial park (with China National Electric Engineering Company to acquire a 90 % share in this $300 million project) (see the Table below), of a 300-hectare greenhouse complex in the Kurdamir region of Azerbaijan, of agro-industrial development parks in the Guba, Goychay and Khachmaz regions. Moreover, the sides signed the agreement on the establishment of the Asian-European telecommunication corridor within the framework of the "Azerbaijan Digital Hub" initiative in order to coordinate the annual transit of 2500 containers across the territory of Azerbaijan, traveling along the Trans-Caspian International Transport Route.[6] However, whether these plans ever come to reality are yet to be seen, given multiple instances of announced yet never materialized Chinese investment and projects (not necessarily because of Chinese side' fault).

Even in Georgia (the main destination of Chinese investment in South Caucasus), Chinese FDI stock (at $671 million) in 2019 was almost of the same amount as Chinese FDI stock in such countries as Belarus, the Philippines, Chad, Uganda or Trinidad and Tobago − not the most attractive destinations for foreign investment. Such poor Central Asian countries, like Kyrgyzstan and Tajikistan attract much more Chinese capital than Georgia: in 2019, Chinese FDI stock in Kyrgyzstan totaled $1,550 million and in Tajikistan − $1,946 million.

6 "Azerbaijani and Chinese companies in Beijing sign contract worth $821 million." Azerbaijani Vision, April 24, 2019. https://en.azvision.az/news/104388/azerbaijani-and-chinese-companies-in-beijing-sign-contract-worth-$-821-million.html.

	Armenia	Azerbaijan	Georgia	SC
2007	1.3	10.2	42.9	59.4
2008	1.3	9.5	65.9	76.7
2009	1.3	12	75.3	88.6
2010	1.3	12.4	130	143.7
2011	1.3	30.1	109	140.4
2012	1.3	31.7	178	211
2013	7.5	38.3	331	376.8
2014	7.5	55.2	546	608.7
2015	7.5	63.7	534	605.2
2016	7.5	28.4	550	585.9
2017	30	28	568	626
2018	49.6	9.3	640	698.9
2019	12.9	7.8	671	691.7

Table 2. China's FDI stock in South Caucasus countries in 2007-2019, US$ million

Source: Ministry of Commerce of the PRC

	Armenia	Azerbaijan	Georgia
2007	N/A	-1.2	8.2
2008	N/A	-0.7	10
2009	N/A	1.7	7.8
2010	N/A	0.4	40.6
2011	-	17.7	0.8
2012	-	0.3	68.7
2013	-	-4.4	109.6
2014	-	16.8	224.4
2015	-	1.4	44
2016	-	-24.7	20.8
2017	4	-0.2	38.5
2018	19.6	-1.1	80.2
2019	-	0.9	56.9

Table 3. China's FDI flows in South Caucasus countries in 2007-2019, US$ million

Source: Ministry of Commerce of the PRC

	Armenia	Azerbaijan		Georgia	
2007	N/A	N/A	N/A	6	0.3%
2008	N/A	N/A	N/A	-2.3	-
2009	N/A	N/A	N/A	-2.2	-
2010	N/A	N/A	N/A	-7.9	-
2011	N/A	N/A	N/A	30.4	2.7%
2012	N/A	N/A	N/A	70.2	6.7%
2013	N/A	N/A	N/A	101.1	9.7%
2014	N/A	N/A	N/A	220.1	12%
2015	N/A	N/A	N/A	66.9	3.9%
2016	-	N/A	N/A	25.5	1.5%
2017	-	N/A	N/A	19.4	1%
2018	-	N/A	N/A	76	5.8%
2019	-0.015	12.1	0.3%	43.8	3.3%
2020	N/A	7.7	0.2%	-35.5	-

Table 4. China's FDI flows in South Caucasus countries in 2007-2020, US$ million

Source: official national statistics of relevant South Caucasus countries

Based on China's Ministry of Commerce data (see Tables 2 and 3), since 2014, Chinese capital inflow in South Caucasus has not accelerated (as many experts expected given China's BRI's launch since 2013), on the contrary, in some instances even dropped. In Azerbaijan, there has been an outflow of Chinese capital for several consecutive years (2016- 2018). China's FDI flows in Georgia reached its peak in 2014 at $224 million due to large one-time investment, and then abruptly dropped to $44 and $21 million in 2015 and

2016 respectively. Chinese promises, including those associated with the BRI, fall short of the reality, with most of the promised investment has not yet realized and most joint undertakings announced remain in the planning stage.[7] For example, in 2012, Liu Bo, Economic and Commercial Counsellor of the Embassy of the PRC in Georgia, suggested that $1.7 billion Chinese investment is presumed to be flowing into Georgia in the next five years.[8]

In 2014, when Chinese FDI flows reached its peak in Georgia, China was 3rd largest investor for this country, with a share of 12 %, after the Netherlands ($420.5 million) and Azerbaijan ($340.5 million) (see the Table 4). However, in 2019, China accounted for mere 3.3 % of Georgia's FDI inflows, and in 2020 there was an outflow of Chinese FDI from the country.

The China Global Investment tracker − a data set covering China's global investment and construction larger than $100 million − records only 3 Chinese FDI projects in Georgia in 2005 - 2020, with China's Hualing group as an investor (see the Table 5). As a matter of fact, China's largest investor in Georgia is Hualing Group, which is involved in the fields of shopping centres and wholesale stores construction, rental and management, foreign trade, hotels network construction and management, project development, natural resources, energy and the development of animal husbandry projects and charities. Hualing Group started investment in Georgia in 2007, and so far has implemented 8 projects: Hualing Tbilisi Sea New City, Hualing Tbilisi Sea Plaza, Youth Olympic Village, Kutaisi Hualing Free Industrial Zone, Hualing Hotels & Preference Tbilisi, Hualing Fund Hotel, Hualing Hotel in Kutaisi, and Hualing Wood Development.[9] Specifically, Hualing is engaged in mining (marble and gold mining) and timber-cutting. In 2012, Hualing acquired 90 % of stake of the Georgian Basisbank (founded in 1993, the

---

7 Huseynov, Vasif, and Rzayev, Ayaz. "Is China's Economic Expansion in the South Caucasus a Myth?" The Diplomat, November 29, 2018. https://thediplomat.com/2018/11/is-chinas-economic-expansion-in-the-south-caucasus-a-myth/.

8 "Chinese will Invest up to 1.7 Billion USD in Georgia in Next 5 Years." The Financial, April 9, 2012. https://finchannel.com/chinese-will-invest-up-to-1-7-billion-usd-in-georgia-in-next-5-years/.

9 Hualing Georgia. About Hualing Georgia. http://hualing.ge/language/en/hualing-georgia/.

Basisbank ranked 11th among Georgia's 19 existing commercial banks in terms of total assets), thus becoming the first Chinese private enterprise to acquire a commercial bank overseas.[10]

year	investor or builder	amount	type
2020	China Railway Engineering	310M	Construction
2019	China Railway Construction	390M	Construction
2019	China State Construction Engineering	120M	Construction
2017	Dongfang Electric Corporation	250M	Construction
2016	China National Chemical Engineering	160M	Construction
2015	Power Construction Corp. (PowerChina)	100M	Construction
2012	Hualing (construction of Hualing Tbilisi Sea New City)	170M	Investment
2012	Power Construction Corp. (PowerChina)	130M	Construction
2012	Hualing	100M	Investment
2011	China Railway Construction	340M	Construction
2010	Hualing Group & Boda Group (establishment and operation of Kutaisi Hualing Free Industrial Zone)	100M	Investment
2008	MCC	200M	Construction

Table 5. China's major investment and construction projects in Georgia, 2005 - 2020

Source: China Global Investment Tracker. https://www.aei.org/china-global-investment-tracker/; also supplemented by other sources.

Hualing Group joined Shanghai Boda Group to invest at least $100 million and operate Free Industrial Zone (FIZ) in Kutaisi, a city that is well connected by the country's rail and road network and is within 100 kilometres of the Black Sea port of Poti. There are currently five enterprises operating

[10] "Chinese firm acquires Georgian commercial bank." China Daily, July 4, 2012. https://www.chinadaily.com.cn/bizchina/overseascnep/2012-07/04/content_15866377.htm.

in Hualing Kutaisi FIZ: wood processing, furniture production, stone processing, metal constructions and mattresses production. Georgia's FIZs attract Chinese investors as they provide a number of institutional, logistical advantages, tax exemptions, and goods produced there fall within free trade regimes that Georgia enjoys with multiple countries. FIZs are particularly useful for China for transporting manufactured goods to EU markets, since the goods are waived of all taxes except personal income. In 2017, another Chinese group − the China Energy Company Limited − acquired 75 % stake of Georgia's Poti FIZ. The Chinese company undertook to invest not less than $150 million there over three years.[11]

Important factors contributing to Chinese FDI inflows in Georgia are the country's geographic advantageous location on the Black Sea, its liberal investment regime and accession into various preferential custom zones. Georgia has the most liberal trade policy of all South Caucasus countries.[12] Georgia has signed a Deep and Comprehensive Free Trade Agreement with the EU (signed in 2014 and effective since 2016), bilateral FTA with China (signed in 2017 and effective since 2018), Turkey, and the CIS countries, it enjoys free trade regime with EFTA (Switzerland, Liechtenstein, Iceland, Norway), and preferential trade GSP with the US, Canada and Japan.

BRI, Infrastructure Development, Loans

The launch of BRI, which initially aimed to connect China with Europe via multiple transport corridors and routes, has led to high expectations from South Caucasus countries, specifically those that could be considered as an important transport hubs; Azerbaijan and Georgia. Given its position at the Black Sea, with several ports such as Batumi, Poti and Anaklia, Georgia seeks

11 "Free Industrial Zone in the city of Porti, Georgia." Georgia Wealth, March 12, 2021. https://georgiawealth.info/en/free-industrial-zone-in-the-city-of-poti-georgia/.

12 While Armenia and Georgia have been members of the WTO since 2003 and 2000 correspondingly, Azerbaijan is still in the accession process. Armenia is a member of the Eurasian Economic Union (which have a single economic market), and in 2017, it has also signed with the EU a Comprehensive and Enhanced Partnership Agreement, which gives the country a GSP+ trade regime.

to function as transport and logistics hub for the entire region and particularly for China's BRI.[13] Azerbaijan also has its own ambitions to be considered the main country on the route connecting Asia and Europe. Despite lacking advantage of having excess to the sea, Armenia also has plans to integrate itself into China's BRI transport corridor system. In Armenia, the most notable activity has been China's interest in connecting the Black Sea and the Persian Gulf. In this regard, China Communications Construction Company carried out a feasibility study for the construction of the Southern Armenia Railway project to connect the Black Sea and the Persian Gulf.[14]

In order to integrate itself into China's Eurasian transport connectivity projects, South Caucasus countries endorsed the BRI and in 2015 one by one signed Memorandums of Understanding on promotion of cooperation in building the Silk Road Economic Belt with China.

Beijing has been considering the Trans-Caucasus Transit Corridor as one of the multiple options for China to connect with Europe. In 2015, China tested the connection efficacy between the Xinjiang to Georgia's Poti port, via Kazakhstan and Azerbaijan. Several other tests were carried out by China afterwards to explore the viability of the trade and transit route through the South Caucasus.[15]

The Trans-Caucasus Transit Corridor − a network of roads, railroads, seaports, etc. − envisages connecting China with Europe via Kazakhstan by railway (all the way to Kazakhstan's port of Aktau), through Caspian Sea (by a ferry connecting Kazakhstan's port of Aktau with Baku-Alat port), via Azerbaijan, Georgia and Turkey by rail connections. In Georgia the route splits in Samtredia into two branches – one going to the Georgian ports of

---

13 Avdaliani, Emil. "Growing Chinese Interests in Georgia." The Central Asia - Caucasus Analyst. March 15, 2018. https://www.cacianalyst.org/publications/analytical-articles/item/13503-growing-chinese-interests-in-georgia.html.

14 Kohli, Harinder, and Linn, Johannes, et al. China's Belt and Road Initiative: Potential Transformation of Central Asia and the South Caucasus. Sage Publications Pvt. Ltd, 2019. P. 138-139.

15 Avdaliani, Emil.

Batumi and Poti and another to Kars in Turkey and westward by rail or road to various European cities.[16]

As a matter of fact, transport infrastructure in South Caucasus has long been underdeveloped. The task of strengthening connectivity, developing transport infrastructure and integrating within regional and international transport systems has long been on the agenda and one of priorities for South Caucasus countries.

Over the past years, Azerbaijan's government invested heavily in infrastructure projects along the Trans-Caucasus Transit Corridor. The major investment projects include the new Baku port in Alat, construction of the Baku-Tbilisi-Kars railway,[17] rehabilitation of the E-60 road between Baku and Ganja and onward to the Georgian border.[18]

Apart from the Baku-Tbilisi-Kars railway, there is one more strategic project in the development of transport corridors − the construction of Georgia's first deepwater container port, Anaklia Deep Water Port on the east-ern edge of the Black Sea, capable of processing 100 million tons of cargo annually and of receiving ships up to post-Panamax size. The project was conceived by Tbilisi as restoring historical Silk Road and as meant to become an important component in the BRI. Chinese investors were engaged into negotiations with Georgian partners to get involved into this project, however, in 2016, the $2.5 billion contract to construct and develop the Anaklia Deep Water Port was instead awarded to the Anaklia Development Consortium (ADC),[19] a joint US-Georgia venture. Reportedly, the ADC offered more

---

16 The World Bank. South Caucasus and Central Asia: Belt and Road Initiative Azerbaijan Country Case Study. June, 2020. https://openknowledge.worldbank.org/bitstream/handle/10986/34329/South-Caucasus-and-Central-Asia-The-Belt-and-Road-Initiative-Azerbaijan-Country-Case-Study.pdf?sequence=1&isAllowed=y.

17 The Baku-Tbilisi-Kars railway project began in 2007 with the signing of an agreement between Azerbaijan, Georgia, and Turkey. It has been completed in 2017.

18 The World Bank. South Caucasus and Central Asia: Belt and Road Initiative Azerbaijan Country Case Study.

19 Out of a total value of $2.5 billion, the Georgian government has offered $110 million, with the rest has come from the ADC.

favourable employment prospects than Chinese investors.[20] However, in January 2020, after a series of accusations and controversies Georgia's Government cancelled the contract with the ADC to develop the Anaklia port and started to look for a new investor. At the time of the writing of this research paper, it is still to be seen whether Chinese or any other investors will get this strategically important project.

In stark contrast to Chinese economic activities elsewhere in the developing world (specifically Central Asia, Africa, South East Asia, Latin America), so far China has not participated in South Caucasus's infrastructure development projects in the capacity of large investor or creditor. In Azerbaijan, for example, most of the infrastructure projects have been financed not by China, but by the Azerbaijan's Government[21] and various multilateral development banks, such as the World Bank, the European Bank for Reconstruction and Development, the Asian Infrastructure Investment Bank, the European Investment Bank. Azerbaijan even approved a loan of $770 million to Georgia for the construction of the Akhalkalaki–Kars section and for rehabilitation of the existing route through Georgia within the framework of the Baku-Tbilisi-Kars railway.[22]

Georgia too has been investing substantially in infrastructure projects in its section of the Asia-Europe route. Tunnels and bridges along the rail connection between Azeri border and Tbilisi were rehabilitated. The port of Poti was modernized with EU funding. In 2019, the U.S. Overseas Private Investment Corporation signed a $50 million loan agreement with the Georgian-American transport company PACE Group for development, construction and operation of a new multifunctional marine terminal at the port of Poti. In cooperation with the World Bank, the Asian Development

---

20 Bradly, Jardine. "With Port Project, Georgia Seeks Place on China's Belt and Road." Eurasianet, February 21, 2018. https://eurasianet.org/with-port-project-georgia-seeks-place-on-chinas-belt-and-road.

21 For example, the BRI-relevant Alat port in Azerbaijan was financed by the Azerbaijan's Government.

22 Kohli, Harinder, and Linn, Johannes, et al., 134-135.

Bank,[23] Asian Infrastructure Development Bank,[24] and other MDBs, Georgia has been expanding the East-West Highway.[25] There are a number of other road connectivity projects that are currently implementing in Georgia and other South Caucasus countries, with several of them BRI-relevant (in a sense that they promote connectivity between China and Europe). In most cases they are financed by the South Caucasus's governments or through loans from various MDBs, such as ADB, AIIB, and EIB, etc.

Germany	705,484	Turkey	9,406	**China**	**464**
France	557,485	Kuwait	8,698	Netherlands	244
Japan	199,569	Kazakhstan	6,464	Turkmenistan	211
Russia	34,649	Azerbaijan	4,850	Uzbekistan	26
Austria	17,911	Armenia	4,607	Ukraine	24
U.S.	15,094	Iran	3,594		

Table 6. Georgia's external public debt distribution on a bilateral basis, as of July 31, 2021, in $ thousand USD

Source: Ministry of Finance of Georgia. https://www.mof.ge/en/4409

It seems that so far South Caucasus countries have been very cautious in considering China as a borrowing option for their infrastructure projects and beyond. In contrast to many developing countries and specifically some Central Asian countries, which are heavily indebted to China, South Caucasus countries' debt to China is insignificant. As of July 31, 2021, Georgia's debt to China was mere $0.5 million, while debt to Germany and France was at $705 million and $557 million respectively (see the Table 6). Chinese EximBank's share in Armenia's external government debt was only 0.5 % (or $22.7 million), and the largest countries-creditors were Russia and Germany

[23] In 2018, a loan of $300 million was approved by ADB to support a four-lane, 12km road construction on the East-West highway between Khevi and Ubisa in Georgia. In 2019, ADB approved $278 million loan for construction and rehabilitation of 14.7km dual carriageway between Shorapani and Argveta on East-West Highway in Georgia. See: "ADB grants $278m loan to improve East-West Highway in Georgia." World Construction, November 27, 2019. https://www.worldconstructionnetwork.com/news/adb-grants-278m-loan-to-improve-east-west-highway-in-georgia/.

[24] Georgia received a $114 million loan from the AIIB for the construction of 14.3 km of Batumi bypass road − a part of the East-West Highway of Georgia.

[25] Avdaliani, Emil.

with shares at 7.3 % and 6 % respectively (see the Table 7). In general, Georgia and Armenia primarily borrow from multilateral development banks (see the Diagram 3 and the Table 7). Moreover, in a historical retrospective, since 2012, Georgia has considerably reduced its debt to China: from $4.8 to $0.9 million, according to the World Bank's data (see the Table 8). Armenia's debt to China is almost the same, as it was in 2016 (see the Table 8).

Russia	7.3	U.S.	0.3	**EximBank of China**	**0.5**
Germany	6.0	Japan	4.6	Commercial banks	0.4
France	3.2	Abu-Dabi Fund	0.1	Multilateral creditors	77.6

Table 7. Armenia's external government debt by creditors[26], as of July 31, 2021, in %

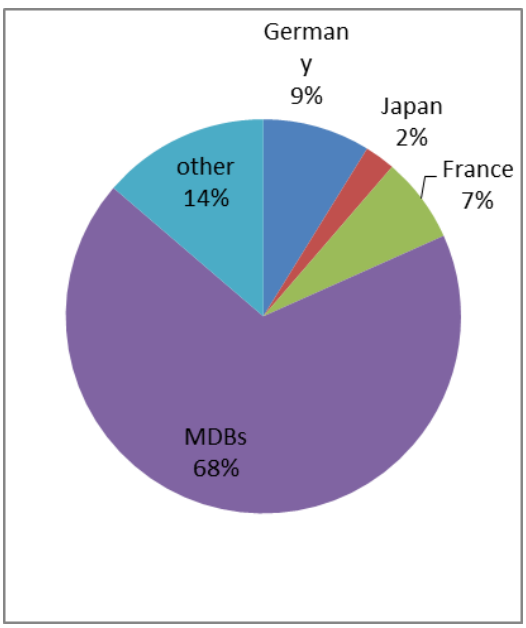


Diagram 3. Georgia's external public debt distribution, as of July 31, 2021[27]

[26] Armenia's external government debt as of July 31, 2021 was $4,538.1 million. Source: Ministry of Finance of Armenia. https://minfin.am/en/page/monthly_statistical_bulletin/.

[27] External public debt of Georgia as of July 31, 2021 was $8,002.5 million. Source: Ministry of Finance of Georgia. https://www.mof.ge/en/4409.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
A	N/A	N/A	N/A	N/A	N/A	20.4	22.4	23.9	22.7	22.2	N/A
G	4.5	4.8	4.8	4.4	3.9	3.2	2.6	2.3	1.8	1.3	0.9

Table 8. Armenia (A) and Georgia's (G) external debt stocks to China and to the world, $ million USD (World Bank)

South Caucasus countries' cautions approach to borrowing from China is one of the reasons of a low level of China's involvement into the region's infrastructure development. The other reason is that for Beijing the Trans-Caucasus Transit Corridor plays a marginal role in China's mapping of network of transit corridors and routes connecting China with Europe. It should be seen as supplementary rather than alternative corridor to the New Eurasian Land Bridge or the China-Mongolia-Russia Corridor.

Nevertheless, Chinese construction companies are interested in getting contracts for infrastructure projects in the South Caucasus. In contrast to Chinese practice to act as both creditor and contractor for the same project, in South Caucasus Chinese companies primarily act as contractors only (for projects primarily financed by various multilateral development banks). Chinese companies have received contracts to construct or modernize highways and railways in Georgia and Armenia. For example, in Armenia, Chinese contractors have been implementing part of a construction of the North-South Road Corridor. According to Chinese Ministry of Commerce's statistics, in 2019, Chinese companies signed 11 new engineering contracts in Georgia, with a newly signed contract value of $498 million. Newly signed large-scale engineering contracting projects included the F1 and F4 sections of the Georgia E60 East West Highway construction project and a new 13 km-long Kvesheti-Kobi road construction project. In Azerbaijan in 2019 Chinese companies signed 13 new contracts valued at $124 million. China's contracted projects in South Caucasus are also in the field of communication and power stations.

Conclusion

Unlike other developing regions, China's economic engagement with the South Caucasus remains very limited. China keeps a low profile in both economic and political affairs of the region. On a high level, China has friendly

and very good working relations with all South Caucasus countries. Still, China's current interest in the South Caucasus is rather a desire to keep some economic presence in the region, but South Caucasus is not a priority region. There are no specific platforms for China's cooperation with the region, like, for example, platform 17+1 for Beijing's cooperation with Central and Eastern Europe, or the SCO or China+5 for cooperation with Central Asia, or Forum on China-Africa cooperation, China-CELAC forum, etc. There are also no Chinese policy papers, so-called White Papers, on developing relations with South Caucasus.

In the South Caucasus there have been high expectations that the Belt and Road Initiative would bring new dynamics to China's economic engagement with the South Caucasus. So far, these expectations have not been met. Despite the BRI and South Caucasus positioning as one of a BRI transit routes between China and Europe, the South Caucasus is still a low priority region for China and Chinese state-led companies.

China's modest economic footprint and limited capital inflows into the South Caucasus can be attributed to several factors:

First, China does not have direct borders with the region, the South Caucasus is quite distant from China and there are still problems in transport connectivity between China and the region. There are not only problems connected to physical transport infrastructure, but also problems with customs clearance and the duration of customs procedures.

Second, South Caucasus countries have very small markets for China to consider the South Caucasus as a priority region for economic expansion. Armenia, Azerbaijan and Georgia have a combined population of mere 17 million people. Typically, Chinese companies target countries which are big and populous and present large consumer markets for Chinese manufactured goods.

Third, in the South Caucasus, China faces very strong economic competition with other countries, such as the EU, Russia, Turkey, the US, Iran. In the sphere of extending financial assistance (loans), MDBs overtake China in the region. All in all, China is in a strong competition with multiple actors in getting into region's infrastructure projects as a contractor, investor or a

creditor. For example, in 2010, China's Sinopec lost the bid for the 5.6 % share of the US's Devon Energy in the international consortium operating the giant Azeri-Chirag-Guneshli oil and gas project, eventually the stake was sold to British Petroleum for $2 billion.[28] In Georgia, China lost its bid for the construction and management of strategically important Anaklia Deep Water Port, the contract was awarded to the joint US-Georgia company.

Fourth, in general, while investing, China is focused on mergers and acquisitions deals in the technology sector or on buying stakes in international brands. However, such aspirations are usually applied to the developed countries. South Caucasus has a small number of innovative companies in the high-tech or international brands.

Fifth, in developing countries, Beijing usually looks for investment in mining, extraction of natural resources and specifically extraction of hydrocarbons which then can be exported to China. However, so far, all existing pipeline infrastructure goes either to Russia's direction or to Europe via Turkey. Since 1990s, there has been circulating an idea of the construction of a Trans-Caspian gas pipeline to bring Turkmen gas to the Azerbaijan's shores and then to Europe via Turkey. Theoretically, a Trans-Caspian gas pipeline can transport gas in the opposite direction − it can transport Azerbaijan's gas eastwards to China via Central Asia. Though it is totally different from the original and generally promoted idea of a Trans-Caspian gas pipeline going westwards, officials in Azerbaijan and Kazakhstan, reportedly, have publicly elaborated on the idea of gas being transported eastwards via a Trans-Caspian gas pipeline.[29] However, so far, there is no negotiations on this issue, and China is considering other gas pipelines projects (like the line D of the Central Asia-China gas pipeline or Power of Siberia 2 gas pipeline) or other options of gas imports (like liquid natural gas – LNG).

Sixth, South Caucasus countries' economic policies also constrain China's economic expansion in the region. For example, South Caucasus countries are very cautious when borrowing money from China. So China cannot use

---

[28] UK Foreign & Commonwealth Office. China in the South Caucasus. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/317660/China_in_the_South_Caucasus.doc.

[29] Ibid.

the provision of loans as leverage for getting contracts for Chinese companies with embedded conditionality (which China traditionally does in developing countries).

Shusha Declaration:
Regional Perspectives for Azerbaijani-Turkish Alliance

Ahmad Alili

Introduction

The 44-day war between Armenia and Azerbaijan, which started on 27 September 2020 and ended on 10 November 2020, created a new geopolitical reality in the South Caucasus. As a result of the war, the geopolitical and security realities established after the Soviet system collapsed in the South Caucasus was replaced by something new that needs to be understood.

The South Caucasus region has always been an important area due to its geopolitical location and fossil-fuel resources. In addition, it is the region situated between Turkey, Russian and Iran. Alongside the abovementioned factors, the region being full of various ethnic and religious groups, the geopolitical influence of the 'other' powers to the region always shaped the internal security landscape of the area also. Since 1828, Russia (Russian Empire, Soviet Union and Russian Federation in the previous days) could influence the regional issues more than others.

From 1992 until the present, the Nagorno-Karabakh dispute between Azerbaijan and Armenia was the most prominent conflict problem. Two out of three nations in the region were engaged in this conflict; hence effective control over this issue would grant unlimited power in regional security, public policy, regional integration and economic policy affairs. The ineffectiveness of the international efforts, the lack of implementation of the UN Security Resolutions on the conflict, the OSCE Minsk Group unproductive activity would lower the global public policy actors' influence in the region, and as a result, increase the impact of the regional foreign policy actors. Hence, it would allow Russia to be the regional power broker in May 1994, April 2016, and November 2020. The Tripartite statement, which ended the military actions in the Karabakh region, introduced a new player to the regional affairs: Turkey.

Russia and Turkey decided to establish a common monitoring centre to review the activity of the war parties in Karabakh and monitor the peacebuilding operation. In addition, Russia would have its soldiers boots on the ground. The day following the signing of the Tripartite statement, Russian President Vladimir Putin, during the interview to the Russian TV, explained the absence of the Turkish soldiers as having to do with the 1915 events and the Armenian public's memory of these events. After several months of the Tripartite statement signing, Azerbaijan and Turkey would sign a document entitled the 'Shusha declaration' in Shusha, Karabakh. This document would usher in a new regional order which this paper examines.To understand the regional reality in the South Caucasus in the aftermath of the 44-day war, the paper intends to present brief outcomes to the war and the regional and international affairs which created a need for the Shusha declaration. The Factsheet of the Shusha declaration will be reviewed.

The Outcomes of the 44-Day War, which Created the Need for the Shusha Declaration

In the pre-44-day war situation, Russia was the dominant force in regional affairs. Its influence among the OSCE Minsk Group (OSCE MG) co-chair countries also was unshakable. As the result of the 2020 Karabakh war, Russia has to share its regional dominance with Turkey. Another result of the 2020 Karabakh war is that Russian dominance in the South Caucasus is questioned. Hence, many other foreign players try to get more presence in the regional affairs, including Iran and Turkey. The 2020 Karabakh War also created a model of the 'small-sized countries' regaining control over the breakaway regions, taking control back from other countries in its sovereign territories.

Factsheet about the Shusha Declaration

History of the Shusha Declaration

The Shusha Declaration was signed in Shusha on 15 June 2021 by the Presidents of the Republic of Azerbaijan Ilham Aliyev and the Republic of Turkey Recep Tayyip Erdogan in two originals Azerbaijani and Turkish languages.

Legal basis of Shusha Declaration

This declaration is based on the following international documents signed between Azerbaijan and Turkey.

1. The Treaty of Kars dated 13 October 1921;
2. The Agreement between the Republic of Azerbaijan and the Republic of Turkey on the development of friendship and comprehensive cooperation and the Protocol on cooperation and mutual assistance between the Republic of Azerbaijan and the Republic of Turkey, signed on 9 February 1994;
3. Strategic partnership and mutual assistance between the Republic of Azerbaijan and the Republic of Turkey, signed on 16 August 2010.

The Prisms Covered by the Statement

1. Based on the friendship and brotherhood between the two countries and their peoples, to emphasise that raising the relations between the Republic of Azerbaijan and the Republic of Turkey to a qualitatively new, allied level serves the interests of the two countries and their peoples;
2. Recognise the importance of combining the opportunities and potential of the two countries in the political, economic, defence, cultural, humanitarian, health, education, social, youth and sports spheres in the protection of common interests;
3. To adhere to the principles of solidarity and mutual assistance in bilateral and multilateral formats on issues based on national interests, such as independence, sovereignty, territorial integrity of the Republic of Azerbaijan and the Republic of Turkey, and the inviolability of internationally recognised borders;
4. To unite efforts in advancing interaction aimed at the sustainable development of the Turkic world at the regional and international levels;
5. Emphasise the importance of continuing joint efforts to ensure global and regional peace, stability and security following the principles and norms of international law, including the Charter of the United Nations;
6. To emphasise the need to coordinate activities on regional and international strategic issues of common interest;

7. Comprehensive consideration of the prospects for further expansion and deepening of bilateral relations between the Republic of Azerbaijan and the Republic of Turkey.

Deciphering the Shusha Declaration

The declaration leads to the "Platform of Six" (3+3) in the South Caucasus. Now, thanks to the Shusha Declaration – Turkey's position being affirmed in the region – the Kremlin will have to tolerate the other players in the region, including Iran and Turkey. Non-Aligned Movement members (NAM) – a forgotten movement in international affairs – have played their share in these developments. Hence, it's an additional impetus for the development of this organisation.

Azerbaijan becoming part of the CSTO (Collective Security Treaty Organization) is under question as to a result of the Shusha Declaration.

The Shusha Declaration aims to lay the legal basis for the existing deep Turkish-Azerbaijani relations in the military, political, economic, and cultural spheres. So far, several declaratory documents have been signed between Turkey and Azerbaijan. The Shusha Declaration once again emphasised the issues of existing bilateral agreements, formalising the level of relations that transcended the diplomatic and military cooperation between the countries reflected in previous documents.

It is not by chance that the Kars Peace Treaty is mentioned in the Shusha Declaration. The Kars Agreement has also been mentioned in the Strategic Partnership Agreement signed between Turkey and Azerbaijan in 2010. The Kars Agreement essentially continues the previously signed Moscow Treaty between Turkey and Bolshevik Russia. The Shusha Declaration is a slightly more detailed revision of the strategic collaboration agreement signed in 2010.

The most important is the Strategic Partnership and Mutual Assistance Agreement between Azerbaijan and Turkey, which the Azerbaijani Parliament adopted on 21 December 2010. The document allows for collaboration between the two countries in critical areas. The interstate declaration signed by Turkey and Azerbaijan in Shusha is also an international treaty. Regarding

its legal validity, according to international law, any treaty signed by a country has a presumption of validity.

Article 5 of the declaration is strictly regulated by the NATO member states of which Turkey is the most important in the South Caucasus. The general content is that armed attacks on one or more of them in Europe or North America are considered as an attack on them as a whole. In particular, if there is an occupation of Turkish land, it is a declaration of war against all alliance members. In addition, Article 8 provides that treaties signed by the Member States with other states cannot conflict with NATO's obligations. Therefore, the Shusha Declaration does not contradict Turkey's commitments to NATO. If Turkey used military force for the benefit of Azerbaijan, this has nothing to do with its NATO obligation. If this happens, the position of NATO countries will be political, whether it is support or judgment. The evolution of Turkish-Azerbaijani ties, a more profound association of the two countries, will help strengthen, not lose, the independence of Azerbaijan. A deeper alliance of the two countries will help enhance, not destroy, the freedom of Azerbaijan.

Comparing Armenian-Russian relations to Azerbaijani-Turkey relations is not accurate. There are many instances where Azerbaijan has demonstrated that it acts as an independent member of the international community: Azerbaijan has not recognised the independence of Northern Cyprus. Baku and Ankara also have various stands on some issues in the global plan, which is reflected during the UN General Assembly voting.

The chaotic nature of the traditional system of international relations encourages regional centres of power to reach different platforms on multiple levels. In recent years, Turkey's vision of a multilateral foreign policy also stemmed from this chaos.

Conclusion

In conclusion, we can state the following significant outcomes:

1. Azerbaijan got as close to NATO as possible. NATO membership is a "dangerous narrative" from the Russian perspective. Hence, for many Russian neighbours and former Soviet countries, expressing the will to

become a NATO member is a dangerous move. Without any open messages to become a NATO member, Baku managed to sign a document with NATO member country – Turkey – in this case, hence coordinating its defence with NATO. Basically, Azerbaijan has become a "Major non-NATO ally" for Turkey. "Major non-NATO ally" is the status previously granted by Washington to the countries such as Israel, Japan, etc. In this case, Turkey offered the same position to Azerbaijan.

2. Azerbaijan-Turkish Alliance created a new model for resolving the conflicts around the CIS region. In previous decades, it was believed that only becoming an active member of one of the leading political-military alliances would boost countries' self-defence and regain control over the territories lost to others. The 2020 Karabakh war demonstrated that the deep integration of the two countries' military, political and media management infrastructures could also play an essential role in this regard.
3. The Shusha declaration (and the NAM membership) limits Azerbaijan from becoming a new full member of CSTO. Azerbaijan has a NAM membership, which prohibits it from becoming a member of any significant military alliance. Therefore, the Shusha declaration was a well-created balance between a NATO member country and not losing the NAM membership. At the same time, this declaration and NAM membership is a pretext for Azerbaijan to limit its relations with Russian-led CSTO.
4. The Shusha declaration is a document signalling the new international and security status quo of the South Caucasus. With Georgia having publicly declared NATO and EU aspirations, Azerbaijan having closer military and diplomatic links with NATO member Turkey, the region loses its "Russian backyard" status and becomes a "Russian-Turkey" playground. Turkey-Azerbaijan proposed a "3+3 platform", and Russian willingness to support this platform is the most vivid demonstration of Russia accepting the increased role of Turkey in the South Caucasus and hence the emergence of the new international and security status quo in the region. When the "3+3 platform" was proposed by Turkey in the late 2000s, it was not acceptable to the Kremlin back then.
5. The normalisation of Azerbaijan-Armenia-Turkey ties cannot occur against Russia's will. Turkey is entering the Caucasus through Azerbaijan, and it will first be interested in normalising relations with Armenia. Hence the Shusha Declaration opens new cooperation opportunities.

The Regional Security Dynamics of the South Caucasus after the 2020 Karabakh War: View from Armenia

Benyamin Poghosyan

The 2020 Karabakh war has significantly shifted the geopolitics of the South Caucasus. Armenia suffered a tough defeat while the non-recognized Republic of Artsakh (Nagorno Karabakh) lost almost 80 percent of its territories. Azerbaijan won a decisive victory and took not only territories outside of the former Nagorno Karabakh Autonomous Region (NKAR) but 30 percent of NKAR itself.

The November 10 trilateral statement signed by Armenia, Azerbaijan, and Russia not only stopped the war in Karabakh but ushered in a new era in regional geopolitics.[1] The key features of the new status quo are the increased role of Russia and Turkey and the significant reduction of Western involvement. However, the South Caucasus is far away from stability, and, most probably, volatility will continue. We will seek to analyze the main interests of the key regional and external players and what may play out in a short/mid-term perspective.

Armenia

The defeat in the 2020 Karabakh war triggered an acute political crisis in Armenia. Part of society blames the acting Prime Minister Pashinyan as the main culprit of the catastrophe. They were mostly united around the second President of Armenia – Robert Kocharyan.

Kocharyan governed from 1998 to 2008 and left a mixed legacy. He stabilized the economy after the chaotic 1990s and registered a double-digit GDP growth in the 2001-2007 period. In his foreign policy, Kocharyan deepened strategic relations with Russia while developing a partnership with Euro-At-

[1] Statement by the President of the Republic of Azerbaijan, the Prime Minister of the Republic of Armenia and the President of the Russian Federation, http://en.kremlin.ru/events/president/news/64384.

lantic institutions. Armenia signed its first IPAP with NATO in 2005, Armenian peacekeepers were deployed in Iraq and Kosovo, and the US government-funded Millennium Challenge Corporation signed a 235.6 million USD agreement with the Armenian government to reduce rural poverty in March 2006.

Kocharyan's rule was also marked by election fraud – including during the 2003, 2008 presidential, and 2003 and 2007 parliamentary elections – and a growing nexus between business and state apparatus. However, the significant stains on Kocharyan's rule were the assassination of the Prime Minister, Parliament Speaker, and other officials on October 27, 1999, and the violent clashes between protestors and police on March 1, 2008, which left ten people dead.[2]

Prime Minister Pashinyan resigned on April 25, 2021 and announced early parliamentary elections scheduled for June 20, 2021.[3] The official campaign started on June 7, 2021. Twenty-five political entities contested the elections: 21 parties and four alliances (blocs). No election in the modern history of Armenia had seen such quantity and diversity of contenders. However, despite this impressive number, only a few participants had a real chance to overcome the threshold to enter Parliament – 5 percent for parties and 7 percent for alliances.

The campaign was characterized by a high level of polarization and mutual insults. Kocharyan and other opponents of Pashinyan openly called him a traitor and use the epithet "capitulator" to describe him. The key message of Pashinyan was his promise to implement a "Steel revolution" in Armenia in 2021. He promised that if re-elected he would replace the "velvet" approach with the "steel" approach and would launch cruel civic revenge and political

---

2 Benyamin Poghosyan, "Armenia's June elections may lead to further uncertainty and instability", https://karabakhspace.commonspace.eu/opinion/opinion-armenias-june-elections-may-lead-further-uncertainty-and-instability?fbclid=IwAR1Fz30NOkNuQnDB7DjmzaDehBsj-5oEIvwutniuhk9sio0al6actQjvREI.

3 Benyamin Poghosyan, "In Armenia's June Elections Kocharyan will Challenge Pashinyan in a Vote Largely Motivated by Hate", https://www.commonspace.eu/opinion/opinion-armenias-june-elections-kocharian-will-challenge-pashinyan-vote-largely-motivated.

vendetta against all former and current officials, businessmen, and representatives of elites who had robbed the country for the last 30 years and somehow managed to avoid punishment after the 2018 "Velvet Revolution."

As a result of the elections, the ruling Civil Contract party received approximately 54 percent of the vote, while its primary opponent – the Armenia alliance, led by the second President of Armenia Robert Kocharyan – got 21 percent. No other party or alliance has overcome the threshold to enter the Parliament. However, according to the Armenian legislation, the "I have honour alliance" will be represented in the legislative body, as the law requires a minimum of three parties in the Parliament.

The elections would not end the political instability in Armenia as a significant portion of society – among them, those who did not participate in the elections – still believe that Pashinyan was the main culprit for the disastrous outcome of the 2020 Karabakh war. The de facto two-third majority of Civil Contract in the Parliament may trigger disappointment among this part of society. Coupled with the economic crisis and the rising living costs, this may result in growing emigration from Armenia.

In the regional context, Pashinyan's victory means Armenia will continue implementing all written and oral agreements reached with Russia and Azerbaijan after the 2020 Karabakh war. These developments align with Russian strategic interests in the region as they will allow unhindered implementation of Russia-Turkey agreements for the future regional balance of power in the South Caucasus.

Apart from its domestic woes, Armenia should clarify its strategy in Nagorno Karabakh. Yerevan is not able to change the current status quo in the short-term perspective. Meanwhile, in the longer run (10-15 years), the current status quo will inevitably lead to the loss of Artsakh. Thus, Armenia should make a strategic decision – to keep the current status quo for five to seven years, accumulate resources and seek to shift it in its favour in 10 to 15 years. Another option is to accept the loss of Artsakh, organize the relocation of Armenians living there to Armenia, and concentrate all its efforts on Armenia itself.

Restoration of Communications

The November 10, 2020, tripartite statement signed by Armenia, Azerbaijan, and Russia stipulates the restoration of regional transportation corridors.

Another trilateral statement, signed by the Russian, Armenian and Azerbaijani leaders in Moscow on January 11, 2021, envisages establishing a high-level working group to prepare concrete road maps to open regional communications. The incursion of Azerbaijani troops into the Armenian provinces of Syunik and Gegharkunik on 12-13 May 2021 and the election campaign in Armenia ahead of early parliamentary elections scheduled for June 20, 2021, have significantly slowed the work of that working group. However, the landslide victory of Nikol Pashinyan's Civil Contract party in the elections paved the way for accelerating that process. The working group restarted its activities on August 17, 2021, with a meeting in Moscow.[4]

Immediately after the Armenian elections, President Putin held a phone conversation with President Aliyev and the Armenian prime minister, Pashinyan, and highlighted the significance of the trilateral efforts to restore economic ties and transport communications in the South Caucasus. President Putin and Pashinyan also discussed this issue during their July 7 meeting in Moscow.[5] The future of the region was among the key topics discussed during President Aliyev's meeting with President Putin on July 20.[6]

It appears that all sides are interested in pushing forward the restoration of transport communications without connecting this issue with the final status of Nagorno Karabakh. However, the constant statements from the Azerbaijani leadership, including President Aliyev himself, about the necessity to launch the "Zangezur corridor" through the Syunik province of Armenia, which should connect Azerbaijan with the Nakhichevan Autonomous Republic and unite the artificially-separated Turkic world, triggers huge negative

---

4 Deputy Prime Ministers of Armenia, Azerbaijan, and Russia resumed the work of the Trilateral Working Group, https://arminfo.info/full_news.php?id=64549&lang=3.

5 Meeting with Acting Prime Minister of Armenia Nikol Pashinyan, http://en.kremlin.ru/events/president/news/66161.

6 Meeting with President of Azerbaijan Ilham Aliyev, http://en.kremlin.ru/events/president/news/66228.

perceptions in Armenia.[7] President Aliyev's recent statement about Azerbaijan's readiness to open the "Zangezur corridor" by force followed by the incursion by Azerbaijani troops in Syunik province only fuelled concerns in Armenia.

All this rhetoric coming out from Azerbaijan creates a perception in Armenia that the restoration of communications is only a curtain to cover Azerbaijan's real intention – to establish de facto and later de jure control over the Syunik province. Thus, Azerbaijan's emphasis on the "Zangezur corridor" may significantly derail the process of restoration of communications in the South Caucasus, impeding the efforts of the international community to stabilize the situation. One possible way forward is to provide other routes for Azerbaijan to be connected with the Nakhichevan Autonomous Republic, which will not pass the Syunik province. The Ghazakh-Ijevan-Yerevan-Yeraskh-Nakhichevan railway and highway may connect Azerbaijan with Nakhichevan without passing through the Syunik province. If Azerbaijan's only goal is to restore communications, it should not demand the routes only through Syunik.[8]

Meanwhile, Russia may also use the Ijevan-Ghazakh railway and highway to connect with Turkey and Iran via Azerbaijan and Armenia. Russian trains may enter Turkey from Armenia via the Ijevan-Gyumri-Kars railway (the missing link of 31 km should be constructed to connect Ijevan with Gyumri) and reach Iran via the Ijevan-Yerevan-Yeraskh-Nakhichevan-Iran railway.

Azerbaijan

Azerbaijan achieved more than anyone supposed it might as a result of the war. Since 2007, Karabakh negotiations have been based on the Madrid principles and elements which envisaged the final determination of the status of

---

[7] What's the future of Azerbaijan's "ancestral lands" in Armenia?, https://eurasianet.org/whats-the-future-of-azerbaijans-ancestral-lands-in-armenia.

[8] Benyamin Poghosyan, Opinion: If Azerbaijan wants to open transport links in the South Caucasus it needs to avoid the term "Zangezur corridor", https://karabakhspace.commonspace.eu/opinion/opinion-if-azerbaijan-wants-open-transport-links-south-caucasus-it-needs-avoid-term.

Karabakh through the legally binding expression of will.[9] However, there are no mentions of the status of Karabakh in the November 10 statement, and Azerbaijan's President stated that Azerbaijan threw the issue of status into the dustbins of history.[10] However, despite astonishing achievements, Azerbaijan was forced to accept the deployment of Russian peacekeepers in Karabakh.

The November 10 statement stipulates that; Russian peacekeepers may leave Karabakh after five years if either Armenia or Azerbaijan demands the withdrawal; however, there are no guarantees that the Russians will not find excuses and stay in Karabakh much longer. Azerbaijan's leadership also has to navigate between the growing role of Turkey and Russia. President Aliyev has publicly expressed his gratitude to Turkey for its support during the Karabakh war. However, too much influence on the part of Turkey may create domestic problems for Aliyev as more pro-Turkish forces may challenge his power. Russia is not happy to see Azerbaijan completely under Turkish influence and will seek to balance Ankara in Azerbaijan. The discussions about Azerbaijan getting closer to the Eurasian Economic Union launched even before the 2020 Karabakh war may be a sign of Russian efforts to prevent the future growth of Turkey's position in Azerbaijan.[11] Baku will pursue the policy of "strategic patience" in Karabakh. It will not organize provocations against the Russian peacekeepers. However, it will take action to trigger the exodus of the Armenian population from Karabakh. The logic – no Armenians, no reason for Russian peacekeepers to remain in Azerbaijan – may prevail in Azerbaijan.

---

9 "Statement by the OSCE Minsk Group Co-Chair Countries", https://www.osce.org/mg/51152.

10 "Azerbaijani President Sent Issue of Nagorno-Karabakh Status to the 'Dustbin of History'", https://ednews.net/en/news/politics/448535-azerbaijani-president-sent-issue-of-nagorno-karabakh-status-to-dustbin-of-history.

11 "Ten Reasons Why Joining the EAEU Could be Beneficial for Azerbaijan," https://russiancouncil.ru/en/blogs/GreaterEurasiaEnglish/ten-reasons-why-joining-the-eaeu-could-be-beneficial-for-azerbaijan/.

Russia

The key goal of Russia in the Karabakh conflict resolution process was to deploy Russian peacekeepers in Nagorno Karabakh. Being one of the co-chairs of the OSCE Minsk Group, Russia was behind elaborating the Madrid Document and the Basic Principles, which envisaged the deployment of an international peacekeeping force. However, in 2015, Russia put forward its idea, the so-called Lavrov plan, which was a slightly revised version of the Madrid Document.[12] One of the critical amendments concerned the composition of the peacekeepers. If the Madrid Document envisaged the deployment of international forces with a "gentleman's agreement" that OSCE Minsk Group co-chair states will not participate in the peacekeeping mission, Lavrov's plan called for deploying only Russian peacekeepers. Neither Armenia nor Azerbaijan fully accepted the Lavrov plan when it was introduced. However, discussions continued until spring 2020, when the Armenian government explicitly stated that it rejected all options of settlement elaborated before the 2018 Velvet Revolution.[13] Meanwhile, during the February 2020 Munich Security Conference debate with the Armenian Prime Minister, President Aliyev hinted that Azerbaijan is ready to discuss the recent Russian offer on Karabakh.[14] Under those circumstances, the only way for Russia to force Armenia to accept the Lavrov plan could be a war and an Armenian military defeat.

As for now, Russia can be satisfied with the outcomes of the second Karabakh war. The Kremlin established a de facto Russian military base in Azerbaijan and has significantly increased its influence over Armenia. Since May 2018, the new Armenian government led by Prime Minister Pashinyan has stated its intention to restore Armenian sovereignty and establish more

---

12 Richard Hoagland: "'Lavrov Plan' on Karabakh Peace not backed by Conflicting Sides 'as yet.'" https://artsakhpress.am/eng/news/101829/richard-hoagland-%E2%80%98lavrov-plan%E2%80%99-on-karabakh-peace-not-backed-by-conflicting-sides-%E2%80%98as-yet%E2%80%99.html.

13 "Yerevan Says 'Phased' Option to Karabakh Peace 'Unacceptable'", https://asbarez.com/193780/yerevan-says-phased-option-to-karabakh-peace-unacceptable.

14 "Nikol Pashinyan and Ilham Aliyev Hold Public Debate in Munich", https://www.youtube.com/watch?v=u_V2cafAhug.

equal relations with Russia.[15] However, as a result of the war, Armenia is now more dependent on Russia than at any time since gaining independence in September 1991. The Armenian prime minister recently revealed that negotiations are underway to establish an outpost of the Russian military base in the southern Armenian region of Syunik.[16] After the war, more Russian border troops have been deployed along the Armenia-Nakhichevan Autonomous Republic and Armenia-Azerbaijan borders.[17]

Russia is actively promoting the idea of opening up communications between Armenia and Azerbaijan, seeking to use Armenia and Azerbaijan as transit hubs to reach Turkey, Iran, and the Greater Middle East. However, Russia is concerned by the growing influence of Turkey in the South Caucasus. Despite the Russia-Turkey cooperation in the South Caucasus, Ankara and Moscow have many competing interests in other parts of the world – the Black Sea Basin, Syria, and Libya. Turkey remains a significant NATO ally and, in the post-Erdogan period, may quit its balancing policy between Russia and the US and resume a more pro-Western policy.

The United States

The US policy towards the South Caucasus was determined by the US strategic approach to the newly independent republics of the former Soviet Union. The critical task for the US was to strengthen state institutions and push forward political and economic reforms. More secure, more democratic, and more developed states meant they would be less dependent on Russia and less vulnerable to Russian interference. Along with this general pattern, the US has two more specific goals in the region: facilitating the flow of Caspian energy resources to the world markets circumventing Russia, and preventing Iran from using the South Caucasus as a channel to escape the US imposed sanctions.

---

15 Benyamin Poghosyan, "Deciphering Armenia-Russia Relations after the 'Velvet Revolution,'" http://neweasterneurope.eu/2019/07/09/deciphering-armenia-russia-relations-after-the-velvet-revolution/.

16 "Alliance with Russia 'Key to Armenia's Security,'" https://www.azatutyun.am/amp/31203958.html.

17 Russia Deploys More Troops On Armenian-Azeri Border, https://www.azatutyun.am/a/31395702.html.

Thus, the US actively supported the construction of oil and gas pipelines passing from Azerbaijan to Turkey via Georgia and was a key backer of the southern gas corridor project, which started to deliver Azerbaijani gas to Europe at the beginning of 2021.[18] The US was very careful not to allow a deepening of South Caucasus-Iran relations, although it was supportive to limited Armenia-Iran economic cooperation, which is viewed as an option for decreasing Armenia's economic dependence on Russia.

The key partner of the US in the region is Georgia which signed a Strategic Partnership charter with the US in January 2009.[19] The US supports Georgia's Euro-Atlantic aspirations, facilitated NATO-Georgia relations, and backed the signature of the Georgia-EU Association Agreement in 2014. Azerbaijan's significance for the US is based on its oil and gas reserves, its borders with Iran, and the existence of up to 20 million Azeri-speaking population living along the Azerbaijan-Iran border. The US has perceived Armenia mainly as a state firmly anchored within the Russian sphere of influence. However, the solid American-Armenian community played a crucial role in facilitating US-Armenia relations.

Due to the presidential election campaign, the US was relatively passive during the 2020 Karabakh war, although it made a late October failed effort to reach a ceasefire. The new Biden administration has not yet clarified its policy towards the region. However, the US will probably increase its involvement in the region and not allow it to be totally dominated by Russia and Turkey. The US overtly expressed its negative views towards the offer to establish a 3+3 format (Armenia, Azerbaijan, Georgia, Russia, Turkey, and Iran), viewing it as an apparent attempt to push the West from the region.[20] The US will

---

18 "The United States Strongly Supports the Southern Gas Corridor Project," https://www.caspianpolicy.org/the-united-states-strongly-supports-the-southern-gas-corridor-project/.

19 "United States-Georgia Charter on Strategic Partnership", https://www.state.gov/united-states-georgia-charter-on-strategic-partnership/.

20 "Testimony by Deputy Assistant Secretary George Kent", https://ge.usembassy.gov/wp-content/uploads/sites/165/032321_Kent_Testimony.pdf.

seek to use its role as an OSCE Minsk Group co-chair to increase its involvement in the post-war developments, although the future of the Minsk Group itself is not clear.

Turkey

Turkey has been actively pursuing an assertive foreign policy since the early 2010s. President Erdogan has a vision of making Turkey a significant regional and possibly global player. In this context, Turkey views the South Caucasus as a vital region for securing its immediate neighbourhood and using it as a launching pad to project its power into Central Asia and beyond. Turkey was always supporting Azerbaijan in the Nagorno Karabakh conflict and, not surprisingly, played a significant role in the second Karabakh war. Turkey provided Azerbaijan with modern weaponry and military advisers. Thousands of Azerbaijani soldiers got training in Turkish military universities. Azerbaijan and Turkey organized a joint large-scale military drill immediately before the 2020 Karabakh war, and according to several sources, Turkey sent Syrian mercenaries to participate in the second Karabakh war.[21]

The best scenario in the war for Turkey would be the total defeat of the Armenians and the complete control of Nagorno Karabakh by Azerbaijan. In this case, Russia would not be able to deploy its peacekeepers in Karabakh. However, Turkey is satisfied with the outcome of the war. It sent a clear message that Turkey could trigger the status quo change in the post-Soviet space, which was perceived as the Russian backyard. The establishment of the joint Russia-Turkey monitoring centre in Aghdam, close to the new line of contact, replicates the Russia-Turkey cooperation model implemented in Syria.[22]

From a mid and long-term perspective, Turkey will support Azerbaijan in its policy to force the remaining Armenians out of Nagorno Karabakh and thus

---

[21] "France Accuses Turkey of Sending Syrian Jihadists to Nagorno-Karabakh," https://www.reuters.com/article/us-armenia-azerbaijan-putin-macron-idUSKBN26L3SB.

[22] "Russia and Turkey Open Monitoring Centre for Nagorno-Karabakh," https://www.reuters.com/article/uk-armenia-azerbaijan-monitoring-centre-idUSKBN29Z0FL.

create a solid base for the withdrawal of the Russian peacekeepers. Meanwhile, Turkey is interested in the normalization of Armenia-Turkey relations and the opening up the Armenian economy for Turkish investments. It will provide Turkey with economic and later political influence in Armenia and weaken Russia's position. Turkey will be the key player in the South Caucasus, effectively forcing Russia out and making the region into Turkey's backyard.

Iran

Iran generally views the South Caucasus as part of the ancient Iranian civilization.[23] However, Iran's vital interests are connected with the Middle East, where Tehran was able to create a Shia crescent spanning from Iran into Lebanon through Iraq and Syria. The "maximum pressure" campaign launched by President Trump in May 2018 has strongly restricted Iran's ability to influence developments in the region.[24] The previous status quo in Karabakh satisfied Iran, as the non-recognized Nagorno Karabakh Republic separated Turkey from Azerbaijan by an additional 135 km, making it more difficult for Turkey to push forward its pan-Turkism ideas which may trigger separatism in the Azeri speaking regions of Iran bordering Azerbaijan.

However, that did not mean that Iran was ready to support Armenia militarily during the war or send Iranian troops to prevent Azerbaijani army advancements along the Nagorno Karabakh-Iran border. After the war, Iran reached out to both Armenia and Azerbaijan. During his visit to Yerevan, the Iranian foreign minister stated that the territorial integrity of Armenia is a red line for Iran.[25] In Azerbaijan, he expressed Iranian readiness to participate in the reconstruction of the territories taken by Azerbaijan during the 2020 Karabakh war. The key for Iran is to prevent using the South Caucasus

---

[23] "Iran-South Caucasus. Current Stage and Perspectives of Relations," https://cacds.org.ua/?p=7460&fbclid=IwAR1A00Rb8ykJMIWzN6nekeCoT-byktYHdQuYUQ9oyuJwt0Yx3N9mIPggH3Q.

[24] "How to Fix the 'Maximum Pressure' Campaign on Iran," https://www.atlanticcouncil.org/blogs/iransource/how-to-fix-the-maximum-pressure-campaign-on-iran/.

[25] "Armenia's Territorial Integrity is Our Red Line' – Iranian FM Says in Yerevan," https://armenpress.am/eng/news/1041595.html.

as a launching pad for anti-Iranian activities carried out by Israel or other states. Being unable to prevent the radical change of the status quo, Iran seeks to accommodate itself to the new situation and secure its vital interests in the region through dialogue with Azerbaijan, Armenia, Russia, and Turkey.

After the victory of Ebrahim Raisi during the June 2021 Presidential elections, both the Iranian Parliament and Presidency are controlled by the conservatives, and they now form a monolith power in Iran, probably for the first time since the inception of the Islamic Republic. The failure of negotiations in Vienna to bring the US back to the nuclear deal in spring 2021 during the last months of the Rouhani Presidency has shown that Iran-US relations have returned to "old normalcy" of suspicion and mistrust. There is now a consensus across Iran's political forces that a hostile relationship with the United States will persist indefinitely.[26] The new administration will also deepen Iran's security and economic ties with both China and Russia, and this was emphasized during President Raisi's phone calls with his Russian and Chinese counterparts.[27]

Conclusions

The South Caucasus remains a volatile region with the intersection of the interests of many regional and global players. As the world order continues its transformation from the unipolar moment to the multi-polar system, the region's future depends on the developments in Russia-US relations. If the new administration pursues a "dual containment" strategy simultaneously fighting Russia and China, the South Caucasus may be transformed into another hot spot in a Russia-US struggle. In this scenario, the Armenia-Georgia border and the new line of contact in Karabakh may become a new dividing

---

[26] Benyamin Poghosyan, Under President Raisi, Iran remains very interested in the South Caucasus, and in remaining a player in the region, https://www.commonspace.eu/opinion/opinion-under-president-raisi-iran-remains-very-interested-south-caucasus-and-remaining.

[27] Iran's ties with China and Russia, https://www.presstv.ir/Detail/2021/08/21/664878/Iran%E2%80%99s-ties-with-China-&-Russia?fbclid=IwAR2iAOGDr-1mRGowymh0zGz4uEmnmuWcvYQM3TtCp5UvX48O50BToGkM6O4.

line between the East and the West. If Russia and the US can come to terms with each other, the regional security dynamics will evolve around a Russia-Turkey competition with the tacit support of Iran to Russia. In this scenario, the region's future seems more stable; Ankara and Moscow will compete mainly in economic terms and will not cross each other's "red lines" to trigger a military backlash.

Great Power Competition and New Regional Order in the South Caucasus

Mahir J. Ibrahimov

The most recent Azerbaijani-Armenian full-scale war and the terms of the subsequent peace deal have clearly highlighted a rapidly changing geopolitical landscape in the Caucasus, which might have long-lasting implications for the entire post-Soviet and post-Warsaw pact space, the role of international organizations, as well as key global and regional players.

> "In addition to Russia, as a traditional player in the region, Turkey has emerged as another leading power with a steadily expanding role. The 'Shusha declaration' was another step in that direction. Turkey's cooperation with Azerbaijan and Ukraine is likely driven by a Turkish imperative to expand its regional and global relations as well as attract more buyers for its military equipment, particularly its drones and it's part of the competition for regional influence."[1]

Given the new dynamics of relationships between Turkey and Russia, as well as between Turkey and the West, Turkey's involvement does not necessarily reflect NATO's footprint.

> "By the same token, a NATO summit on June 14 in Brussels seemed to have triggered new hopes about NATO enlargement in both Ukraine and Georgia. As we know, at the Bucharest summit in April 2008, NATO agreed that the two countries "will become members." Membership details needed to be worked out. Russia's aggression against Georgia in August 2008, and subsequently in Ukraine since 2014 has complicated the accession to a certain extent."[2]

China is another major player, which reportedly continue quietly but steadily expanding in the South Caucasus mostly through "soft power" venues of influence such as economic and trade investments.

---

1 Paul Iddon, "The Growing Military Cooperation Between Turkey and Azerbaijan", Forbes, Aerospace & Defense, Jul 27, 2021, https://www.forbes.com/sites/pauliddon/2021/07/27/the-growing-military-cooperation-between-turkey-and-azerbaijan/?sh=6205dab1b3be, accessed on August 22, 2021.

2 Henrik B. L. Larsen, "Why NATO Should Not Offer Ukraine and Georgia Membership Action Plans," War On Rocks, June 8, 2021, https://warontherocks.com/2021/06/why-nato-should-not-offer-ukraine-and-georgia-membership-action-plans/, accessed on August 22, 2021.

It would be useful to provide a quick background of the second Azerbaijani-Armenian war around the disputed Nagorno-Karabakh region.

Because of 44 days war, which started on September 27, 2020, the regions of Azerbaijan, including the key town of Shusha, were returned to the control of the Azerbaijani forces. The trilateral peace deal – signed by Azerbaijan, Armenia, and Russia on November 10, 2020 – has effectively ended almost three decades of so called '*status quo*', it peacefully transferred some additional territories to the Azerbaijani control. The Russian peacekeeping forces were deployed to the area initially for 5 years, with possible extension, if the sides of the conflict would agree 6 months prior to expiration of the term. Moscow now has troops in all three countries in the South Caucasus – Georgia (about 20 percent of its territory since 2008), Armenia (in bases left from the collapse of the Soviet Union), and, now, in Azerbaijan.

The U.S. is a co-chair of Minsk Group, together with France and Russia – as part of the Organization for Security and Cooperation in Europe (OSCE). The Minsk Group worked to resolve the conflict since 1993, but it was apparent that the governments of the U.S. and France, together with the rest of Europe, were not part of the recent processes around the Armenian-Azerbaijani conflict.

The joint Russian-Turkish monitoring center has been established in the Agdam region of Azerbaijan to observe the ceasefire. The outcome of this recent war and the terms of the peace deal have drastically redrawn the geopolitical map of the region.[3]

Although the 10 November peace deal created some hopes for peace, what questions and challenges remain and need to be addressed to reach a lasting peace, which would benefit the entire region? Some of these and other issues I will address in this article.

---

[3] Al Jazeera "Azerbaijan enters Nagorno-Karabakh district after peace deal," 20 Nov., 2020, https://www.aljazeera.com/news/2020/11/20/azerbaijan-army-enters-district-handed-over-by-armenia, accessed on September 25, 2021.

What are the main geopolitical and military lessons, which we learned from this conflict?

First, let us clarify that the trilateral peace deal is not a full-fledged legal agreement, rather a statement of intent from legal authority and mandate perspective. That is why the security situation will likely remain fragile in the wider South Caucasus, which the West has neglected.

Second, in an era of great-power competition, we, as the West and International community, need to demonstrate that we are interested, care about the region, and are prepared to invest resources into it. Our efforts need to be comprehensive: informational, diplomatic, economic, trade, as well as military cooperation. The expanded military exchange and military cooperation programs such as Defence Enhancement Education Program (DEEP) and similar projects could be among the effective venues in that direction.

Third, we should convey a clear message that individual countries do not have a unilateral mandate to be involved in the region in violation of the international law. Although the Russian peacekeeping force might have been the only alternative and realistic option under the circumstances to stop the bloodshed, however, it might not be in Russia's own national security interest to stay in the region beyond 5 years' term, as it defined in the 2020 November deal. We already see the signs of growing concern by both Azerbaijan and Armenia, although from different perspectives, towards the Russian presence in the region.

Four, the United States, jointly with its European and regional allies, need to act with one voice in the South Caucasus.

Five, the Baku-Ceyhan pipeline was one of the greatest joint achievements of the West, the South Caucasus and some regional countries, which greatly contributed to the independence and development of Caspian littoral countries of the former USSR, as well as some other countries of the region. Similar projects would be mutually beneficial in the future and in the greater Caspian and Black Sea regions, including in other sectors of the regional economies besides oil and natural gas.

Concerning the Iranian role in a new emerging geopolitical landscape, the withdrawal by the U.S. from the Joint Comprehensive Plan of Action

(JCPOA) could deepen Islamic Republic's economic cooperation and increase Tehran's diplomatic and political influence in the region.

The military aspect of lessons learned from the recent Azerbaijani-Armenian war would be of an immediate interest;

- According to the 2020 November issue of the Army times, the US Army Chief of Staff General James McConville said that "…the conflict does highlight a priority in developing air defense systems to defeat drones …, when we take a look at future warfare, we believe that we will be contested in every single domain. … We're certainly going to be challenged on the land."[4]
- This conflict showed that unlike in prior conflicts, aerial capabilities with relatively inexpensive precision-guided munitions, are no longer exclusive to large powers, and any military, regardless of size or funding, can employ these with great effect.
- It provided Baku with Israeli loitering munitions, such as the IAI Harop, (also known as "suicide" or "kamikaze" drones) and Turkish Bayraktar TB2 reconnaissance drones. The Azerbaijani military also began a general restructuring of their tactics, aiming for a truly multi domain capability rather than the two-dimensional operational thinking common among developing countries. In order to make this happen, Baku increased their defence budget by more than 60 % between 2016 and 2020.
- Relatively inexpensive precision-guided munitions are proliferating massively, and as a result, any concentrated military formation or emplacement is vulnerable from the air. Even small, lightly funded militaries are now capable of precision standoff strikes without putting their forces at risk.
- The new generation warfare is likely to be more relegated to standoff engagements, rather than troop-on-troop kinetic fights. Commanders will likely choose the option to destroy an adversary military without risking their soldiers, when possible.
- The future wars would likely shift from traditional "troop" movements towards initial battle areas, as it had happened in previous wars, to an

[4] https://www.armytimes.com/news/your-army/2020/10/11/conflict-in-the-caucasus-recent-exercise-reinforce-modernization-needs-army-chief-says/, accessed on January 21, 2021.

aerial dominance, to destroy enemy air defences, its formations as quickly as possible and then to move by ground formations.

Recent statements by some regional officials suggest that there is a realistic chance of Iran being incorporated into the Trans-Anatolian Gas Pipeline (TANAP).

(see description below)[5]

However, because of the intense pressure by the U.S. and its regional allies in the Middle East, Tehran will probably continue making the Middle East a priority for allocation of its power projections and capabilities. This trend could change, depending on the policies of the West, which is currently facing additional dilemmas, related to the situation in and around Afghanistan. A new Iranian government of the President, commonly known as Ebrahim

[5] Trans Anatolian Gas Pipeline (TANAP), www.bing.com/images/search?view=detailV2&ccid=zMeJko4A&id=799854110A70599CF1D363CE207A938462ED2CEC&thid=OIP.zMeJko4AAuEXoR-fprcubgHaEh&mediaurl=https%3a%2f%2fcdni0.trtworld.com%2fw960%2fq75%2f34598_TransAnatolianNaturalGasPipelineTANAP_1528201290301.jpg&exph=587&expw=960&q=Tanap+Pipeline+Map&simid=608032658085842086&ck=BFA7EA5C94A77698BAC9650A3461E030&selectedIndex=18&FORM=IRPRST&ajaxhist=0, accessed on January 27 2021.

Raisi (his real name is Sayyid Ebrahim Raisolsadati), who is reportedly seen as pursuing a more conservative political agenda, compared to his predecessor, and being close to the Supreme Leader Ayatollah Ali Khamenei (full name is Sayyid Ali Hosseini Khamenei). It would also depend on the status of the Joint Comprehensive Plan of Action (JCPOA) and the direction, which the West and Iran would follow concerning Iran's nuclear program.

In addition, first signs of China and Russia's positions on post-Taliban takeover in Afghanistan are emerging. Especially, with concerning reports that

> "China is poised to make an exclusive entry into post-Western led Coalition Afghanistan with its Belt and Road Initiative (BRI). … with an extension of the $62 billion China-Pakistan Economic Corridor (CPEC) – the flagship project of BRI, which involves the construction of highways, railways and energy pipelines between Pakistan and China – to Afghanistan"[6]

as part of China's continuous efforts to expand globally.

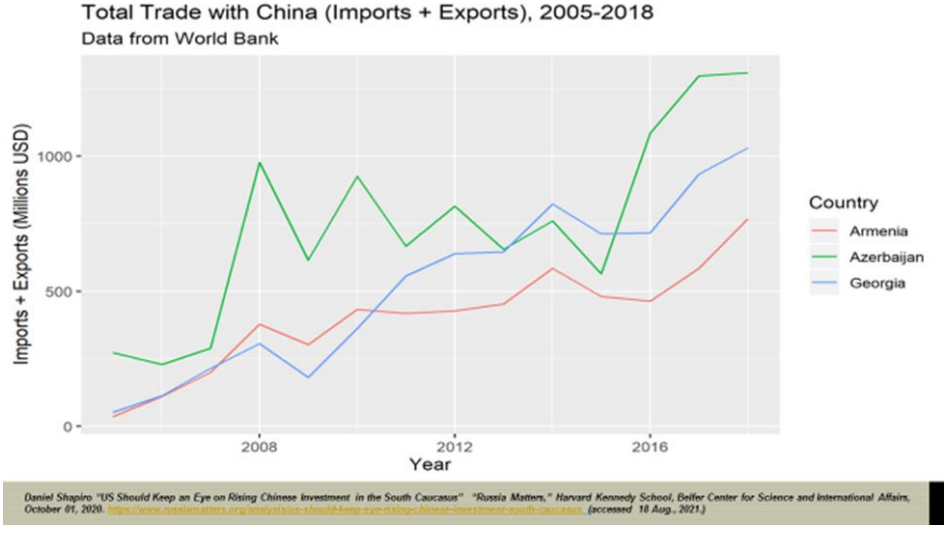
As usually the case, regional and global geopolitics are interconnected and these developments are going to affect the South Caucasus as part of the changing regional and global geopolitical landscape.

Finally, to support that trend, although some experts interpret China's official non-intervention policy rhetoric in the South Caucasus, as the limits of China's involvement in that region. However, I believe the U.S. and its allies' strategic interests are more dangerously challenged by China in the South Caucasus. Similar to other regions of the world, not through military capabilities but 'soft power' venues of influence, such as steadily rising Chinese Investments in the region, which can impact U.S. and European energy and national security interests as a whole. Over the past few years, China's economic presence has grown in all three South Caucasus states, paving the way for an increase in Beijing's geopolitical influence in the region.

---

[6] Syed Fazl-e-Haider, "Beijing just can't wait for the U.S. to get out of the way," Daily Beast, Jul. 04, 2021, China Has a BIG Plan for Post-U.S. Afghanistan, and It's Worth Billions (thedailybeast.com), accessed on August 22, 2021.

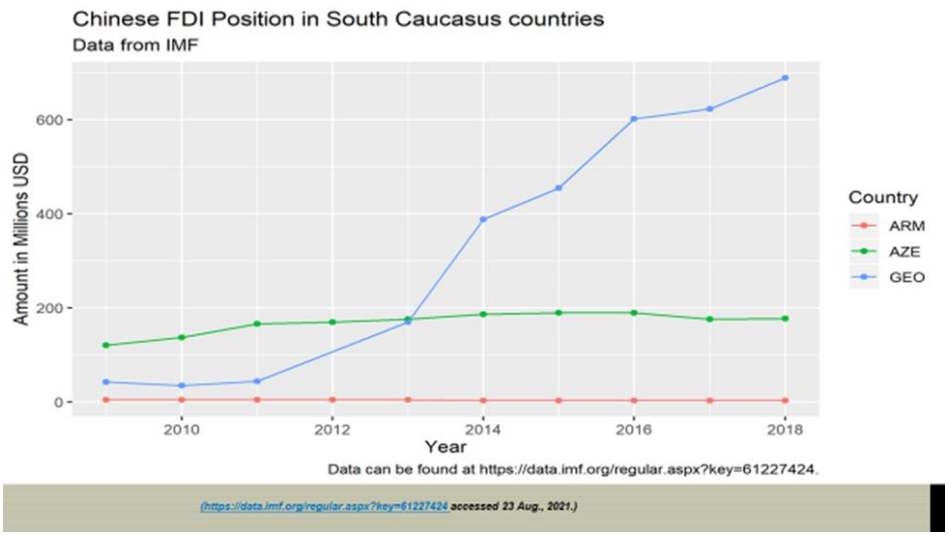
According to World Bank data, in the graphic depicted below, since 2013 alone (the start of the Belt and Road Initiative), trade turnover in individual projects has increased in all three South Caucasus countries: around 70 percent in Armenia, 100 percent in Azerbaijan and 60 percent in Georgia.



For example, Chinese companies built 82.1 kilometres of roads and 40.6 kilometres of railroads in Georgia. With the completion of the Baku-Tbilisi-Kars railroad, China's footprint on Georgia's transportation infrastructure will continue to rise.[7] This trend would inevitably lead to the increase of dependence on China; similar to what was taking place in Asia, Latin America and Africa for some time. Research conducted by the U.S. Army Cultural and Area Studies Office (CASO) and its partners reveals that we are already witnessing a pushback from some of those countries. This dependence is exacerbated by a known trend China prefers to provide loans rather than cash. International Monetary Fund's data, depicted below, is also showing the same trend in terms of Inward Direct Investment Positions (FDI), as of

[7] Daniel Shapiro "U.S. Should Keep an Eye on Rising Chinese Investment in the South Caucasus" "Russia Matters," Harvard Kennedy School, Belfer Center for Science and International Affairs, October 01, 2020. https://www.russiamatters.org/analysis/us-should-keep-eye-rising-chinese-investment-south-caucasus, accessed on 18 August 2021.

end 2019 in millions of U.S. dollars, initially towards Georgia but it was becoming apparent towards Azerbaijan and Armenia as well after 2019, as the IMF statistics show in the graphic below:



(see description below)[8]

Questions remain unanswered for experts, policy makers and policy planners and might be important for a way forward, as well as for a lasting peace in the region;

- What is the current U.S. and Western Strategy in the South Caucasus?
- What political and geopolitical factors influenced the timing of the second "Karabakh war?"
- What is the Russian strategy to contain China and Turkey in the South Caucasus considering Chinese and Turkish growing influence in the region?

[8] https://data.imf.org/regular.aspx?key=61227424, accessed on 23 August, 2021. (Note: FDI could improve a country's exchange rate stability, capital inflow and create a competitive market. However, it also might have disadvantages, mostly geo-political. For instance, FDI can hinder domestic investments, risk political changes and influence exchange rates, depending on investor's agenda).

- Does Russian leadership see the growing Chinese and Turkish influence in the South Caucasus as inevitable in post-Soviet, post-Warsaw pact world?
- Why was the 10 November 2020 trilateral peace deal brokered and signed with an exclusive Russian role, and with no official Turkish or even Iranian participation?
- What are main outcomes from the Nagorno-Karabakh conflict? Who are the strategic winners and the losers?
- Did the second Karabakh war show the limits of Russian power in the Caucasus or even broader Middle East region?
- Per the results of the second Karabakh war, would Russia's influence likely gradually wane from a position of former colonial power over its former Soviet satellites or otherwise turn to one of a powerful neighbour again?

Given the new realities on the ground, what is the future for the still unresolved conflict or similar conflicts in post-Soviet and post-Warsaw pact space?

The below gradual steps could be a potential way forward to achieve a lasting peace:

- The International Community's involvement through OSCE or United Nations would be necessary with enhanced peace making/ peace enforcing mechanism. International monitoring mission needs to observe the ceasefire, the process of clearing of all mines and other explosive devises.
- Establishment of an internationally-facilitated reconciliation process, which would comprise representatives of OSCE/UN, all three South Caucasus countries, three Minsk Group Co-chairs (U.S., Russia and France), as well as all initial Minsk Group members Belarus, Germany, Italy, Sweden, Finland, and Turkey.
- The current trilateral peace deal is not a legally binding agreement and does not involve the international community. That's why one of the first actions of the reconciliation process would be to develop a full-fledged legal agreement/framework, with specific articles/annexes and timelines, which would include an eventual return of refugees and internally displaced people (IDPs), details of compensation mechanism, observing the ceasefire, facilitating contacts between opposing sides and

ordinary people, negotiating and eventually defining the contested boundaries.

- Because centuries' old animosity is deeply rooted, initially a military aspect/enhanced peace making under the OSCE/UN auspices would be important to ensure the reconciliation process. The tactics, techniques and procedures (TTPs) of the reconciliation process would be governed by OSCE/UN and clearly defined in related articles of the legally binding agreement (NATO's involvement, similar to Dayton agreements on former Yugoslavia, seems to be unlikely at this point.)
- Attractive economic and trade incentives for the entire South Caucasus region, as well as other key regional players would be important to ensure mutual pragmatic interests, which would help to gradually reduce animosities and possibility to continue playing a "territorial card' by some internal and external forces. It would eventually be a win-win situation for all three peoples and countries of the region. In addition to tagging the countries of the region to oil and natural gas pipelines, (such as for example Baku-Ceyhan, or TANAP), it would be crucial to diversify economic and trade relations in other sectors of the economy. It would also enable to create a real middle class in all three countries, which is usually an important part of stability of any society. A well-functioning economic and trade infrastructure of the entire region would be the most stable guarantor of the peace. OSCE and relevant UN agencies and financial donors could support the process.

Regional Risks and Opportunities at Times of Great Power Rivalries

South Caucasus: What Next?

Razi Nuruallayev

The Situation after the Second Karabakh War

The South Caucasus is now on the verge of big changes. The situation these days is way different from that of just a year ago. These changes can be transformed into significant benefits for the region or, on the contrary breeding ground for new conflicts. The flow of events depends mostly on how successfully countries will be able to solve a number of challenges that lie ahead.

Unfortunately, the driver of these changes was war. The Second Karabakh war, which started as a counter-offensive operation of Azerbaijani army, lasted 44 days. And it eventually led to the restoration of territorial integrity of Azerbaijan and marked the end of long-term occupation of Azerbaijani territories.

For a long time, separatist forces in occupied Karabakh have been a constant security threat not just for Azerbaijan, but for the whole South Caucasus. In the beginning of the 90s, Armenia invaded Azerbaijan to get control of Nagorno-Karabakh region, which was heavily populated with ethnic Armenians. This led to a full-scale war, in which more than 20,000 Azerbaijanis had been killed, nearly a million were displaced. The territories of the former Nagorno-Karabakh autonomous region and 7 adjacent districts of Azerbaijan were occupied by Armenian forces and stayed under occupation for almost 30 years. Four UN Security Council resolutions (822, 853, 874 and 884), were issued in 1993, demanding the immediate and unconditional withdrawal of Armenian troops from Azerbaijani territories, but were never fulfilled by the Armenian side.[1] During the years of occupation, a lot of infrastructure there – including Azerbaijani cultural and historical heritage was literally wiped out by separatist forces. Some 3,890 persons (3,171 servicemen and 791 civilians) from Azerbaijan are still missing from the First Karabakh war in the early 90s. The Azerbaijani side suffered acts of vandalism, including environmental urbicide, ecocide and constant military provocations. There

1 https://2001-2009.state.gov/p/eur/rls/or/13508.htm.

were reports about establishment of drug labs and human trafficking activity on occupied Azerbaijani lands.[2] The efforts of the OSCE Minsk Group towards resolving the conflict, as stated by president of Azerbaijan Ilham Aliyev have proven to be ineffective.

> "Now the situation in the region is completely new. Azerbaijan resolved the conflict, which lasted for almost 30 years, resolved by force and political means. And I can only agree with what president Putin said, the president of the one of the co-chair countries, that the Nagorno-Karabakh conflict is already history. I share this view. Unfortunately, the Minsk Group did not play any role in the resolution of the conflict, though, Minsk Group had a mandate to do it for 28 years. I participated in negotiations for the last 17 years. As I said, during the war, though there has been an activity of the Minsk Group, in elaborating ideas and trying to be creative, but there was no result. And this is a reality. Therefore, Azerbaijan resolved it itself."[3]

During the Second Karabakh war, Azerbaijan alone was able to implement the UN Security Council resolutions. Therefore, the conflict, which had been the long-term obstacle to unlocking the full potential of the region, has been resolved.

Resolving the conflict opened completely new opportunities for regional players. Azerbaijan is eager to turn these opportunities into new beneficial projects. The first step in this direction is full normalization of relations with Armenia. This will allow establishing a new level of regional cooperation – stable, reliant partnership that will boost the regional economy and bring significant benefits. Formats like "Six-Country Regional Cooperation Platform," and "3 + 3" model, offered by Ankara and Tehran respectively, show that major regional players are interested in establishing that kind of partnership.[4] Considering that initiatives put forward by Azerbaijan are already connecting the whole countries together and help create new and revive already existing trade and energy routes, it is no wonder why everyone is excited about new perspectives.

But at the same time, it is up to Armenia to accept these opportunities. First step in this direction should be implementation of border delimitation and

---

2 https://emerging-europe.com/intelligence/nagorno-karabakh-humanitarian-crisis/.

3 https://en.president.az/articles/48908.

4 https://jamestown.org/program/iran-and-the-33-regional-cooperation-format-in-the-south-caucasus-strengths-and-weaknesses/.

demarcation with Azerbaijan in shortest terms possible, then signing an agreement of mutual recognition of territorial integrity with subsequent establishing of diplomatic relations between Baku and Yerevan. Only in this case can we talk about full restoration of communications in the region. Azerbaijan is ready to make this important step. Now it's Armenia's turn. If Yerevan is trying to deliberately delay the peace-making process and continue the policy of provocations, the situation can change drastically, as these provocations can potentially lead to new dangerous escalations. Therefore, the Armenian government should show that it chooses development and progress, not bloody wars, provocations and territorial claims.

As to the status, it will not be. Azerbaijan society and the government are resolutely tuned against it and the government will not risk. Azerbaijan will not tolerate a second Armenian state in its sovereign territory. 30 years Azerbaijan offered all possible ways to please Armenia and even proposed the broadest autonomy, the highest status possible within the territorial integrity of Azerbaijan. These positions were discussed and voiced in many platforms, too. Armenia kept rejecting and now Azerbaijan after having liberated its occupied lands by military force will not offer anything alike. It will not tolerate it, because it saw the whole territory of three Lebanon size completely ruined and devastated. Once flourishing cities have become ghost towns and foreign journalists named the cities of ruined Karabakh a second Hiroshima.

Prime minister Mr. Pashinyan has carte-blanche from the Armenian voters. It is obvious that most Armenians do not want their children to die again in Karabakh and therefore voted for Pashinyan's party in the June 20 elections. Pashinyan's victory meant the Armenians do not want war and recognize Karabakh as Azerbaijan's territory. Therefore, Armenia's political leadership should not make another mistake and use this opportunity to come to a peace with Azerbaijan and bolster the economic cooperation.

Azerbaijan and Georgia have already achieved the highest level of cooperation in a number of spheres and both sides have been benefiting from that for years. Baku and Tbilisi have a good record of cooperation in implementing major international projects. One of them is the Southern Gas Corridor, which is transporting Azerbaijani gas through the network of pipelines directly from Shah Deniz field in the Caspian Sea to European markets. It consists of South Caucasus Pipeline, which starts at Azerbaijan and goes

across the territory of Georgia to Turkey, Trans Anatolian Pipeline (TANAP) which crosses the territory of Turkey and Trans Adriatic Pipeline (TAP), which starts from Greece and goes through the territory of Albania and the Adriatic Sea to Italy.

With a length of 3,500 km and annual throughput of 16bcm of gas, the Southern Gas Corridor is one of the world's largest infrastructure projects. It is planned to export about 1 billion cubic meters of natural gas to Georgia, at least 8 bcm to Turkey and over 5 bcm to Europe in 2021.

Other successful major projects, implemented with the participation of Azerbaijan and Georgia are Baku-Tbilisi-Kars railway, and Baku-Tbilisi-Jeyhan pipeline. These projects have already brought huge benefits to participant countries and are expected to continue doing so.

For obvious reasons all these projects bypassed Armenia at the time. But now, after the long-standing conflict has been resolved, Baku hopes to achieve the same level of cooperation with Yerevan. With the Zangezur corridor, which will connect Azerbaijan's mainland with its southwestern exclave of Nakhichevan up and running, a new trade route can be established that will connect China through Central Asian countries, Azerbaijan, Armenia and Turkey with Europe. Baku has already started the construction of the Azerbaijani section of the railway to Nakhichevan, which passes through the liberated territories. Thus, the Zangilan district of Azerbaijan will become a transport hub at the crossing point on the borders of Iran, Armenia and Azerbaijan. An international airport and highways are planned for construction in Zangilan, giving it hub status.[5] According to the head of the Centre for Economic Reforms Analysis and Communication of Azerbaijan Vusal Gasimli, the project can greatly contribute to the development of trade in the South Caucasus.

> "The Zangezur corridor between Azerbaijan and Nakhchivan Autonomous Republic provides a less expensive alternative to other projects in the region, as it offers a short-cut route. For example, for many years, neither international financial institutions or foreign governments, nor the Armenian government, have been able to finance a new railroad between Iran and Armenia, anticipated to cost 3.5 billion US

[5] https://emerging-europe.com/voices/the-zangezur-corridor-is-a-geo-economic-revolution/.

> dollars. The Belt and Road Initiative redesigns the Eurasian transport map, as, among other things, it reinvigorates the Silk Road through the South Caucasus. Because land transport connections are the gate for inland regions of China to global markets, this is a viable alternative to existing sea lanes for China, whose sea transport is limited by the so-called "First Island Chain", from the Kamchatka Peninsula to the Malay Peninsula."[6]

Experts emphasize the project will bring immense benefits to the whole region and increase wealth among local communities, considering that Azerbaijan is already transforming into a major transit hub with projects like East-West and Baku-Tbilisi-Kars. On top of that, New Baku trade port has been steadily increasing cargo shipment.[7] During the first 6 months of 2021 this number increased by almost 17 %. More than 90 % of shipment volume amounted to transit cargo. These numbers show that initiatives put forward by Azerbaijan are already working.

Post-Conflict Period and Interests of Regional and Global Powers

For years, Iran has been maintaining a formally neutral position towards the region, especially regarding Armenian-Azerbaijani conflict. During the war, though, Iranian religious leaders mostly supported Baku, noting that Karabakh and seven adjacent districts were inseparable parts of Azerbaijan. Iranian Foreign Minister Javad Zarif said that he was happy to see that Azerbaijan has regained control over its occupied territories. Nevertheless, Iran has even warmer relations with Armenia, which actually irritates Azerbaijan's political establishment. The only reason lies on the Azerbaijan's friendly and strategic relationships with the state of Israel. There are expectation that Iran may tighten tensions with Azerbaijan should the latter go further and build full diplomatic ties with Israel.

It is still not totally clear what policy Iran's newly elected conservative president Ebrahim Raisi will choose to implement in that regard. However, a number of analysts are stating, the South Caucasus will not be among top

---

6 Vusam Gasimli has participated in earlier Regional Stability in the South Caucasus Study Group workshops, most notably in April 2016, held in Chisinau, Moldova.

7 http://portofbaku.com/MediaCenter/News/1091.

priorities for Tehran in the short term.[8] The sanctions imposed on the Islamic Republic still have not been lifted, and the country is now in dire financial straits. Moreover, the Iranian leaders are more concentrated in the Middle East and Persian Gulf, which are considered as areas of vital national interest. The situation in Afghanistan is also affecting Iran to some extent, so the South Caucasus will not be a focal point for the government in Tehran, at least for now.

Nevertheless, as was already mentioned, Iranian side has expressed interest towards realization of new transport projects in the South Caucasus. Implementation of Paragraph 9 of the Nagorno-Karabakh ceasefire agreement will revive the railroad network in the region and could help boost exports of Islamic Republic.[9] Iran's connection to the South Caucasus railway network can stimulate the process of integration, complete the North-South corridor and allow implementation of the 3 + 3 (Iran-Russia-Turkey + Armenia-Azerbaijan-Georgia) regional cooperation model.

Iran possesses some important strengths and opportunities compared to Turkey and Russia.[10] First, Iran is the only country bordering Armenia, Azerbaijan and the Nakhichevan region of Azerbaijan. Iranian participation is also very important for reviving Soviet-era railways along the southern borders of the South Caucasus region.

This initiative, if successfully implemented, will provide Iran with two new rail routes that start from the city of Julfa, in East Azerbaijan Province in north-western Iran. The first route (south–north) is the Julfa railway connection to Nakhichevan and then onward to Yerevan and Tbilisi. The second route (west–east) is from Julfa to Nakhichevan, which crosses the southern borders of Armenia and Azerbaijan to Baku and, from there, to Russia.

---

8 https://eurasianet.org/perspectives-what-to-expect-from-the-new-iranian-president-a-view-from-the-caucasus.

9 https://www.cacianalyst.org/publications/analytical-articles/item/13677-iran-and-south-caucasus-railway-connections-after-the-nagorno-karabakh-war.html.

10 https://jamestown.org/program/iran-and-the-33-regional-cooperation-format-in-the-south-caucasus-strengths-and-weaknesses/.

Second, Iran is the only country that has stable diplomatic relations with all three South Caucasus countries: Armenia, Azerbaijan and Georgia. Armenian-Turkish relations have been severed since 1993, while relations between Georgia and Russia have been strained since 2008. Therefore, only Iran would be in a position to host a high-level meeting in a six-party or "3 + 3" format.

Some experts emphasize, though, that for Iran the 44-day war resulted in a less favourable outcome than for other regional powers. Ever since the First Karabakh War ended in 1994, Iran has possessed a potential advantage over Azerbaijan, with Iranian transit routes critical for Azerbaijan in order to connect to Nakhichevan. Events that ended this reliance, like reopening of railways, are weakening Iran's influence.

Ankara, on the other hand, has gained a much stronger position. Railroad projects proposed by Turkey would directly connect the country to Azerbaijan. Turkey has already announced a plan to build a new railway link to Nakhichevan.

In general, after the 44-day war, relations between Turkey and Azerbaijan have risen to the level of strategic alignment, with the framework for this alignment being the Shusha declaration, signed on June 15 of this year by leaders of two countries.[11] Experts consider this document as a key foundation for deepening cooperation between Baku and Ankara in political, economic, cultural spheres and especially in the military sphere.

According to the document, sides will

> "encourage the implementation of common projects in order to develop joint capabilities and make a positive contribution to the development of mutual technologies in the defence industry, provide their weapons and ammunition, and mutually encourage production technologies and support the creation of production industries that do not currently exist in their countries, the implementation of joint research and production activities, cooperation between defense industry bodies of the two

[11] https://coe.mfa.gov.az/en/news/3509/shusha-declaration-on-allied-relations-between-the-republic-of-azerbaijan-and-the-republic-of-turkey.

> countries in the field of technology, military products and services in the domestic and international markets."[12]

It is noted that military-political cooperation developed between the two countries and meeting their national interests is not directed against third states.

The Shusha Declaration provides a framework for two countries to develop cooperation in the spheres of defence, economy, energy, trade, diaspora and media and other areas of mutual interest. President of Azerbaijan Ilham Aliyev said the document refers to the Kars Agreement, signed a century ago, which has a great symbolic meaning for the two countries.

One of the most important aspects of the document is trade. Declaration is aimed to strengthen business ties between Azerbaijan and Turkey. The mutual trade turnover is expected to reach up to US$15 billion till 2022-2023. As is stated in the document,

> "…parties will step up efforts aimed at diversifying national economies and exports in trade and economic relations, as well as creating joint production in promising industries and developing more favourable conditions for the mutually beneficial development of investment cooperation. In this context, Azerbaijan and Turkey will take measures aimed at creating mechanisms for organizing the free movement of goods."[13]

Experts emphasize that through deepening relations with Azerbaijan, Turkey has vastly increased influence in the South Caucasus.[14] Political analyst Paul Stronski states that Ankara has cemented its role as a major player in the region.

> "As Turkey's influence in the Caucasus grows, all three South Caucasus governments must strategize on how to adjust to Turkey's enhanced role in the region. Ankara also must balance its presence there with maintaining its relations with Moscow. Russia remains keen to preserve the region as part of its privileged sphere of influence and is reluctant for Turkey to enjoy a broader regional mandate. Nevertheless, Turkey's ability to carve out a role for itself in the Caucasus is a *fait accompli* that

---

12 https://coe.mfa.gov.az/en/news/3509/shusha-declaration-on-allied-relations-between-the-republic-of-azerbaijan-and-the-republic-of-turkey.

13 https://coe.mfa.gov.az/en/news/3509/shusha-declaration-on-allied-relations-between-the-republic-of-azerbaijan-and-the-republic-of-turkey.

14 https://www.ft.com/content/f81e89b5-ddea-4cf8-9299-2c971b722285.

> Russia must now manage. As Habibe Ozdal has argued, Russia and Turkey are not allies in the Caucasus or Middle East; they do not necessarily share the same goals. Yet, as they continually bump into each other, the two powers find ways on occasion to align their competing interests and to dampen tensions."[15]

Of course, the growing influence of Turkey cannot help but worry Russia, which after the fall of the Soviet Union has always been regarded as a dominant actor in the South Caucasus. The relations between two countries are considered generally good, however Moscow and Ankara do not always share the same vision, when it comes to foreign policy issues (as with Syria and Libya). Now in the South Caucasus Russia has to take into account the opinion of Turkey, when it comes to making decisions. In general, according to the analyst Philip Remler, the geopolitical situation left Moscow struggling with keeping its influence on the South Caucasus.

> "While Moscow has gained the capacity to project more power and influence, the regional landscape has changed. The surge in fighting over Karabakh that began in late September 2020 has demonstrated that Russia is struggling to contend with a vastly more complicated landscape. More external actors are on the scene, most notably Turkey, and all three South Caucasus states – Armenia, Azerbaijan, and Georgia – have adapted their strategies to deal with the new environment. Russia's increased efforts have had decidedly mixed results."[16]

After the Second Karabakh war, both countries shared duties of monitoring the ceasefire. Russia is considered a main ally of Armenia, although Moscow traditionally prefers to keep balance in relations with two countries.

However, there are concerns in Azerbaijan about the decision of Russia to resume weapon supplies to Armenia. President of Azerbaijan Ilham Aliyev recently expressed his dissatisfaction about the intention of Russia to keep arming the Armenian military.[17] Some sources claim that Moscow is ignoring the continued re-supply of military equipment and personnel from Armenia to its proxy forces in northern Karabakh by civilian trucks traveling through the Lachin Corridor, although Article 4 of the November 2020 ceasefire

---

15 https://carnegieendowment.org/2021/06/23/shifting-geography-of-south-caucasus-pub-84814.

16 https://carnegieendowment.org/2020/10/20/russia-s-stony-path-in-south-caucasus-pub-82993.

17 https://azertag.az/en/xeber/President_Ilham_Aliyev_was_interviewed_by_CNN_Turk_TV_channel_VIDEO-1852985.

agreement states that "the peacemaking forces of the Russian Federation shall be deployed concurrently with the withdrawal of the Armenian troops."[18]

According to the agreement, Russian peacekeepers are placed in some parts of Karabakh. Therefore, Moscow cemented its military presence in the region for at least five years. It is still unclear how events will unfold after that. But it is expected that Russia will use all tools available to keep its influence at maximum levels.

When it comes to economic aspects, Russia has its own interest towards opening new transportation routes in the region.[19] As was already mentioned, the November 2020 ceasefire implies the establishment of such routes through the Zangezur corridor. These routes could potentially link Russia directly to Turkey and Iran, creating new north-south and east-west connections and therefore connecting the Caspian Sea, the Mediterranean, and the Persian Gulf.

The other major actor, whose role in the region is not so notable is China. Although Beijing's soft power tools in the South Caucasus region are not as effective as those used by other external actors, China has been enhancing its economic presence in the region in recent years.[20] The country implements a restrained and cautious policy of targeting elites, which limits its influence on the wider public. However, as Beijing's presence keeps expanding, China will likely push its cultural and educational agenda in the region as well in the coming years.

For the governments of South Caucasus republics China is a potential alternative to Russia and the West as an economic partner, which does not demand participation in alliances or domestic reforms, at least for now. It is worth noting that Azerbaijan is already a participant of Beijing`s ambitious

---

18 https://www.hurriyetdailynews.com/turkey-and-russia-have-different-interests-in-the-south-caucasus-op-ed-165608.

19 https://carnegieendowment.org/2021/06/23/shifting-geography-of-south-caucasus-pub-84814.

20 https://www.cacianalyst.org/publications/analytical-articles/item/13604-chinas-soft-power-in-the-south-caucasus.html.

"One belt – One Road" project. Over the years of cooperation Chinese companies have invested over $900 million in Azerbaijani economy, including the non-oil sector, and these numbers are expected to grow, along with Chinese presence becoming more perceptible.[21]

Azerbaijan accounts for about 40 percent of China's trade with the region. The Baku-Tbilisi-Kars railway is considered one of the main elements of Beijing's global transportation project in the region. One of the important elements of this project is Baku International Sea Trade Port in Alat. China has supported this project with equipment based on an intergovernmental grant agreement signed between Beijing and Baku.

According to Emil Avdeliani, the author of China Observer, the distance between China and the South Caucasus provides a certain advantage for Beijing in terms of reinforcing its presence in the region. However, he adds, it is still a matter of discussion, whether China will decide to fully use this advantage.

> "Beijing can approach the region unencumbered by the problems it faces in Central Asia. Mistrust towards and fear of Chinese expansionism pervade the moods of political elites and the general public of Central Asian states, but this is not the case in the South Caucasus. Further, China has not so far gotten embroiled in internal affairs of the region's three states and has not awarded special preference to governments on ideological grounds. Ideally this would pave the way for a more active Chinese involvement. However, we have not seen Beijing tapping into this opportunity so far. The region seems to be much more important for other actors, mainly the EU and Russia. China does not seem motivated to compete with these other players when the potential benefits remain uncertain."[22]

China preferred to abstain from any substantive actions during the 44-day war. Beijing's reaction was limited to just some formal statements. But the country's position remains unchanged – China continues to support territorial integrity of Azerbaijan and keeps supporting the principle of territorial integrity in general.

---

21 https://www.azernews.az/nation/179696.html.

22 https://chinaobservers.eu/the-limits-of-chinas-involvement-in-south-caucasus/.

South Caucasus and NATO

Capabilities of NATO in the region of South Caucasus are noticeably (with actions of Turkey being rather independent) hindered by opposition from Russia. Moscow sees this region as an influence zone of its own – a far cry from Soviet times, and is reluctant to let new players in. The signing of the 2020 Nagorno-Karabakh ceasefire agreement with Azerbaijan and Armenia and deploying its peacekeepers to Northern Karabakh after the end of hostilities, showed again that Russia is not going to give up on this position.

Countries of South Caucasus have developed individual approaches towards cooperation with NATO. With Georgia being rather pro-Western and Armenia being a Russian ally, Azerbaijan is implementing a very balanced foreign policy. One of the principles of this policy is keeping neutrality and sustaining good relations with both Russia and the West. Baku is not seeking full-fledged membership in NATO, as it may damage its relations with Russia, and prefers developing cooperation through individual projects.

Since September 1999 Azerbaijani have been acting within the NATO-led peacekeeping forces in Kosovo, Afghanistan (until recently), Iraq and South Sudan. Through close military cooperation with Turkey, Azerbaijan has been modernizing its army according to NATO standards. Azerbaijani servicemen along with counterparts from NATO countries participated in "Agile Spirit – 2021" military exercises.

There are voices among some experts which insist that NATO and the West should reinforce its positions in the South Caucasus, because of its strategic meaning. As analyst Stephen Blank states, there is more at stake in the region, than may seem.

> "The new Administration and its allies in Europe should realize that there are still opportunities to improve the West's position in the Caucasus. They must also grasp that failure to take advantage of these opportunities will exact even greater costs upon Western interests, values and allies. In the Caucasus, as elsewhere, time and politics do not wait for Europe and the U.S. to "make the bus". If the Western allies

> fail to seize this opportunity, they might not get another one for a long time and then it might be too late to undo the damage generated by prior neglect."[23]

So, cooperation between NATO, West and South Caucasus, although not as effective as it could be, still could be developed by implementing mutual projects and utilizing soft power tools, like those, implemented by China, according to the political analyst Andrew Moffat.

> "This reality means that the United States and EU need to resist the urge to "fix" the region through grand gestures that will ultimately lack sustainability. To make the most of limited capacity and sustain efforts over the long term, U.S. and EU engagement should complement and potentially build upon Turkey's regional involvement. More generally, for the countries to move forward in resolving conflicts and improving internal and external relations, an informal regional understanding needs to be created that could encourage trade, civil society contacts, and conflict management exercises. The absence of formal regional institutions, or even a shared sense of belonging, remains a fundamental impediment to untangling the knots of the South Caucasus and realizing its potential."[24]

So, the best course of action for the Alliance, if it wants to strengthen its positions on South Caucasus, is promoting projects like the DEEP initiative and by doing that, expand its partnership with individual countries in the region.

United South Caucasus as an Independent Actor?

From a standpoint of foreign policy, it would be a complicated task for individual powers to elaborate a framework that will allow establishing full-fledged partnership with all three of South Caucasus countries as a whole. Historically there was a precedent – in 1918 three republics managed to unite, although only for a short period of time, to form the Transcaucasian Democratic Federative Republic. This entity collapsed in just a month due to the significant contradictions among the three countries.

After more than a century there are some opinions about how things would have worked out today, if countries took a more unified stance in terms of

---

[23] https://www.cacianalyst.org/publications/analytical-articles/item/13661-what-the-biden-administration-can-and-should-do-in-the-south-caucasus.html.

[24] https://www.brookings.edu/blog/order-from-chaos/2015/07/17/the-south-caucasus-and-the-limits-of-western-power/.

making decisions. But such development of events seems unrealistic, at least in the short term.

First, there are still contradictions between two South Caucasus countries, Azerbaijan and Armenia. The Armenian government keeps looking for a way to avoid fulfilling its commitments within the 10 November agreement. Even if the government in Yerevan will choose the path of constructive dialogue and partnership with Baku, it will still take some time to override deep untrust that accumulated during the years of conflict. Aside from that, necessary infrastructure should be created for establishing trade and business connections between two countries, which, again, requires some time. Georgia, despite having good relations with South Caucasus neighbours, has territorial conflicts of its own, which inhibits the country's efforts to fully implement its potential.

Second, South Caucasus republics, even if united economically, do not possess the necessary level of unity to act together in the political field; regarding how different do their respective governments choose political courses. As interests of major players still converge in the region, each South Caucasus country develops foreign policy of its own, trying to get the most out of the current geopolitical situation. Therefore, any major actor which wants to reinforce its positions in the region, along with deploying unified frameworks, should work with every country individually to achieve tangible results.

Risks and Opportunities for Building a Durable Peace for the South Caucasus Regional Order in the Post 2020 War Era

Nilüfer Narlı

Introduction: Background, Aim, and Scope

Following the Nagorno-Karabakh war in 2020, a new geopolitical environment emerged that rendered the old order dysfunctional in the South Caucasus. Both policy makers and academics have increasingly focused on establishing a functioning Caucasus stability and development model that can strengthen the peace process in Nagorno-Karabakh and South Caucasus (Vasilyan, 2007; German, 2016; Aras et al., 2017). This paper addresses regional integration challenges in the South Caucasus and identifies the major conflict areas in order to analyze the risks and prospects for building durable peace and order in the region. Identifying the major areas of conflict and instability requires addressing their root causes.

Historically, the South Caucasus has been a key arena for competing empires and regional players, with Ottomans, Persians, and Russians competing for territory and influence. The cultural and ethnic legacy of these empires gave birth to conflict between contending ethnic groups. Furthermore, for much of the past two centuries, the South Caucasus has been hostage to the competing interests of much larger regional powers (Giragosian, 2007), which has made the region vulnerable to fragmentation. The collapse of the Soviet Union immediately fragmented the region, with Armenia, Azerbaijan, and Georgia breaking away from Russia and each other to form independent states at the end of the Cold War. This enlarged Turkey's role in the region (Aydin, 2009) during the 1990s as Russian influence declined. The newly independent regional states also diversified their relations with the outside world. Armenia, Azerbaijan, and Georgia have taken different geostrategic paths, which has left the region further fragmented and volatile in the post-Soviet era and opened the doors for external actors to engage in the region (Esfahani, 2019), including NATO (Cornell, 2004) and the European Union (Dekanozishvili, 2004). Armenia, Azerbaijan, and Georgia have deepened

ties with the West, in particular with NATO and the EU. This has introduced new competitors to Russia, thereby aggravating regional tensions (Chiragov & Karimov, 2015; Pashayeva, 2015).

Given this background, what type of analysis is needed to understand the key dynamics for building the regional order in the South Caucasus? The paper starts from the proposition that the complexity and interrelated nature of security threats needs to be taken into consideration to analyze the risks for building peace and regional order in the South Caucasus. The paper has three major objectives: 1) to analyze the challenges and prospects for regional integration and building a durable peace in Nagorno-Karabakh; 2) to analyze Turkey's regional role in peacebuilding in Nagorno-Karabakh and for regional economic integration; and 3) to suggest possible solutions to local authorities and international organizations by exploring non-official diplomacy opportunities for resolving conflict at a micro level. The first task requires the following steps: (i) identifying the major conflict and security trends in the South Caucasus; (ii) understanding how the region's geopolitical boundaries are shifting and what risks are generated by this shift; (iii) evaluating the positions of regional actors regarding Nagorno-Karabakh and shifting alliances; and (iv) identifying regional and international peacebuilding initiatives by focusing on track-two diplomacy.

Mapping the Political and Security Challenges for Regional Integration in the South Caucasus

What are the major political, security, and economic challenges in the region? Chiragov et al. (2015: 9) list the following macro challenges: tension in Nagorno-Karabakh, Abkhazia, and South Ossetia; the still tense conflict between Georgia and Russia; closed borders; frail state institutions; issues with the rule of law; under-development and weak economies. The present study additionally identifies the following major challenges: shifting regional boundaries; the absence of diplomatic relations between Turkey and Armenia, and between Armenia and Azerbaijan; discrepancies between the security policies of the region's states and Russia; and Russia's policy of maintaining its regional dominance.

The shifting geopolitical boundaries in the South Caucasus in the Post-Cold War era have security implications for the region. Treating the South Caucasus as a post-Soviet space is no longer appropriate when analyzing regional security challenges. The shifts in the geopolitical boundaries in the region, which has historically been a buffer zone between Russia and the Middle East, has caught the attention of the security analysists (Stronski, 2021). The traditional geopolitical boundaries defining the post-Cold War South Caucasus are shifting because of the region's increasing connections to the Eastern Mediterranean and wider Middle East (Stronski, 2021).[1] Armenia, Azerbaijan, and Georgia have expanded their relationships with countries to their south, west, and east by increasing trade and economic ties, building joint energy routes, and developing and proposing new infrastructure projects (Stronski, 2021).

What are the implications of this shift for the regional security? The shifting geopolitical boundaries in the South Caucasus have led to regional security interaction risks and the interaction of regional conflicts. Like the South Caucasus, the Eastern Mediterranean and wider Middle East regions also have regional and sectarian conflicts, migration, and poverty problems. Ethnic and sectarian conflicts in these areas could interact with similar tensions in the South Caucasus to generate new type of conflicts. The conflicting geopolitical interests of the main regional actors, including Turkey, Russia, and Iran, could create a fertile ground for regional interaction conflicts. Observing conflicting regional security interests, Flanagan (2013: 163) notes, "complex and often contradictory interactions among Turkey, Russia, and Iran are shaping regional dynamics in the Middle East, Caucasus, and Central Asia". The likely spill-over of new conflicts generated by this dynamic conflictual regional interaction could open more space for Turkey, Iran, and Middle Eastern players in the region.

In mapping the conflict areas, this paper also focuses on the region's new geopolitics and the interplay between domestic and geopolitical battles, and

[1] The term "New Middle East" was introduced by the former US Secretary of State, Condoleezza Rice, in 2006. See Al Tamimi (2013). Despite Pakistan is culturally, geographically, and politically part of South Asia and not the Middle East; yet it is considered part of the "Greater Middle East", which also includes Afghanistan (Misachi, 2019).

the position of the regional actors over Nagorno-Karabakh and shifting alliances. Although the region's major player, Russia, has undergone a "painful transition to being a post-imperial power" (De Waal, 2010), it has adopted a policy of maintaining its dominance in the post-Soviet space despite the challenges. This policy is based on the Primakov doctrine (Rumer, 2019:1), named after former foreign and prime minister Yevgeny Primakov. This posits that a unipolar world dominated by the United States is unacceptable to Russia and offers the following principles for Russian foreign policy; first, "Russia should strive toward a multipolar world managed by a concert of major powers that can counterbalance U.S. unilateral power". Second, "Russia should insist on its primacy in the post-Soviet space and lead integration in that region". Third, "Russia should oppose NATO expansion". Russia also uses both hard and soft power ("hybrid warfare"), exemplified by the fusion with Crimea, military engagement in eastern Ukraine, and military deployment in Syria (Rumer, 2019). Nevertheless, despite its use of hard power, Russia is still a key player for building peace in the region.

As key regional players, Russia and Turkey continue to cooperate on issues regarding the South Caucasus (*Hurriyet Daily News*, December 29, 2020) despite taking different position on the situation in Syria (*Sputniknews*, November 17, 2020). One of the examples of this cooperation is the joint military task force deployed for peacekeeping duties following the Nagorno-Karabakh deal in 2020. About 2,000 Russian peacekeepers were deployed along the front line in Nagorno-Karabakh and the corridor between the region and Armenia. This was Russia's most significant deployment in the South Caucasus in a decade (Aljazeera, November 10, 2020). The joint task force increased Russian and Turkish influence in the region and enabled both states to reshape regional geopolitics after the 44-day Karabakh war. Turkey has a new role in a joint Russian-Turkish monitoring centre in Azerbaijan (Karan, 2020). Various circles, both in the region and the West, were surprised that Russia backed Turkey's new role. However, as Dmitriy Peskov, the Kremlin spokesperson, put it in November 2020, "Russia is ready to explain Turkey's role in the Karabakh settlement process to the United States and France if necessary" (*Interfax*, Nov 17, 2020). Turkey's involvement is limited to operating remotely from its monitoring centre in Azerbaijan while Turkish peacekeepers cannot enter Nagorno-Karabakh itself (*Tass*, November 12, 2020).

Since the latest war ended, Russia and Turkey have been reshaping regional geopolitics while Western powers have reduced their influence (Roth &Safi, 2020), with the US remaining "silent" (Roth &Safi, 2020). If this reflects international disengagement, then it indicates that more effort is needed through regional integration to bring stability to the region. Harmony in the Turkish-Russian cooperation in the South Caucasus is now more critical in building a durable peace. This cooperation is also important for Azerbaijan, which is becoming an active player in both the South Caucasus and globally. In addition, Russia and Turkey are both involved in various Middle East and Caucasus wars, including the conflicts in Libya, Syria, and the South Caucasus. They are particularly cooperating and competing in the Middle East and the Caucasus.

Analyzing the challenges for building peace requires also understanding regional sociological dynamics and macro security challenges. Mapping the social and cultural risks generated by protracted conflicts to analyze the risk of micro level conflict is key to addressing the root causes of the conflict and understanding the risks associated with peacebuilding efforts. These decades-old conflicts have had adverse effects on human rights, sustainable development, and social cohesion, and strained circumstances within the South Caucasus. The Nagorno-Karabakh conflict, for example, is an ethno-territorial discord with severe social and cultural consequences. These include population exchange between Armenia and Azerbaijan, and damage to the "material and cultural resources in the territory of the former Nagorno-Karabakh Autonomous Region" (Pashayeva, 2012: 106). Conflicting narratives expand the negative impacts created by decades old conflict between Armenians and Azerbaijanis.

The Nagorno-Karabakh conflict is a "conflict in geopolitical cultures" (Broers, 2019). Armenia and Azerbaijan offer different official and non-official narratives regarding their role and mission of the two states. In those conflicting narratives, the imagined homelands for both societies are much bigger than the actual size of contemporary Armenia and Azerbaijan (Broers, 2019). The conflict is characterized by memory, trauma, and ethnic hatred. Hence a new narrative focusing on a common future is critical. To build this, the conflicting parties should understand local needs and concerns, and reach a common understating of new regional realities, including the new geopolitical issues.

Turkey and the South Caucasus: Official Policy, Relations with Regional States, and the Role in Regional Integration

The official position underlines Turkey's deep rooted historical and cultural ties with Southern Caucasus, which are presented "as a bridge linking Turkey to the Central Asia" (Turkish Ministry of Foreign Affairs). Turkey's Southern Caucasus policy, as defined in the MFA official web page, has three main aims:

1. "strengthening the independence and sovereignty of the countries of the region";
2. "supporting their integration efforts with Euro-Atlantic structures, while preserving and enhancing regional cooperation and political and economic stability", and;
3. "Turkey supports the resolution of conflicts in the region (Nagorno-Karabakh, Abkhazia and South Ossetia) through peaceful means within the territorial integrity and sovereignty of Azerbaijan and Georgia."

Against this background, the paper focuses on the complex relationship between Turkey and three regional states: Azerbaijan, Georgia, and Armenia. Turkey has close historical and cultural ties with the region as well as historical conflicts with region's states. While not directly part of the region's frozen conflicts, Turkey is still strongly affected, so it has an interest in regional integration and stability in the South Caucasus. Despite this, Turkey traditionally kept a low profile (Gultekin-Punsmann, 2009) until the late 2000s. Later, it increased its role in building regional cooperation by supporting increased connectivity and cooperation from large regional infrastructure projects.

The institutionalization of Turkish-Georgian military cooperation is also worth mentioning. This began soon after the region's post-Soviet fragmentation. On June 30, 1992, Turkey and Georgia signed a treaty on Friendship, Cooperation and Good-Neighbourly Relations. This mentions the Treaty of Kars (signed in 1921), which is an important reference point for understanding the historical background of regional cooperation dynamics and Turkey's initiative in building such treaties. On October 23, 1921, before the foundation of the Republic, Mustafa Kemal Atatürk wisely signed the Kars Treaty,

the Treaty of Friendship, between Turkey, the Socialist Soviet Republic of Armenia, the Azerbaijan Socialist Soviet Republic, and the Socialist Soviet Republic of Georgia. The treaty was ratified in Yerevan, on September 11, 1922. The treaty is based on a principle similar to that of the Treaty of Moscow. Soviet Russia's engagement as a peace-broker in signing the treaty is worth examining in order to understand the prospects for building peace in the region.

Turkey is a neighbour of both Azerbaijan and Armenia, two countries in conflict. Turkey and Azerbaijan have strong historical, ethnic, and cultural ties, and engage in economic and military cooperation in a remarkable synergy. Turkey's current president, Recep Tayyip Erdogan, even claims that the countries are "one nation, two states" (Aljazeera, October 30, 2020). Similarly, Azerbaijan President, Ilhan Aliyev, has enhanced relations with Turkey. Turkey has contributed to Azerbaijan's military by modernizing and training its army. Turkey and Azerbaijan further strengthened their ties after Erdogan's visit to Karabakh on June 15, 2021, and the signing of the Shusha Declaration between Azerbaijan and Turkey. This formalized Turkey's military-political presence in the region. Meanwhile, Turkey has already opened a consulate general in Shusha (Shahidov, 2021).

Turkey has problematic historical relations with Armenia due to historical disputes, such as the 1915 events, while their border has remained closed since the 1993 war. Although there are no diplomatic ties between them, goods, services, and people circulate between the two countries, with numerous and tourists and undocumented Armenian workers in Turkey (Körükmez, 2013; TEPAV, 2014).[2]

Recent signs of a rapprochement between Ankara and Yerevan are also worth noting. Ankara sees the end of the occupation in Nagorno-Karabakh as a new opportunity for building regional peace. Examples of such signals have been reported in the media. On August 18, 2021, prime minister Nicol Pashiniyan said,

[2] Turkey is already among Armenian tourists' top holiday destinations. According to the Turkish Ministry of Tourism and Culture, 70,000 Armenians visited Turkey in 2012 (Ministry of Tourism and Culture of Turkey Statistics, mentioned in TEVAV, 2014).

> "We were in the past also ready to improve relations with Turkey without any preconditions, and we are now ready too to create a mutual confidence between Ankara and Yerevan and continue our relations without preconditions." (Hurriyet Daily News, August 19, 2021)

He added, "We are getting some clear positive signals from the Turkish public. We will evaluate these signals, (by) responding to positive signals with positive signals." (Daily Sabah, August 27, 2021)

Likewise, Erdogan noted, "We expressed that with the end of the occupation in Nagorno-Karabakh, a new window of opportunity has opened in our region for lasting peace and that we will do what is necessary if Armenia considers it." (Daily Sabah, August 27, 2021)

These statements are signs of positive developments for building peace and stability in the region. Cooperation is critical to develop a prosperous and peaceful Caucasus despite historical conflict between Turkey and Armenia.

After briefly looking at Turkey's relations with states in the region, the paper now focuses on Turkey's role in regional economic development and as a balancing regional actor. Turkey has increased its role in building regional cooperation by supporting increased connectivity and cooperation through large infrastructure projects. A prime example is the Baku-Tbilisi-Ceyhan (BTC) pipeline, in operation since 2005 (Wilson Center, 2013). A NATO country, Turkey's close ties with Azerbaijan are also useful to the US and EU in balancing Russian and Iranian power (Helvacıkköylü, 2021) in the region.

In examining Turkey's involvement in the South Caucasus, this paper considers Turkey's role in building regional cooperation and regional order in the past. As mentioned above, Turkey took the lead in negotiating the Treaty of Kars. To learn from the past experiences, it is worth analyzing how this treaty emerged and to ask if it can inspire new regional cooperation between Turkey, Azerbaijan, Georgia, and Armenia since, despite religious and ethnic differences, they share a similar regional culture and destiny as evidence by intermarriage and the presences of all their ethnic groups in each country. The Kars Treaty was mentioned in the Shusha Declaration (signed June 15, 2021), which represented an "updated version" to provide an institutional framework for regional cooperation agreements and treaties.

Table 1 shows that Caucasus stability and cooperation initiatives, the purpose and actors of these initiatives, and the former model that provided their content and framework. Turkey has both participated in and led these regional cooperation initiatives.

Name and Date of the Initiative	Actors Proposing and Endorsing	Models	Purpose
South Caucasus Stability Pact (1999) Proposed	Proposed by President Heydar Aliyev, and President Suleiman Demirel, and endorsed by President Eduard Shevardnadze of Georgia. President Kocharian of Armenia did not support it. Russia was excluded.	The Balladur Stability Pact (1994 - 95) and the Stability Pact for the Balkans (1999). (Fotiou, 2009)	Building peace in the region and "bringing the Caucasus closer to Europe after the end of the Cold War" (Celac, et al., 2000)
Caucasus Stability and Cooperation Platform (CSCP) (2009)	Turkish Prime Minister Recep Tayyip Erdogan announced it. It included Russia, Azerbaijan, Georgia, and Armenia (Babacan, 2009)[3]	South Caucasus Stability Pact (1999)	The CSCP's target is problem solving (Gultekin-Punsmann, 2009).
Development Pact (January 2021) Signed	Azerbaijani President Ilham Aliyev and Armenian Premier Nicol Pashinyan, Russian President Vladimir Putin	Russian leadership	Sustainable and safe development

[3] See Speech Delivered by H.E. Mr. Ali Babacan at Vilnius University for International Relations and Political Science, 20 February 2009 (Republic of Turkey Ministry of Foreign Affairs, 2009).

A six-country regional cooperation platform in the Caucasus	Russia, Turkey, Azerbaijan, Iran, Georgia, and Armenia**,** proposed by Turkey in December 2020	A proposal to combine the existing regional cooperation platforms (Turkey-Azerbaijan-Georgia, Azerbaijan-Russia-Iran, Turkey-Russia-Iran) and unite them into a single six-party framework. Georgia is against this platform (Seskuria, 2021) while Armenia is hesitant (Shahidov, 2021).	Peace and stability in the region
Shusha Declaration	Turkey, Azerbaijan	Kars Treaty (Shahidov, 2021).	Defence cooperation,[4] stability, and prosperity in the region; establishing new transportation routes (the opening of the Zangezur corridor); construction of the Nakhichevan-Kars railway (Zorlu, 2021).

Table 1: Caucasus Stability and Cooperation Initiatives: 1999 - 2020

As Table 1 shows, regional states have not endorsed all the regional cooperation efforts. For example, Armenia did not back the South Caucasus Stability Pact Proposal (1999). Then-President Kocharian of Armenia explained why he did not when he addressed the Georgian parliament on 29 March, 2000; "a security pact for the Caucasus can only be effective if all states of the region are involved." He continued, "not only security and conflict resolution issues should be addressed, but it should also provide the basis for economic cooperation and democratic reforms." Moreover, "the pact should

4 According to the Kars Treaty (1921), "the defence of the territory of Nakhichevan was under the guarantee of Turkey, while the defence of the Republic of Azerbaijan, according to the Shusha Declaration, is under the guarantee of Turkey" (Shahidov, 2021).

be based on a 3+3+2 agreement; i.e., Armenia, Azerbaijan, Georgia + Russia, Iran and Turkey + the US and EU" (Celac et al, 2000:1).

Another proposal from Turkey was the six-country regional cooperation platform in the Caucasus following the 2020 Karabakh War, specifically a six-way platform to maintain regional peace and stability after the Armenia-Azerbaijan deal signed in December 2020, (Hurriyet, December 11, 2020). The proposal combined the existing cooperation platforms (Turkey-Azerbaijan-Georgia, Azerbaijan-Russia-Iran, and Turkey-Russia-Iran) as a single six-party framework. Erdogan claimed that "Russian and Azerbaijani leaders have found the proposal very positive" (Hurriyet Daily News, December 11, 2020). He also pointed out how Armenia could benefit:

> "If Armenia joins this process and takes positive steps, a new page in the Turkey-Armenia relations can be opened. If new opportunities arise, it is obvious that Armenia will also have a significant advantage. Armenia will be the side gaining most from it." (Hurriyet Daily News, December 11, 2020).

In responding, however, Armenia was hesitant while Georgia refused to join.

The most recent regional cooperation initiative is the Shusha Declaration. Its major purpose is to boost post-war cooperation and promote regional stability. It affirms joint efforts by the militaries of Turkey and Azerbaijan in the face of foreign threats (Zorlu, 2021). Shahidov (2021) summarizes the provisions as follows;

> "…the National Security Councils of Turkey and Azerbaijan work together"; "Turkey and Azerbaijan are strengthening military cooperation and have become a united military force"; "the media of the two countries operate as one platform"; "the Turkish and Azerbaijani diasporas act together"; "Turkey opens a consulate general in Shusha; the Zangazur corridor will be realized by 2023 at the latest, thus establishing land and rail links between Azerbaijan and Turkey." (Shahidov, 2021).

Opening the regional transport corridor of Zangezur will contribute to economic integration in the South Caucasus, which will benefit all the parties involved. The Zangezur corridor will connect Nakhichevan to Azerbaijan and provide Turkey with a direct connection to the Central Asian republics. Armenia, which has limited access to regional transport routes, will gain access to transport connections with Iran via Nakhichevan and with Russia through northwest Azerbaijan (Aliyev, 2021).

The Shusha Declaration can promote regional peace resisting forces that threaten lasting peace. It can turn the region into a centre of peace by combining cooperation and joint activities (Shahidov, 2021). While Russia has officially welcomed the declaration (Shahidov, 2021), not everyone shares this position. Some analysts view it as Ankara's attempt to further strengthen its position in the Caucasus. They therefore associate the declaration with pan-Turkic policies. Andrei Areshev, for example, says, "this cannot but worry Russia" (Turan.az, June 18, 2021). Likewise, the Russian Turkologist, Nadein-Raevsky, is apprehensive about the Shusha Declaration as part of "the common pan-Turkic policy" of Turkey (Turan.az, June 18, 2021). This suggests that Turkey needs to communicate its stabilizing role in the South Caucasus more effectively to reduce anxieties regarding its regional policies, given that stability in states bordering Turkey has implications for Turkey's own security and stability (Aydin, 2009).

Track Two Diplomacy and Evaluating Prospects for Peacebuilding in Nagorno-Karabakh and the South Caucasus

This section investigates what should be done at the micro level to build peace in Nagorno-Karabakh and the South Caucasus. First, we look at the role of social media in building bridges and preventing hate. So far, social media has been instrumental in spreading hate. For all the conflicting parties, local media has so far perpetuated negative stereotypes of the 'enemy' in the region. Propaganda and misinformation on both the Armenian and Azerbaijan sides has drowned out what little communication and discussion there has been (Frontline Club). Contradictory national narratives continue to pervade both societies at all levels. The critical question is how they can break out of the conflict to start a dialogue about their common future. The new geopolitics discussed above and new realities require communicating new narratives in order to bring stability and peace to the region. This in turn requires an innovative and inclusive model for peace building that includes dialogue, joint analysis, national ownership and national capacity.

Table 2 summarizes the essentials of peacebuilding at a micro level and offers a plan of action for track-two diplomacy. It is important to map all the social bonds between Armenians and Azerbaijanis to explore opportunities for resolving conflict at the micro level. As De Waal (2005:14) notes, "links of culture, business and marriage still bind Armenians and Azerbaijanis together

in Moscow, Georgia and Iran – anywhere in fact outside the zone of the Karabakh conflict".

Culture and Language	Economy and Infrastructure	Accountability	Groups Needing Special attention
Transform the cultural conditions that generate and sustain conflict. Leaders should avoid the discourses focusing on martyrs and revenge, and lumpen language and hate speech.	Establish foundations for economic recovery and frame an action plan for development under the Caucasus stability pacts.	Build institutions for efficient public administration and accountability.	Refugees returning home [5]
Overcome the legacies and root causes of conflict by understanding them and building mechanisms of healing. Empower civil society to take part in conflict resolutions.	Build institutions, infrastructures and capacities for livelihoods, safety, and human security. Interaction and connectivity projects	Provide regular monitoring reports on track two activities.	Gen Z and its own defining characteristics need special attention Learn conflict resolution at an early age.
Include women and youth in peacebuilding initiatives. Conduct problem-solving workshops.	Create regional economic cooperation mechanisms under Caucasus cooperation initiatives (Azerbaijan, Armenia, Georgia, Turkey).		Problem solving workshops, exchange programs, creative art workshops, and mentoring Digital workshops
Promote the role of women in peace-building. Mobilize the women's movement and youth in Armenia, Azerbaijan, and Georgia about the concepts of peace and conflict resolution.[6]	Consider small and medium sized enterprises.		

[5] Putin has also emphasized the safety of refugees. In an interview on November 17, 2020, he said, "We must ensure the real safety of the people, including refugees, who are returning to their homes on both sides. This is the mission of the Russian peacekeepers." See "Replies to media questions on developments in Nagorno-Karabakh", http://en.kremlin.ru/events/president/news/64431.

[6] See Building a Common Future: The Armenia-Azerbaijan Initiative website, http://traubman.igc.org/aai.htm.

Make all track two initiatives front-page news and inform the public about them. Use social media platforms to promote track two initiatives.	A bottom-up approach that emphasizes the role of the local private sector in each country to boost regional development Focus on bordering cities and interaction.		

Table 2: An Innovative and Inclusive Track Two Diplomacy Action Plan Model: Engagement of Academia, NGOs, and Business

Our innovative and inclusive track-two diplomacy action plan model is based on the idea that peacebuilding needs to be locally driven. The major ingredients of this model are integrating regional norms and frameworks, building a common understanding of the concerns, interests, and needs of people, and building national capacities for peace. Establishing durable peace requires policy makers to help build a clear vision of a common future for the Armenian and Azerbaijani societies, and empower local peacebuilders with larger female representation. Women can play a vital role in official negotiations due to their relevant perspectives, valuable expertise, input, and feedback from the community level. One example is a project by UNIFEM's Regional Project Women for Conflict Prevention and Peace-building in the Southern Caucasus that lasted almost six years (2001-2006) (Pashayeva, 2012). Major actions in this model include targeting Armenian and Azerbaijani media representatives for all types of peace building activities and organizing debate among bloggers in Armenia and Azerbaijan, especially young ones, to share experiences and talk about future. Examples of such efforts include Building a Common Future: The Armenia-Azerbaijan Initiative website (http://traubman.igc.org/aai.htm).

Conclusion: Quo Vadis?

Russian-Turkish cooperation is a key driver of regional stability and economic integration in the South Caucasus. Any increased rivalry rather than

cooperation is likely to influence future regional stability. The recent controversy between Russia and Turkey over Russian warplanes striking anti-Assad Syrian opposition fighters in Idlib region, backed by Turkey, throughout September (2021) is deepening mistrust (Kasaboğlu et al., 2021). Idlib is the last stronghold of the Syrian opposition resistance to Bashar al-Assad's government in Syria, hence Assad's final target to gain victory (Nikolov, 2021). Putin said that the presence of foreign forces in Syria without a UN mandate was worrying, targeting Turkish troops and Ankara's policies. He made these remarks during a meeting with Assad in Moscow on September 13, 2021 (France24, 2021). Ankara sent additional troops before the Putin-Erdogan meeting in Sochi on September 29, 2021, when the conflicts in Syria and the Caucasus were important agenda items. Both leaders expressed their satisfaction with the meeting. Erdogan tweeted, "we departed Sochi after a fruitful meeting with my counterpart Putin" while Putin said that Russia and Turkey were "cooperating quite successfully on the international stage, including on Syria and Libya" (RT, September 29, 2021).

Another critical issue is Yerevan's hesitation about ratifying the ceasefire agreement signed on November 9, 2020, following the 44 day war in October 2020. Signing this agreement was painful for Armenia. Since then, this agreement has shaped the region in light of new geopolitical realities with stronger Turkish involvement as an important ally of Azerbaijan. Russia's peacekeeping force in Nagorno-Karabakh can stay until 2025 based on an initial five-year mandate that is renewable for a further five years. This indicates that building stability and peace in the region has a priority that requires an urgent plan of action. This plan can benefit from the second track diplomacy models discussed in this paper.

Iran's and China's "Passive Realism" towards the Recent Developments in the South Caucasus

Yeghia Tashjyan

Introduction

When it comes to the southern Caucasus, unlike China, Iran is historically and geographically one of the crucial regional actors alongside Russia and Turkey. Many analysts argue that after the 2020 war in Nagorno-Karabakh, Iran has lost its leverage over the South Caucasus, while China became one of the main beneficiaries, as the November 9, 2020, trilateral statement called for the unblocking of the economic routes in the region. This paper will analyze the "passive realism" of both Iran and China during and after the war and how they viewed the post-war regional developments amid major geopolitical shifts in the South Caucasus.

Why was Iran "passive" during the War?

Iran's concerns and the inability to have an active role in the war are an outcome of three domestic and regional factors or calculations:

1. During the last years, there were high-ranking official meetings between Azerbaijan and Israel, both sides signed economic, security, and military agreements. Moreover, Israel used Azerbaijan as an intelligence base to spy on Iranian military activities in Northern Iran.[1] The military-technical partnership between Israel and Azerbaijan which is actively and permanently developing and strengthening has raised alarms in Iran.
2. With the outbreak of the war in late September 2020, demonstrations erupted in Azeri-majority cities of Iran (ethnic Azeris make up about 25 percent of Iran's population) demanding active support for their ethnic kin on the other side of the border. The Azeris are one of the

[1] Yeghia Tashjian and Mona Issa, "The axis of instability: The Azerbaijani-Israeli alliance", Nour News, 4/10/2020, https://nournews.ir/En/News/54444/The-axis-of-instability-The-Azerbaijani-Israeli-alliance, last accessed 3/9/2021.

most influential ethnic groups in Iran. Above this, many American and Israeli think tanks called to use the "South Azerbaijan" card to disintegrate Iran from within. In other words, the Iranian authorities feared the potential for spill-over, where Tehran would unwillingly be dragged into the Armenian-Azerbaijani war. For this reason, Iranian officials and diplomats welcomed Azerbaijan's territorial gains. However, according to political analyst, Eldar Mamedov, "Iran's foreign policy formulation is a complex process involving stakeholders from various diplomatic and security establishments."[2] Therefore, to analyze Iran's policy towards the conflict, one should have read the announcements of Iran's military figures and officials from the "Iranian Revolutionary Guard Corps" such as the Brigadier General Abbas Azimi, Commander of the Air Defence Forces, and Commander Brigadier General Mohammad Pakpour who stated that any shift in border geopolitics (that is a change in international recognized borders of Armenia or Iran) is a red line for Iran.[3] For this reason, Iran deployed additional troops near its northern border.[4] Also, what the mainstream media had failed to portray is that when Iran's Supreme Leader Ali Khamenei said "Azerbaijan has the right to liberate its occupied territories and international borders must be respected, and terrorists should not be present near (Iran's) borders" he did not call for the return of Nagorno-Karabakh (1988 borders) to Baku as he hinted on the peaceful resolution of the Nagorno-Karabakh conflict.[5]

3. The third factor is the increase of Turkish influence in the South Caucasus and Nakhichevan. Turkey is an important trade partner and transit corridor to transfer Iranian gas and oil to European markets.

---

2 Eldar Mamedov, "Iran's delicate balancing act in the South Caucasus", Eurasianet, 8/10/2020, https://eurasianet.org/perspectives-irans-delicate-balancing-act-in-the-south-caucasus, last accessed 6/8/2021.

3 "Army general: Iran closely following Nagorno-Karabakh conflict situation", News.am, 16/10/2020, https://news.am/eng/news/608217.html, last accessed 6/9/2021.

4 "Iran troops deployed on border near Nagorno-Karabakh conflict", France 24, 25/10/2020 https://www.france24.com/en/live-news/20201025-iran-troops-deployed-on-border-near-nagorno-karabakh-conflict, last accessed 6/9/2021.

5 Syed Zafar Mehdi, "Iran backs Azerbaijan's right to liberate Karabakh", Anadolu Agency, 3/11/2020, https://www.aa.com.tr/en/middle-east/iran-backs-azerbaijan-s-right-to-liberate-karabakh/2029245, last accessed 3/9/2021.

Both Ankara and Tehran also cooperate against the Kurdish insurgency in the region. They also face the same regional rivals – the United Arab Emirates and Saudi Arabia. Turkey is also a useful conduit for mitigating the effects of unilateral U.S. sanctions. At a time when Iran was being squeezed by the Trump administration's "maximum pressure" campaign and an array of regional rivalries, it can hardly afford to alienate Turkey.[6] Iran had also concerns that this conflict would trigger Turkey's proactive policy of supporting Azerbaijan and this would come to give Ankara a bigger stake in the future of the South Caucasus.[7] As the war ended with Azerbaijan's military victory, it was clear that the Baku-Ankara alliance has been radically strengthened and Turkey was going to stay in Azerbaijan. All these factors have shaped Iran's policy towards the conflict of Nagorno-Karabakh and pushed Tehran to have a balanced strategy not to antagonize the Turkish side. However, after the 10th of November trilateral statement, the Iranian side realized that it was isolated from the region.

Has Tehran Lost its Leverage over the South Caucasus?

Tehran has welcomed the end of hostilities in neighbouring Nagorno-Karabakh. However, one should note that Tehran was cautious and worried.[8] Iran's passive diplomacy in the recent war cost her to lose its important transit role in the region. Based on the trilateral statement, Azerbaijan's exclave of Nakhichevan will be connected to Azerbaijan proper through a route passing by Southern Armenia, possibly the Meghry district.[9]

---

6 Joshua Kucera, "Bolton visits Caucasus amid anti-Iran campaign", Eurasianet, 23/10/2018, https://eurasianet.org/bolton-visits-caucasus-amid-anti-iran-campaign, last published 3/9/2021.

7 Alex Vatanka, "Iran's strong hand in the Arab world is missing in the Caucasus", Middle East Institute, 19/10/2020, https://www.mei.edu/publications/irans-strong-hand-arab-world-missing-caucasus?fbclid=IwAR2ER1GikSJQvxemf1HHGlPAou0ddDYCogkyEDrPIZPvLZPJP1zBTrnELl4, last accessed 1/9/2021.

8 "Armenia surrenders to Azerbaijan", Eurasianet, 9/11/2020, https://eurasianet.org/armenia-surrenders-to-azerbaijan, last accessed 24/8/2021.

9 "Statement by President of the Republic of Azerbaijan, Prime Minister of the Republic of Armenia and President of the Russian Federation", Kremlin, 10/10/2020, http://en.kremlin.ru/events/president/news/64384, last accessed 23/8/2021.

Now that Turkey has infiltrated the region, and Israel, through this war, has succeeded in politically isolating Iran, Tehran is concerned of being economically isolated too. In 2005, a 1,700 km-long (1,056-mile-long) pipeline between Baku and the Turkish port of Ceyhan started operations.[10] Even before the imposition of sanctions, such pipelines replaced the Iranian gas exports with Azerbaijani. Energy security has consolidated Turkish-Azerbaijani trade relations as well as those two states' ties with Europe: now the oil from Baku is delivered from Turkey to European states through the Baku-Tbilisi-Ceyhan pipeline.[11]

As Hamidreza Azizi from the German think-tank SWP pointed out, the new route will diminish Iran's image of being regional transit and its leverage over Nakhichevan.[12] Meanwhile, Turkey, which borders Nakhichevan, gains land access to the Azerbaijani proper without having to pass through Iran or Georgia, thus directly being connected to the Central Asian markets.[13] Thus Iran would lose its leverage over Azerbaijan.

As border clashes erupted between Armenia and Azerbaijan, and Azerbaijani President declared his clear intentions regarding territorial demands from Armenia, the Iranians starting reviewing their policy out of concern of increase of Azerbaijani influence on Armenia's Syunik province. Iran is one of the regional powers actively concerned with the developments in Syunik. From the Iranian perspective, any change regarding the internationally-recognized borders with Armenia or a *de facto* loss of Armenian sovereignty over Syunik (bordering Iran) would threaten Iran's national security and place Iran

---

10 David O'Byrne, "Turkey to build gas pipeline to supply Nakhchivan", Eurasianet, 11/6/2020, https://eurasianet.org/turkey-to-build-gas-pipeline-to-supply-nakhchivan, last accessed 7/9/2021.

11 "Iran fears spillover from Nagorno-Karabakh", DW, 12/10/2020, https://www.dw.com/en/iran-fears-spillover-from-nagorno-karabakh/a-55250556, last accessed 1/9/2021.

12 Yeghia Tashjia, "Iran and the Second Artsakh War: Has Tehran lost its leverage over the South Caucasus?", Armenian Weekly, 27/1/2021, https://armenianweekly.com/2021/01/27/iran-and-the-second-artsakh-war-has-tehran-lost-its-leverage-over-the-south-caucasus/, last accessed 6/9/2021.

13 Hamidreza Azizi, "How Iran sees the deal between Azerbaijan & Armenia regarding Karabakh?", Twitter, 10/11/2020, https://mobile.twitter.com/HamidRezaAz/status/1326157569287725056, last accessed 6/8/2021.

at the mercy of Turkey and Azerbaijan when it comes to trade routes linking Tehran to Russia and Europe. During a March visit to Yerevan, former Iranian Foreign Minister Mohammad Javad Zarif described Armenia's territorial integrity as a "red line" for Iran. Iran values Armenia for its North-South corridor projects.[14]

China, the "Silent Winner"?

The South Caucasus was a "low-priority" region for China for the most part of the region's post-Soviet history. By the early 2000s, the EU and Russia had already initiated comprehensive engagement with the regional countries in nearly all spheres, but China maintained a low profile in the political and economic map of the region. Nor did the South Caucasian countries, which were more focused on either the market of the post-Soviet countries or that of Europe, demonstrate a real interest in China. The region started to gradually capture Beijing's attention in the wake of the launch of the Belt and Road Initiative (BRI) in 2013. The growing desire of the regional countries to attract Chinese investments accelerated this process. The region, acting as a link between the Middle East, China, Russia, and Europe, has huge strategic significance.

Another factor that played a positive role in this context was the realization of big transportation projects in the South Caucasus such as the Baku-Tbilisi-Kars railway, free economic zones, and the "Persian-Gulf-Black Sea" project pushed by Armenia. These initiatives and projects boosted the region's viability for becoming a hub on the China-Europe trade route.

However, the blocking of economic routes and instability remains a barrier to China's ambitions. From the Chinese perspective, once logistics and trade barriers are resolved – mainly through higher connectivity with Central Asia – economies in the Caucasus region are expected to quickly integrate with the Chinese economy over the next couple of decades.[15]

---

14 "News Agency: Statements News Agency: Minister of Foreign Affairs", Iranian Foreign Ministry, https://en.mfa.ir/portal/PrintNews/625905, last accessed 22/8/2021.

15 Pax Sinica, "In the Caspian Region, China Is Just Getting Started", Carnegie Moscow Center, 27/2/2/2021, https://carnegiemoscow.org/commentary/83950, last accessed in 6/9/2021.

As Azerbaijan launched its invasion of Nagorno-Karabakh, China's Foreign Ministry called for all parties to remain calm, engage in dialogue, and exercise restraint on conflict.[16] The Ministry added that maintaining peace and stability in the region serves the interests of all parties, including Armenia and Azerbaijan. Although China has opted for a neutral stance in the war, it faced a difficult dilemma. Many Azerbaijani experts and media often highlighted that China supports Azerbaijan's sovereignty and territorial integrity, and opposes secessionism in Nagorno-Karabakh, to avoid double standards in relation to Taiwan. However, many Chinese analysts hinted at Turkey's growing role in South Caucasus and warned that certain Pan-Turkic sentiments may increase in Xinjiang province.

It is clear that China is not seeking an intermediary role given that it does not have political influence with both countries – unlike Turkey or Russia – nor does it want to choose sides. China seems to assume a "business as usual" posture, pushing ahead with its agenda on a bilateral basis, without deliberate involvement in the war between Armenia and Azerbaijan. Yet it is China and its ambitious Belt and Road Initiative that may ultimately emerge as an unlikely winner in the post-war regional system.

Assessment and Conclusion

Both Iran and China engaged in "passive realism", analyzing the balance of power on the ground, they have reacted according to regional geopolitical shifts.

Starting with the last decade, Beijing has been building transport routes to Europe that bypass Russia. One of these overland routes crosses the Caspian Sea from Kazakhstan to Azerbaijan and onward to Georgia, Turkey, and ultimately Europe. The new trade route mentioned in the November 9 trilateral statement – between Nakhichevan and Azerbaijan – would offer Beijing two routes to Europe in the South Caucasus; one via Georgia plus one across southern Armenia and Nakhichevan. In addition, Russian border

[16] Riyaz ul Khaliq, "China urges dialogue over Azerbaijan-Armenia dispute", Anadolu Agency, 28/9/2020, https://www.aa.com.tr/en/asia-pacific/china-urges-dialogue-over-azerbaijan-armenia-dispute/1988087, last accessed in 6/9/2021.

troops will guarantee the safety of transit across southern Armenia. From Beijing's perspective, this is all the better to protect its own shipments.

However, it is Iran that stands to lose the most. The proposed trade route connecting Azerbaijan proper to Nakhichevan is bad news for Iran. Until now, a shipment from Baku to the isolated exclave had to traverse northern Iran. Under the new deal, Tehran will lose transit fees. That will leave Iran even more eager to move towards China to boost its economy. Thus, China could emerge as one of the main beneficiaries of the November 9 trilateral statement, gaining a new route for the BRI plus leverage over Iran during crucial negotiations.[17]

[17] Note: The following article was written before the September-October political tensions between Azerbaijan and Iran.

Shared and Conflicting Interests in the South Caucasus: Russia, Turkey and the EU

Boris Kuznetsov

Over the past decade, the regional geopolitics, geoeconomics, and security of the South Caucasus have undergone a significant transformation. The region ultimately is part of the geopolitical expanse where regional powers such as Russia, Turkey and Iran have critical economic and political interests. In addition, the region is a space where such international players as the U.S. and the EU are also engaged in the exercise of their influence and normative policy.

The European Neighbourhood Policy (ENP) was initially not designed as a geopolitical project. After a short period of relative cooperation between the EU and Russia, the latter declined an invitation to join the ENP in 2003, signalling the beginning of a period in which divergences in the EU's and Russia's values, interests and world views became ever more apparent, especially in relation to the shared neighbourhood. By then the Eastern Partnership (EaP) was founded in 2009 as an additional, more ambitious, multilateral format for the ENP.

Both the EaP and ENP reflect the EU's decision to compete with Russia in the region. This means that the in-between states will remain the main arena of geopolitical rivalry between the EU and Russia for the foreseeable future with unknown results.

At the heart of the rivalry between the European Union and Russia is the incompatibility of the way they understand the sovereignty of the in-between states. While the European Union supports their democratic transition and is willing to strengthen their democratic resilience to escape Russia's influence, the Kremlin recognizes only their limited sovereignty, because they are part of Russia's "zone of privileged interest." Russia strongly believes the EU is attempting to use its European Neighbourhood Policy (ENP) to spread its norms and values in the region with the aim of expanding its sphere of influence at the expense of Russia. In Moscow's conception, this is done

with an eye toward enlarging the EU and, potentially, NATO. Subsequently, Moscow acts as a spoiler that is determined to prevent the expansion of Western organizations into this part of the world. It assumes that any Western actions in the region should have prior approval from the Kremlin. Furthermore, the Kremlin has demonstrated its willingness to use any means, including military intervention and subjugation, to disrupt the integration of the Eastern Partnership countries into the EU.

Despite the fact that the EU and Russia are interdependent as energy consumers and suppliers, respectively, both have different political cultures, mindsets, rules of the game, and tactics for maximizing their regional spheres of influence. For the EU, the South Caucasus represents an alternative to achieve energy diversification vis-à-vis Russian energy suppliers. However, it is a tense neighbourhood which needs to be stabilized. Russia strives to maintain control over the South Caucasus countries – which it considers to be under its sphere of influence – and to avoid the strategic presence of the EU and NATO.

As the three South Caucasus states seek to balance Russia and expect the EU to make a clearer geopolitical commitment toward the region with a more geostrategic and security-oriented policy, the EU is focused on domestic transformation and wants to see the EaP countries reform and develop good governance practices. The goal of the EaP was never to integrate the participating states as full members but to support stabilization and transformation while keeping them at arm's length. The EU and the South Caucasus states possess fundamentally different expectations. This not only leads to frustration on both sides, but also yields stagnation and even regression in the reform and rapprochement processes. Though, the EU attempted to develop the South Caucasus as a region over the past two decades that appears to be failing. In the wake of Georgia's Association Agreement with the EU, Armenia's Eurasian Union membership, and Azerbaijan's non-alignment and practical rejection of European integration, the geopolitical landscape of the South Caucasus is shifting considerably.

First, the EU's approach to the region has been based more on bilateral outcomes vis-à-vis one country while ignoring the regional ramifications of these outcomes or how these outcomes could affect different regional stakeholders.

Second, in its approach, the EU has striven for a grand bargain to resolve many issues in one stroke. For the most part, the EU has not been pragmatic and flexible enough to move forward with things that can be resolved for now, while leaving aside issues that cannot be resolved immediately.

Third, within the Eastern Partnership, security has never been a priority. As a result, a lack of security dimension rendered the EU's geopolitical vision and policy ineffective.

Fourth, the absence of consensus among core Western powers on how to deal with Russia; contain, engage or resist it. Russia presents a multi-dimensional challenge both for the transatlantic community and to the eastern neighbourhood countries. Nevertheless, we are constantly witnessing signs of constraint within the West over its relations with Russia. While Poland, Romania and the Baltic countries call for a tough response to Russia's activities in the region, Germany, France, Austria and Italy want to engage Russia and are cautious not to undermine their political and economic ties with her.

Russia is still the main regional actor that the South Caucasus states cannot afford to ignore. Whether the West wants it or not, Russia is seeking to reclaim its sphere of influence in its border. Regional conflicts become a cornerstone of Russia's assertive foreign policy to secure strategic leverage in the region.

Security is thus the central challenge facing many of these countries. The three South Caucasus states have divergent relations and goals with regard to the EU and Russia. All these developments change the strategic picture in the South Caucasus and have significant implications for relations with the EU. The EU is an important player but only one of several, and one that is currently facing its own internal crises. In this context, the EU's approach to the region requires rethinking, not only in terms of differentiation but also in the linking with security elements.

The weak role of the EU in resolving conflicts in the South Caucasus, its limited financial support and the absence of the membership perspective for EaP countries in the foreseeable future only weaken the EU's offer. While an initiative that provides primarily a long-term perspective, the EaP is not

well suited to mitigate the South Caucasus countries vulnerabilities to Russian dominance.

Russia and Turkey: Between Rivalry and Cooperation in the South Caucasus

In the long historical perspective, Russian and Turkish foreign policies have been deeply affected by the shared neighbourhood of the Wider Black Sea region and the South Caucasus, where both countries possess multifaceted security, political, economic and cultural ties.

The analysis of Russian-Turkish relations in the last two decades demonstrates a multi-dimensional competition-cooperation nexus. One can trace its elements of equal intensity in several spheres, including security, economic interaction, and energy infrastructure. Turkey and Russia are the two main external actors in these regional constellations that build on historical, cultural, religious and ethnic issues and experiences but that have transformed significantly during the post-Soviet years.

While there has been a recent rapprochement between Turkey and Russia, they have diverging perspectives about numerous nearby conflicts. Despite extensive economic cooperation, bilateral relations are quite far from strategic. While the Russian engagement in the Syrian conflict has turned Russia into a decisive actor in Turkey's near abroad in the Middle East, Turkey's military collaboration with Azerbaijan has enabled Turkey to extend its strategic influence in the South Caucasus.

Ankara has also engaged in what can be termed a geopolitical balancing act vis-à-vis Moscow. In recent years, the fast improvement in Turkish-Russian relations has been accompanied by a corresponding deterioration in Turkish-Western relations. In other words, the decline in Turkish-Western relations has increased Turkey's dependency and strategic vulnerabilities vis-à-vis powers such as Russia. Turkey has searched for ways to address its strategic dependency vis-à-vis Russia. A closer look at Moscow's and Ankara's motivations in seeking closer ties with each other is required. For Russia, a security partnership with Turkey would serve its long-standing goal of weakening the transatlantic alliance.

The parallel deterioration in Russia's and Turkey's ties with the West leads to have strengthened the bilateral relationship further. At the same time, Turkey had demonstrated that it is not Russia's junior partner. Moscow has come to learn that Ankara will act against its plans as it occurred in Syria, Libya or Nagorno-Karabakh. Despite this, Turkey remains a valuable partner for accomplishing Russia's long-term geopolitical goals.

Regional rivalry and economic cooperation will continue to shape Russian-Turkish relations in the years ahead. Beyond these regional and economic dynamics, however, Turkey's continued commitment to NATO should be considered an important factor impacting on future relations. Turkey has a pragmatic and multi-layered relationship with Georgia; energy, infrastructure and military cooperation rank among the priorities for both countries. These issues are central in the trilateral Azerbaijan-Georgia-Turkey (AGT) cooperation that has evolved dynamically since the building of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline and the Baku-Tbilisi-Erzurum (BTE) gas pipeline in the mid-2000s. In November 2020, the Trans-Adriatic pipeline (TAP) was inaugurated; this marked the completion of the entire Southern Gas Corridor stretching from the Caspian Sea all the way to Southern Italy – a major achievement and a long-time goal of both Turkey and Azerbaijan. The Southern Gas Corridor enhances European energy security and the project has been actively supported by the EU. The geopolitical nature of these projects is a given: they offer alternative routes to existing routes that cross Russian territory, and exclude the third South Caucasian state, Armenia. Security and political cooperation deepened in the 2010s through the annual meetings of state leaders, foreign ministers and defence ministers. In 2012, Turkey established a trilateral cooperation mechanism with Georgia and Azerbaijan, which targets closer cooperation in tourism, logistics, trade, customs and defense. Special units from the three countries have conducted joint military exercises since 2015. Turkey has been more supportive of Georgia's bid for NATO membership. In the past few years, Ankara has also strengthened its defense cooperation with Tbilisi, leading to a military-financial cooperation agreement between the both defense ministries in December 2019.

On a range of issues, Russia's interests and allies are diametrically opposed to Turkey's in the South Caucasus: as a close ally of Armenia and patron of

South Ossetia and Abkhazia it is naturally opposed to Turkey's plans to expand its regional role and against evolving military cooperation between NATO and Georgia, or Turkey and Georgia.

Yet, in reality the picture is not quite so black and white. Turkey's ally Azerbaijan has close relations with Russia, and even Georgia – a country that *de facto* lost control of 20 percent of its territory in the 2008 war – has significant economic ties with Russia. Although Turkey has not recognised Abkhazia's independence, it has close links with the breakaway region. The Abkhaz diaspora community in Turkey is interested in developing connections and doing business with Sukhumi. Even when the Abkhaz de facto government adopted sanctions against Turkey as a sign of support for Russia after the downing of the Su-24, most of the trade that was in the hands of the Abkhaz diaspora continued almost as before. This example demonstrates how developments in the Middle East are in practice connected with policies conducted in the South Caucasus, as well as how geopolitical tensions are often mediated by local connections and links that can be surprisingly resilient.

The complexities and nuances of Russian-Turkish relations in the region were clearly demonstrated during the second Nagorno-Karabakh war. Turkey and Azerbaijan strengthened their positions considerably through the conflict but this would have not been achievable without Russia's implicit or explicit approval and both states were mindful of this.

Russia performed the role of a mediator by balancing carefully between Azerbaijan and Armenia; by doing this, it established a military presence in the form of peacekeepers in the conflict zone – a proposal that had been rejected earlier both by Yerevan and Baku – and it also pushed Armenia into deeper dependency on Moscow as Russia will now control the border with Azerbaijan as well as the road to Nakhichevan exclave. Perhaps most importantly, Russia's key role in the mediation process highlighted the marginalisation of the western powers in the region and contrasted that with Moscow's own ability to achieve concrete results. Turkey and Azerbaijan strengthened their positions considerably through the conflict but this would have not been achievable without Russia's implicit or explicit approval and both states were mindful of this.

The war seems to confirm some changes in the regional roles of both countries. Turkey achieved its long-term goal and carved out a role for itself in the management of the Nagorno-Karabakh conflict through its active military support to Azerbaijan, not by appeals to and negotiations with the Western co-chairs of the Minsk Group. Turkey has been pushing for a 2+2 formula – Russia and Armenia on one side, and Azerbaijan and Turkey on the other. After the situation on the ground had been reshaped by force, Turkey restated its desire to establish a regional stability organisation that would essentially bring the major regional powers – Turkey and Russia and Iran – and the three South Caucasus states around the same table. Regardless of its success, the initiative reveals Turkey's vision of a condominium of regional great powers taking charge of security in the region without the involvement of non-regional powers.

In the case of Russia, the outcome of the war and the ceasefire negotiations indicate Moscow's increasing pragmatism in the region and ability to make careful calculations based on securing key interests and readiness to compromise at least on secondary issues, where its key interests are not directly at stake. The way in which the ceasefire was established and monitoring organised highlighted the status of both Russia and Turkey as autonomous great powers managing the relations of their smaller neighbours without the involvement of any Western powers or institutions. Perhaps most important that Russia's key role in the mediation process highlighted the marginalisation of the Western powers in the region and contrasted that with Moscow's own ability to achieve concrete results. The second Nagorno-Karabakh war demonstrated the failure of international mediation efforts and the decline of Western powers' significance in the security of the region. The co-chairs of the Minsk Group were pushed to the sidelines and neither the United States nor France had a role in the events or their aftermath. In the short term, both Russia and Turkey seem to have gained from the second Nagorno-Karabakh War and the subsequent ceasefire agreement. In the long term, however, Turkey's role in Nagorno-Karabakh is rather uncertain, while Russia has consolidated its role in the Caucasus as the key security and regional order provider. It is important to note that, just like in Syria, Russia and Turkey were able to coordinate a ceasefire without intervention by the U.S. or the EU. This enables Moscow and Ankara to manage their tensions without directly targeting each other.

Despite an enduring regional rivalry, Russia and Turkey have continued to expand their economic cooperation. This economic exchange is marked by a symmetric interdependence that favours Russia and leaves Turkey vulnerable to Russian economic coercion. In the 21st century, Russia has been among Turkey's top three trading partners, yet Turkey struggles to feature in Russia's top ten. In 2019, Russia was Turkey's top source of imports, while Turkey was Russia's 10 the biggest import partner. The most important component of this economic cooperation is energy. In 2020, the TurkStream pipeline started providing natural gas to the Turkish market. The TurkStream pipeline is controversial. From the Turkish point of view, it enhances Turkey's goal of becoming an energy hub. For Russia, the pipeline's most important geopolitical upside is that it bypasses Ukraine in exporting natural gas to Turkey. Due to wider developments in global energy markets, the share of Russian natural gas in Turkey's exports fell from 52 percent in 2017 to 33 percent in 2019. Nonetheless, Russia remains the largest provider of natural gas to the Turkish domestic market. Beyond natural gas, the Russian Atomic Energy Agency (Rosatom) is building Turkey's first nuclear power plant in Akkuyu. Upon completion, the power plant is expected to provide 7 to 10 percent of Turkey's annual energy needs. In return for these energy imports and investments, Turkey typically exports car parts, machinery, textiles and agricultural products to Russia. Russian economic sanctions on the Turkish economy during the November 2015 – June 2016 jet crisis taught the Turkish government a big lesson about its economic vulnerability vis-a-vis Russia. In each geopolitical crisis that arises between the two states, the Turkish government's memory of the impact of Russian sanctions is revived. Most recently, in April 2021 the Russian government banned flights from Turkey, officially due to the increasing number of Covid-19 cases in Turkey. Moscow later extended this flight ban until 21 June 2021. While Covid-19 was the official excuse, it would not be intrigue to argue that the decision came after Ukraine' President Volodymyr Zelensky's visit to Istanbul in April 2021. During the visit, the Turkish and Ukrainian governments agreed to enhance defense cooperation and Turkey pledged support for Ukraine's territorial integrity.

Regional rivalry and economic cooperation will continue to shape Russian–Turkish relations in the years ahead. Beyond these regional and economic dynamics, however, Turkey's continued commitment to NATO should be

considered an important factor impacting on future relations. Taken together, these factors suggest that a stronger form of cooperation, such as a strategic partnership, is unlikely, because Russia and Turkey will continue to pursue divergent foreign policy goals and geopolitical ambitions.

What are the Implications for the EU?

Turkey and Russia are both strategically important neighbours to the EU. Despite the current challenges, the EU has a long-term interest in building a functioning, cooperative relationship with both countries. Although hardly easy, relations with Turkey offer more opportunities for EU policy initiatives than those with Russia. Turkey and the EU have plenty of problems with each other but also shared interests, and intertwined economies and security arrangements.

That is why the EU has to pursue differentiated policies towards Turkey and Russia. As Turkey is a member of NATO and deeply connected to the European market, a customised strategy vis-à-vis Ankara has higher chances of success. Europe's economic sanctions against Turkey have high potential to deter Ankara's bullying tactics. At the same time, the EU will have to keep the lines of communication open and under the right circumstances offer Turkey closer integration in the European market and thus more economic advantages. Europe could also play more actively on Russian-Turkish differences in the neighbourhood. The EU may encourage Turkey to open the border with Armenia, a move which would ultimately increase Ankara's influence in the South Caucasus. But the EU needs to come to terms with its complex neighbourhood where two ambitious powers are acting more assertively vis-à-vis the EU.

"War or Peace in the South Caucasus?"

Alan Whitehorn

I: Background and Observations

The Nagorno-Karabakh conflict continues to impact across the South Caucasus and beyond. Many of the specific geo-political conditions that prevailed from the mid-1990s to the summer of 2020 no longer exist and like Humpty Dumpty probably cannot be restored. The Armenian military and territorial advantages acquired in the 1990s have been largely lost, perhaps irrevocably. The publicly-stated initial Azerbaijani military and territorial goals have for the most part been won. However, with the dramatic drone war victory in 2020, Baku's geo-political ambitions appear to have grown, perhaps in significant ways.

Does Aliyev exhibit increased territorial ambitions, aggression and risk-taking? Recent border incidents and incursions by Azerbaijan suggest he is not sufficiently content to have decisively won the 2020 war and reclaimed important territory. He has unequivocally declared he wants more. These are ominous words for Armenians who are apprehensive that Baku's ultimate goal is genocidal annihilation of Armenians in the South Caucasus. In such a hostile and conflict-filled atmosphere, the chances of peace in the region seem slim to non-existent.

There is little doubt that Russian troops on the border between Armenia and Turkey, particularly at the military base in Gyumri, have acted as a nuclear tripwire significantly protecting Armenia from potential major Turkish aggression. Armenian military dependence on Russia has grown enormously in recent months. It is critical for Armenia's current survival and central for the future, but is also at times problematic. Russia's imperial ambitions and priorities, both in Tsarist and Soviet communist eras, did not always serve Armenians well.

Despite formal military alliance commitments to Armenia, Russia is highly unlikely to go to war with Azerbaijan. Amongst the significant reasons are

Russian financial stakes in Azerbaijani oil developments, the financial importance of Azerbaijan, strong Turkish military backing of the regime in Baku, a desire not to alienate neighbouring Islamic states and even Russia's own sizable Islamic population. It should be noted that Russia is not as powerful as the former Soviet Union and in some key ways is a more vulnerable state.

The tiny land-locked enclave of Karabakh is encircled and increasingly depopulated of Armenians by about half and resembles an isolated Russian garrison state. A great many Armenians fled the territory during the 2020 war and even more would do so, if Russian peacekeeping troops were removed or if the living conditions deteriorate even more. As of December 2020, the Armenian government is unable to effectively defend Nagorno-Karabakh.

The Karabakh government in Stepankert has at times in the past been an obstacle to possible peace negotiation agreements. The government continues to be a complicating alliance partner for Armenia and remains a challenging factor in any peace talks. The 1994 and 2020 major ceasefires were both brokered by Russia. Accordingly, it is likely that in any future ceasefires and peace negotiations, Russia will continue to play a pivotal role.

War in the South Caucasus has not fully stopped. Mostly triggered by Azerbaijan, violent Azerbaijani-Armenian border incidents continue, with property damage, military personnel injuries and deaths. With emboldened aspirations on one side and mounting concerns and even fear on the other, the risks of renewed warfare are significant. An increasing possibility, if not probability, is that the tiny landlocked state of Armenia will continue to lose territory slice by slice (aka incremental invasion/creeping annexation), thereby jeopardizing both the national security and viability of the Armenian nation-state. The increased deployment of Russian border troops is a stopgap measure. In its growing dependence on the foreign imperial military power of Russia for protection, is Armenia on the perilous road to becoming a semi-sovereign state?

Perhaps insufficiently understood by the outside world is the continuing impact of the trauma of the 1915 Armenian Genocide. Ongoing Armenian territorial losses accentuate mounting fears for Christian Armenians that they

are at risk of genocidal attacks by a coercive Islamic state. A nation feeling encircled and increasingly threatened can be a desperate and dangerous one.

II: Recommendations

1. Instead of periodic meetings of senior Azerbaijani and Armenian government officials in Geneva and elsewhere, Yerevan needs to speak directly and regularly with both Baku and Ankara. How many decades will these belligerent states lack formal diplomatic ties? Ideally, embassy relations should be established immediately, but if that important and long-overdue threshold cannot be met, some sort of cultural or peacekeeping institutional contacts need to be established.

2. If the enemy combatant states continue to fail to have diplomatic relations, it becomes even more necessary for other countries to fill some of the gap. For example, Canada, a country with a long and important tradition and expertise in peacekeeping, has no embassy directly in any of the three countries in the embattled South Caucasus. As such, it is exceedingly difficult and unlikely that in the current conflict-prone era, Canada could play a significant role in conflict-resolution discussions, let alone in shuttle diplomacy. Canada, as a respected middle power, needs to take a more constructive role. Watching somewhat passively from afar, while the conflict spiral in the South Caucasus escalates, is insufficient and problematic in this interdependent world.

3. At the very least, both international monitoring of the borders of Azerbaijan and Armenia and third-party documenting of any incidents would be helpful. Ideally in so doing, some levels of prevention would also occur. The pioneering historic UN role in Cyprus (UNFICYP) which established a military buffer zone (the green line) separating the Greek and Turkish combatants is a germane example.

4. Federalism is a pivotal form of governance for counterbalancing unity and diversity, centralism and decentralism, and potentially protecting minority language and cultural rights within a larger state. It can, in essence, creatively combine two key political principles: enlarged territorial integrity as espoused by Azerbaijan and important aspects of national self-

determination as advocated by Armenians of Nagorno-Karabakh. Instead of a bitter either vs or see/saw between the two central political concepts of territorial integrity and national self-determination, a democratic balance could be fostered. Canada is a leading and successful example of this fact. It is a country with notable expertise on federalism, an important peaceful political mechanism created for lessening seemingly intractable conflict and squaring the circle.

In the long-run, there are several variants of federalism that could conceivably work, as it relates to Karabakh. Defence and foreign policy (i.e. reflecting territorial integrity) would remain with the central government, while language, religion and education (i.e. national self-determination) would remain a local prerogative. The Aland Islands in the Baltic Sea have been suggested by some as a successful example. Whether such a distribution of powers would be acceptable to Baku, Yerevan and Stepanakert or nearby major regional powers is an open question. Federalism requires a recognition and acceptance of the 'other' and a willingness to compromise. These are traits greatly missing at the moment in the region.

5. In the short-run, a theoretical case can be made that Nagorno-Karabakh never fully separated from the federal USSR, in that Baku declared sovereignty, but without approval from the Armenians in the Stepanakert regional government. Thus, in the interim Karabakh could be considered as only having a partially-completed separation from Moscow and currently is stalled in its independence efforts. Thus, it still requires joint Moscow-Baku negotiations, not unlike some aspects of the current de facto situation.

6. Emotions are powerful forces in politics. Anger and hatred fuel warfare. There is a multitude of historical and contemporary accounts reflecting such raw emotions. However, empathy can be used to transcend hostilities. Where can we find such a positive attribute in the South Caucasus? Perhaps, it can be found paradoxically in the mutual suffering of each other. In the quest for fostering transnational contacts between the warring states of Azerbaijan and Armenia, international humanitarian organizations could serve as catalysts or neutral brokers for informal dialogue between wounded veterans and/or widows from both countries. Instead of each nation suffering in isolation from each other, a transnational and

shared collective learning experience about the perils of war could be fostered.

7. There has been considerable Western focus on the major powers of Russia and Turkey and their roles regarding the South Caucasus conflict. Too often overlooked or downplayed is the geo-political fact that Iran is an important presence in the region. Despite its current ostracism from Western states and international diplomacy, Iran can play a positive long-term role in the South Caucasus, particularly as it relates to facilitating transportation corridors, both North-South and East-West.

III: Future Risks and Opportunities

Our era is marked by greater technological innovation reinforcing the important and ongoing scientific revolution in military affairs. One notes the pivotal historic role of two pioneering civilian academics: the British mathematician Alan Turing's brilliant work on deciphering enemy military intelligence by means of a remarkable breakthrough in computing science and the American physicist Robert Oppenheimer's legendary work on nuclear fission in the development of the world's first atomic bombs. Combined these two revolutionary technological breakthroughs greatly altered and ultimately determined the outcome of World War Two. The 2020 deadly drone war over the skies of Karabakh and the South Caucasus was a grim reminder of how revolutionary new intelligence and weapons technology can swiftly and decisively alter the outcome of a war. Such is the nature of secret scientific research that inevitably neither Baku nor Yerevan are fully aware of the new weapons calculations of the other side of the conflict. Each warring side searches for a technological edge. The result is and will inevitably be a weapons arms race that neither side can afford in the long run. Perhaps a future bleak deterrence could emerge in the form of Mutual Assured Destruction (MAD). Given the levels of current hostility, it seems more likely not to emerge.

Nevertheless, important lessons can be learned from elsewhere in Europe. After generations of horrific wars between Germans and French in the 19th and 20th centuries, a few brave and bold visionary statesmen came together at the end of World War Two and sought to change the historic pattern of repeated conflicts. Looking towards a better future, they sought to turn

swords into ploughshares. They opted for trans-national functional economic integration of the German and French coal and steel industries. The goal in the 1950s was not merely to survive from the last war, but to thrive in a better tomorrow. For the sake of the next generations of children, they chose a different path. The choice between war or peace remains paramount in 2021.

Rescinding a Transportation Blockade: Power Competition and Perspectives for Armenia

Armine H. Arzumanyan

Introduction

Since the early 1990s, Azerbaijan and Turkey have maintained a transportation and economic blockade of Armenia within the context of the Artsakh issue and the Armenian question in general. Gradually becoming a major factor in regional geopolitics and absorbing many intercontinental trade projects and transport links, Armenia and Artsakh have borne considerable economic hardships due to the blockade. At the same time, the blockade has borne a symbolic connotation within the *status quo* for the last three decades, embodying the Turkish-Azeri bitterness about Armenia's unexpected victory in the first Artsakh war and its re-emergence as an independent regional actor despite Turkey's continued efforts against the Armenians.

Now that the 44-days-war has drastically altered the strategic landscaped – and strategic symbolism – in the South Caucasus and the broader region on the one hand, and reconfirmed that the enmity between Armenia and Turkey is still very much alive and present on the other, a careful analysis of the yet-emerging regional order is a prerequisite for understanding the risks and opportunities present therein and formulating new policies accordingly. Following the controversial Lavrov plan that brought the second Artsakh war to a fragile and uneasy halt, trilateral talks held in Moscow on January 11 2021 between Russia, Armenia and Azerbaijan facilitated discussions on unblocking economic and transport links in the South Caucasus. An agreement was eventually reached that transfer routes in the region be unblocked, although no details as to how and when have been released.

At first sight, this may appear quite a relief for Armenia that has suffered economically due to the blockade. However, Armenia's overwhelmingly negative response to rescinding the blockade highlights a number of questions: what are the "terms and conditions" of the proposed unblocking? What does it really promise to Armenia, Azerbaijan, Turkey, and Russia? How would

the proposed rescinding affect regional and global geopolitics? This paper shall address these questions, attempting to (1) unveil the risks and implications the proposed unblocking scheme bears for the regional status-quo and intercontinental transit links in the long run, (2) shed light on why Armenia opposes the scheme and (3) explore alternative unblocking strategies.

Lavrov's Plan and the Strategic Weight of Armenia's Syunik

As outlined in Article 9 of the November 2020 ceasefire deal, a single railway connecting Azerbaijani controlled territories with Nakhichevan on the one hand and Armenia, Iran and Russia on the other is to be constructed and made operational as a step towards unblocking transfer routes in the South Caucasus. Following the January 11 trilateral meeting in Moscow, Russia's *Kommersant* newspaper published a map showing the proposed railways.[1] The projected railway is mainly to connect Armenia, Nakhichevan, Azerbaijan, and Russia. Although the railway is to be connected to Iran as well, the conjunction point is via Nakhichevan, practically denying Armenia and Iran direct communication. Moreover, the section of the railway passing through Armenia's Syunik region is expected to be controlled by Russian Federal Security Service (FSB) border guards. See the map (in Russian) and the sections in question highlighted above.

While no logistical arrangements have thus far been put forward for the proposed railways, this vision of regional transfer links and the contradictory interpretations of the agreement in Armenia and Azerbaijan raises a number of questions. The Azerbaijani government insists on opening a 'Zangezur corridor' but has yet to publicly define how this would be different from a railway connection.[2] The Azeri government stresses that the ceasefire deal

---

1 Газета *Коммерсантъ*. Армения и Азербайджан очертили границы отношений. №3 (2021), 13-01-2021, p. 6. Available at: https://www.kommersant.ru/doc/4640957.

2 Jam news. Correspondence battle for the Zangazur corridor: what are they talking about in Azerbaijan and Armenia? 21-04-2021. Available at: https://jam-news.net/az/z%C9%99ng%C9%99zur-d%C9%99hlizi-ugrunda-qiyabi-doyus-az%C9%99rbaycan-v%C9%99-erm%C9%99nistanda-n%C9%99-danisirlar/; The Jamestown Foundation. Fate of Zangezur Corridor Unclear Amidst Precarious Tensions Between Armenia and Azerbaijan. 24-05-2021. Available at https://jamestown.org/

does not only mention the reopening of a railway connecting Azerbaijani controlled territories and Nakhijevan, but also references "transport links" for the "movement of citizens, vehicles and goods in both directions" – which they believe implies more than just railways. Hence, Azerbaijan has expressed a far-fledged ambition to pave a highway to Nakhijevan through Armenia's Syunik region, envisioning it as an Azeri controlled corridor through Armenia's sovereign territory.[3]

program/fate-of-zangezur-corridor-unclear-amidst-precarious-tensions-between-armenia-and-azerbaijan/.

3 ArmInfo. В Баку постоянно говорят, что у них будет "Зангезурский коридор. Тогда" у нас будет коридор в Нахичевани – Пашинян. 19-04-2021. Available at: https://arminfo.info/full_news.php?id=62007&lang=2; News.am. «Միջանցքային»

The Armenian government rejected this interpretation, stating that no route between Azerbaijani controlled territories and Nakhichevan via Syunik can be a 'corridor', as it would imply that the sovereignty of Armenia over the land passage would be ceded to a third party, which Armenia insists was neither ever agreed upon nor negotiable at all.

Given that the body of the January 11 agreement was not released, this apparent stand-off between Armenia and Azerbaijan's respective interpretations thereof suggests that ambiguities be present in the document that is none other than the next chapter of Lavrov's plan. What is more likely to be therein, how realistic that vision is, and what it promises to regional states is to be found in an analysis of the interests and expectations of who drafted the documents and released the map – the Russian Federation.

Since the signing of the November 9 agreement, Russia has been utilising every opportunity to maximise its military presence in Armenia and Artsakh at the expense of its only remaining ally in the Caucasus. In Syunik, too, Russia's projected strategic trajectory is self-ended to a fault. It has been eager to deploy its forces to Syunik and Artsakh way before the 44-Day War.[4] However, during the last few decades, Armenia's Armed Forces and the Artsakh Defence Army successfully maintained full control over the two Armenian states, and Russia's heavy military presence was therefore simply neither required nor justifiable. After Russia's choices to factually abandon its ally during the joint Turkish-Azerbaijani offensive and enforce a drastically anti-Armenian ceasefire agreement in joint efforts with the Turkish Republic, Russia has now preserved itself unprecedented reasons to deploy its forces where it had sought to do so long enough. What is the great strategic value that Syunik holds for the Russian establishment then? In fact, the map released by the *Kommersant* answers this question at least in part.

տրամաբանությամբ հարց Հայաստանը չի քննարկել, չի քննարկում և չի քննարկելու. Նիկոլ Փաշինյան. 19-05-2021.
Available at: https://news.am/arm/news/644459.html.

4 Laurence Broers. The Nagorny Karabakh Conflict: Defaulting to War. July 2016. The Chatham House. Available at: https://www.chathamhouse.org/sites/default/files/publications/research/NK%20paper%2024082016%20WEB.pdf.

The section of the projected railway that Russia hopes to deploy its forces to comprises the entirety of Armenia's interstate border with Iran. Firstly, what would this configuration mean for Armenia? Should the Armenian-Iranian interstate border come under effective Russia's control, and given the ongoing talks to deploy new Russian forces along the emerging Azeri-Armenian line of contact, three of Armenia's four interstate borders would henceforth be out of Armenia's oversight. Given the presence of Russian so-called peacekeepers in Artsakh and the prospect of the Armenian-Iranian border slipping out of Armenia's control, the two Armenian states would find themselves practically occupied – if one exercises no control over one's state boundaries, then factually they are under occupation no matter how willing they are to admit to this reality.

Losing control of the interstate border with Iran would significantly jeopardise Armenia's political, economic, and military-defence cooperation with Iran that has been a crucial counterweight to the Turkish-Azeri blockade.[5] Not only would the proposed trajectory fail to elevate the negative effects that the Turkish-Azeri blockade had generated over decades, but it would also create a serious sovereignty crisis for Armenia and Artsakh and significantly worsen its relations with a strategically valuable neighbour. Why does Russia pursue a trajectory so destructive for Armenia – its only remaining ally in the Caucasus? The reasons are multidimensional but short-sighted.

Regionally, apart from the objective to maximise its military presence in Armenia, Russia's rationale appears threefold. First, Russia cannot but strive to seize control of the to-be-constructed on-land transfer links between Azerbaijan and Nakhichevan and, therefore, between Azerbaijan and Turkey – its natural geopolitical rival. The Turkish-Azeri ties are rapidly developing; following the Lavrov's plan agreement, Turkey and Azerbaijan have expressed plans to establish a Turkish military base in Azerbaijan.[6] If realised, this vision would become the first military base of a NATO member state in what

---

5 Stronski, Paul. The Shifting Geography of the South Caucasus. The Carnegie Endowment for International Peace. 23-06-2021. Available at: https://carnegieendowment.org/2021/06/23/shifting-geography-of-south-caucasus-pub-84814.

6 Eurasia Times. Turkish Military Base In Azerbaijan May Be Established Under Shusha Declaration – Erdogan. 17-06-2021. Available at: https://eurasiantimes.com/turkish-

has traditionally been Russia's sphere of influence. We must bear in mind that the very Western-oriented Georgia, too, following passive response policies from NATO leadership, is gradually becoming a satellite on Turkey's growing strategic orbit in the Caucasus, which appears to be – and remain in the years to come – Georgia's only choice. After its short-sighted mistake of allowing unprecedented Turkish presence in the Caucasus during and after the 44-Day War, Russia now needs stronger grounds to ensure, if it can, a dominant role in the region and prevent Turkish leadership in the Caucasus. Controlling transfer links between Turkey and Azerbaijan would give Russia at least some manoeuvring space in this context, but only in short- and, at best, medium-term.

Second, the November 9 agreement has only paved the way for five years of Russian military presence in Artsakh. Extending the mandate requires the consent of both Armenia and Azerbaijan. Given that the latter – as the victor of the war – would be reluctant to extend Russia's mandate, controlling the links between Azerbaijan and Turkey would give Russia a coercive toolkit to pressure the Azeri government into consenting to at least a one-time extension.

Third, controlling the Armenia-Iranian interstate border would grant Russia practically full oversight of the North-South highway – a strategically valuable asset for Iran as much as Armenia. Iran has been keen to develop the Persian Gulf–Black Sea International Transport and Transit Corridor to reduce its dependence on Turkey by establishing an alternative route for trade and transit to Europe via Armenia's North-South highway (see an illustrative map from the *Financial Times* below, with the aforementioned sections highlighted).[7]

---

military-base-in-azerbaijan-may-be-established-under-shusha-declaration-erdogan/; The Jamestown Foundation. Shusha Declaration Cements Azerbaijani-Turkish Alliance. 23-06-2021. Available at: https://jamestown.org/program/shusha-declaration-cements-azerbaijani-turkish-alliance/.

7 The Jamestown Foundation. Iran Drives Development of Persian Gulf–Black Sea International Transport and Transit Corridor. Eurasia Daily Monitor Volume: 18 Issue: 112. 14-06-2021. Available at: https://jamestown.org/program/iran-drives-development-of-persian-gulf-black-sea-international-transport-and-transit-corridor/?fbclid=IwAR37E3HcRZs12vGHUiqrAGLFZrnwwkUt9jmHNI9jFj3u743y9_Xh33rTdoU.

During the first phone call between Armenia's newly appointed Minister of Foreign Affairs and his Iranian counterpart, the latter reconfirmed the value the Iranian government ascribes to this Persian Gulf-Black Sea Corridor and steady cooperation with Armenia within the project. Moreover, during the recent Azeri-Armenian border incidents in Syunik, Iran emphasised the importance of uninterrupted transfer between Armenia and Iran, stressing that the interstate border must remain functional as before the 44-Day war, indirectly voicing discontent with the prospect of deploying any third party to the border.[8]

[8] Factor. ՀՀ-ն ու Իրանը կարևորում են «Պարսից ծոց-Սև ծով» միջազգային տրանսպորտային միջանցքի ստեղծումը. 01-09-2021. Available at: https://factor.am/411787.html?fbclid=IwAR1y5uqduyxFg1RjfI3q9Gn-a7cEOspi9qKqzgEtk_eBA65KASSu-Bked6g; Factor. Iran hopes Armenia and Azerbaijan will resolve border crisis peacefully. 27-08-2021. https://factor.am/en/3842.html; Tehran Times. Iran warns against change in international borders in Caucasus region. 17-05-2021. Available at: https://www.tehrantimes.com/news/461022/Iran-warns-against-change-in-international-borders-in-Caucasus.

Iran developed the Persian Gulf-Black Sea corridor project for a number of reasons. Because of Turkey's geographically central location and key geopolitical position on the periphery of the European Union, the country has long served as a convenient choice for Iranian transport companies doing business with the EU. However, over the past several years, a series of problems have compelled Tehran to look for alternatives to the so-called "Middle Corridor" promoted by Ankara that would give Turkey further strategic leverage in the region (see an illustrative map below).[9]

In particular, Iran and Turkey have been at loggerheads over a transit dispute arising from different fuel prices in each country. The Iranian government's decision to charge Turkish trucks an extra customs fee to compensate for cheaper fuel prices in Iran has resulted in frequent congestion at the border, with cargo carriers queuing in lines "as long as 15 kilometres."[10] Establishing

---

9 Turkey's Ministry of Foreign Affairs. Turkey's Multilateral Transportation Policy. Available at: https://www.mfa.gov.tr/turkey_s-multilateral-transportation-policy.en.mfa The Jamestown Foundation. Iran Drives Development of Persian Gulf–Black Sea International Transport and Transit Corridor. Eurasia Daily Monitor Volume: 18 Issue: 112. 14-06-2021. Available at: https://jamestown.org/program/iran-drives-development-of-persian-gulf-black-sea-international-transport-and-transit-corridor/?fbclid=IwAR37E3HcRZs12vGHUiqrAGLFZrnwwkUt9jmHNI9jFj3u743y9_Xh33rTdoU;
Ibid. Iran Seeks to Reroute North-South Transport Corridor to Armenia, Away From Azerbaijan. Eurasia.

10 The Jamestown Foundation. Iran Drives Development of Persian Gulf–Black Sea International Transport and Transit Corridor. Eurasia Daily Monitor Volume: 18 Issue: 112. 14-06-2021. Available at: https://jamestown.org/program/iran-drives-development-of-persian-gulf-black-sea-international-transport-and-transit-corridor/?fbclid=Iw

an operational alternative route through Armenia would balance out Turkey's growing regional influence, which feeds back into Russia's own competition with Turkey. Thus far, India has expressed an interest to incorporate the project into their respective intercontinental transit routes.[11]

Gaining control of the Armenian-Iranian border and sections of the North-South highway therein would allow Russia to intervene – positively and negatively – in Iran's efforts to counter Turkey, giving Russia much-needed manoeuvring space vis-à-vis Turkey while also jeopardising Iran's ambitions. In order to make such trajectories feasible, however, Russia – and the region in general – would need at least relative stability; and anticipating stability is exceptionally naive in the upcoming decades given that the other elements of Russia's plans rely on controllable enmity and at least passive conflict in the region. This signals a visible contradiction in the medium- and long-term perspectives of Lavrov's plan in Syunik.

Moreover, these regional elements feed into a broader global power competition. The Western block has already been marginalised in the Artsakh conflict resolution process; Russia's seizing of the Armenian-Iranian interstate border with the implications thereof detailed above will further marginalise the EU and US in the South Caucasus and the broader region. In fact, the choice to cooperate with Turkey but exclude the Western block was probably expected to be a compromise, as Russia hopes to cooperate with the Turkish Republic while still at odds with the EU and the US. This choice, however, can only be rendered short-sighted, as any ground-breaking stand-off between Turkey and its NATO allies are very unlikely in the coming decade.

AR37E3HcRZs12vGHUiqrAGLFZrnwwkUt9jmHNI9jFj3u743y9_Xh33rTdoU; Ibid. Iran Seeks to Reroute North-South Transport Corridor to Armenia, Away From Azerbaijan. Eurasia Daily Monitor Volume: 18 Issue: 29. 22-02-2021. Available at: https://jamestown.org/program/iran-seeks-to-reroute-north-south-transport-corridor-to-armenia-away-from-azerbaijan/.

11 Tashjian, Yeghia. Armenia and India's Vision of "North-South Corridor": A Strategy or a "Pipe Dream"? The Armenian Weekly. 24-05-2021. Available at: https://armenianweekly.com/2021/03/24/armenia-and-indias-vision-of-north-south-corridor-a-strategy-or-a-pipe-dream/.

Lavrov's plan for rescinding the transportation blockade would also grant Russia at least limited control over China's economic expansion, given the latter's growing presence in the Caucasus and its aspiration to incorporate the North-South highway into BRI.[12] China is already slowly outweighing Russia in Central Asia, which, not unlike the Caucasus, was long considered a region of absolute Russian monopoly.[13]

The three reasons outlined above and their connection to the global power competition between Russia, the West, and China explain, at last in part, the logic behind the proposed blockade rescinding scheme. In a nutshell, the scheme is Russia's dramatic plea for re-gaining ground and re-asserting dominance vis-à-vis the growing leverage of Turkey and ambitions of Iran and China. The proposed scheme, however, would neither solve nor neutralise the challenges Russia faces in the Caucasus; at best, Lavrov's plan, that bears no prospect of stability in the South Caucasus, will only put these challenges on hold for a maximum of 5 to 10 years from now.

Unpacking the Contradiction: Armenia's Reluctance and Azerbaijan's Dream of a 'Zangezur Corridor'

Now that the logic behind Russia's vision for regional transfer links has been addressed, we can attempt to understand the reception thereof in Armenia and Azerbaijan. The idea of third-party-controlled transfer routes through Armenia's sovereign territory seems to have inspired the Azerbaijani leadership to picture a 'Zangezur corridor' in Syunik, which they themselves hope

---

12 News.am. Armenia, China discuss North-South Road Corridor Investment Program. 19-06-2018. Available at: https://news.am/eng/news/457504.html.

13 Sternberg T, Ahearn A, McConnell F. Central Asian 'characteristics' on China's new Silk Road: The role of landscape and the politics of infrastructure. Land. September 2017; 6(3):55; Krapohl S, Vasileva-Dienes A. The region that isn't: China, Russia and the failure of regional integration in Central Asia. Asia Europe Journal. September 2020;18(3):347-66;

王海燕 [Wang Haiyan].

"一带一路"视域下中国与中亚国家地缘经济合作比较研究

[Comparative research on geo-economic cooperation between China and Central Asian countries from the perspective of OBOR].

《世界地理研究》World Regional Studies. 2020 (1), pp. 18-29.

to control. However, keeping in mind Russia's multidimensional expectations about Syunik and the fact that Russia allowing Turkey's unprecedented presence in the South Caucasus – a crucial factor in Azerbaijan's victory – was a self-ended choice as well, to expect that Russia would not only allow but support an Azeri controlled corridor through Syunik is naive. As mentioned, oversight of the Syunik section of the proposed railways would likely be used as a coercive tool to extend of Russia's mandate in Artsakh. Russia might, nevertheless, allow the narrative of a 'Zangezur corridor' for a while as a tool of psychological warfare to cause controllable tension and frustration on both sides.

For Armenia, the rescinding of the Turkish-Azeri blockade on Russia's terms is effectively no unblocking but rather complete paralysis. Not only would Armenia concede economically advantageous regional and transcontinental prospects linked to its territory to a third party, but it would also remain trapped between its neighbours with little to no oversight of its own borders and therefore no factual sovereignty. The public realisation of these prospects is the root of Armenia's reluctance to conform. The proposed scheme would fail to either rescind Armenia's blockade or contribute to regional stability. Another element of the unblocking scheme is to provide Armenia with a route to Russia through Azerbaijani-controlled territory. Most of Armenia's communication with Russia has been via Georgia. We can expect that Russia will encourage Armenia to use the to-be-unblocked route as its primary link to Russian territory; apart from the challenges addressed so far, this would reduce Armenia's communication and contact with its Northern neighbour. Lavrov's plan clearly depicts the immense strategic value of Syunik; however, the plan itself does not appear to serve the interests of any regional state, especially in the medium and long run. Encouraging a solid sovereign stance for Armenia as its ally would have been a wiser choice for Russia, but empowering allies barely seems to meet the axioms of Russian strategic culture.

The ultimate question now is, what would serve Armenia's interests and contribute to regional stability better? First of all, a plan that would indeed rescind the decades-long blockade would entirely meet Armenia's objectives; it is in Yerevan's best interest that regional transfer links be relaunched and made functional, as it is in the region's best interest as well. Gaining access to the Black and Mediterranean seas via Turkey and the Caspian Sea via

Azerbaijan alone would grant Armenia much-needed import and export opportunities. With Armenia's trade turnover with Iran and Georgia uninterrupted, this would greatly diversify Armenia's economy and reduce its all-consuming reliance on Eurasian markets. Launching a new transfer route to connect Azerbaijan and Turkey via Armenia would be a sensible step towards unblocking regional transportation if and only if this new route were to be steadily and reliably connected to the pre-existing transcontinental transit links in the broader region – not only to Russia and Azerbaijani-controlled territories. Moreover, this new route would need to be flexible to incorporate the emerging new projects in the region. Most importantly, however, is that any route passing through sovereign Armenian territory be under Yerevan's stable and exclusive control; as detailed above, conceding control to third parties does not meet the interests of any regional actor, nor those of the Western block. Armenia would be willing – and capable – to ensure the security of its section of the new transfer route(s) and travel therein upon agreements with its immediate neighbours about ensured incorporation of the route(s) into pre-existing regional and transcontinental transfer links.

The road map for such an unblocking strategy would require trilateral talk between Turkey, Armenia, and Azerbaijan without mediation. As the 44-Day war has clearly shown, Armenia needs a direct dialogue with Turkey now that the narrative of Russian mediation preventing conflict has proved ineffective and even inadequate. Efforts toward undoing the transportation blockade could be a good place to start. The dialogue will be difficult, but an attempt towards immediate negotiations would better contribute to regional stability than further incorporating current instability into a broader power competition. Now that the proposed scheme has not come into enforcement, there still is time – and space – to re-negotiate.

References:

ArmInfo. В Баку постоянно говорят, что у них будет “Зангезурский коридор”. Тогда у нас будет коридор в Нахичевани – Пашинян. 19-04-2021. Available at: https://arminfo.info/full_news.php?id=62007&lang=2.

Eurasia Times. Turkish Military Base In Azerbaijan May Be Established Under Shusha Declaration – Erdogan. 17-06-2021. Available at: https://eurasiantimes.com/turkish-military-base-in-azerbaijan-may-be-established-under-shusha-declaration-erdogan/.

Factor. Iran hopes Armenia and Azerbaijan will resolve border crisis peacefully. 27-08-2021. https://factor.am/en/3842.html; Tehran Times. Iran warns against change in international borders in Caucasus region. 17-05-2021. Available at: https://www.tehrantimes.com/news/461022/Iran-warns-against-change-in-international-borders-in-Caucasus;.

Factor. ՀՀ-ն ու Իրանը կարևորում են «Պարսից ծոց-Սև ծով» միջազգային տրանսպորտային միջանցքի ստեղծումը. 01-09-2021. Available at: https://factor.am/411787.html?fbclid=IwAR1y5uqduyxFg1RjfI3q9Gn-a7cEOspi9qKqzgEtk_eBA65KASSu-Bked6g;.

Jam news. Correspondence battle for the Zangazur corridor: what are they talking about in Azerbaijan and Armenia? 21-04-2021. Available at: https://jam-news.net/az/z%C9%99ng%C9%99zur-d%C9%99hlizi-ugrunda-qiyabi-doyus-az%C9%99rbaycan-v%C9%99-erm%C9%99nistanda-n%C9%99-danisirlar/.

Krapohl S, Vasileva-Dienes A. The region that isn't: China, Russia and the failure of regional integration in Central Asia. Asia Europe Journal. September 2020;18(3):347 – 66.

Laurence Broers. The Nagorny Karabakh Conflict: Defaulting to War. July 2016. The Chatham House. Available at:

https://www.chathamhouse.org/sites/default/files/publications/research/NK%20paper%2024082016%20WEB.pdf.

News.am. «Միջանցքային» տրամաբանությամբ հարց Հայաստանը չի քննարկել, չի քննարկում և չի քննարկելու. Նիկոլ Փաշինյան. 19-05-2021. Available at: https://news.am/arm/news/644459.html.

News.am. Armenia, China discuss North-South Road Corridor Investment Program. 19-06-2018. Available at: https://news.am/eng/news/457504.html.

Sternberg T, Ahearn A, McConnell F. Central Asian 'characteristics' on China's new Silk Road: The role of landscape and the politics of infrastructure. Land. September 2017 ;6(3): 55.

Stronski, Paul. The Shifting Geography of the South Caucasus.The Carnegie Endowment for International Peace. 23-06-2021. Available at: https://carnegieendowment.org/2021/06/23/shifting-geography-of-south-caucasus-pub-84814.

Tashjian, Yeghia. Armenia and India's Vision of "North-South Corridor": A Strategy or a "Pipe Dream"? The Armenian Weekly. 24-05-2021. Available at: https://armenianweekly.com/2021/03/24/armenia-and-indias-vision-of-north-south-corridor-a-strategy-or-a-pipe-dream/.

The Jamestown Foundation. Fate of Zangezur Corridor Unclear Amidst Precarious Tensions Between Armenia and Azerbaijan. 24-05-2021. Available at https://jamestown.org/program/fate-of-zangezur-corridor-unclear-amidst-precarious-tensions-between-armenia-and-azerbaijan/.

The Jamestown Foundation. Iran Drives Development of Persian Gulf–Black Sea International Transport and Transit Corridor. Eurasia Daily Monitor Volume: 18 Issue: 112. 14-06-2021. Available at: https://jamestown.org/program/iran-drives-development-of-persian-gulf-black-sea-international-transport-and-transit-corridor/?fbcli

d=IwAR37E3HcRZs12vGHUiqrAGLFZrnwwkUt9jmHNI9jFj3u743y9_Xh33rTdoU.

The Jamestown Foundation. Iran Drives Development of Persian Gulf–Black Sea International Transport and Transit Corridor. Eurasia Daily Monitor Volume: 18 Issue: 112. 14-06-2021. Available at: https://jamestown.org/program/iran-drives-development-of-persian-gulf-black-sea-international-transport-and-transit-corridor/?fbclid=IwAR37E3HcRZs12vGHUiqrAGLFZrnwwkUt9jmHNI9jFj3u743y9_Xh33rTdoU;.

The Jamestown Foundation. Iran Seeks to Reroute North-South Transport Corridor to Armenia, Away From Azerbaijan. Eurasia Daily Monitor Volume: 18 Issue: 29. 22-02-2021. Available at: https://jamestown.org/program/iran-seeks-to-reroute-north-south-transport-corridor-to-armenia-away-from-azerbaijan/.

The Jamestown Foundation. Shusha Declaration Cements Azerbaijani-Turkish Alliance. 23-06-2021. Available at: https://jamestown.org/program/shusha-declaration-cements-azerbaijani-turkish-alliance/.

Turkey's Ministry of Foreign Affairs. Turkey's Multilateral Transportation Policy. Available at: https://www.mfa.gov.tr/turkey_s-multilateral-transportation-policy.en.mfa.

Газета "Коммерсантъ". Армения и Азербайджан очертили границы отношений. №3 (2021), 13-01-2021, p. 6. Available at: https://www.kommersant.ru/doc/4640957.

王海燕 [Wang Haiyan]. "一带一路"视域下中国与中亚国家地缘经济合作比较研究 [Comparative research on geo-economic cooperation between China and Central Asian countries from the perspective of OBOR]. **《世界地理研究》** World Regional Studies. 2020 (1), pp. 18-29.

22nd RSSC SG WORKSHOP: SUPPORTING NEW CONFLICT MANAGEMENT PLATFORMS IN THE SOUTH CAUCASUS

Georgia and the Peaceful Neighbourhood Initiative

Perspectives on Conflict Resolution in the South Caucasus after the 44-day War

Nika Chitadze

Introduction

After the collapse of the USSR, new geopolitical realities have been created in global politics, and especially in the post-Soviet space. Together with such events as the disintegration of the USSR, at the beginning of the 1990s, several political and interethnic conflicts have emerged in the post-Soviet space, first of all in the South Caucasus region.

When Soviet authorities were implementing the policy of "divide and rule", in this way during the Soviet period they were secretly encouraging separatist movements in the different post-Soviet republics. Soviet authorities especially activated their actions at the end of the 1980s, when during the period of "Perestroika" national liberation movements were developed in several former Soviet republics. Later, after the collapse of the USSR, the Russian Federation as a successor of the USSR for keeping under its sphere of influence as a post-Soviet space continued the policy of Soviet authorities related to encouragement of separatism. In this case it should be mentioned that if at the beginning of the 1990s Russia did not recognize its involvement in the conflicts in Nagorno-Karabakh, Abkhazia, and the former South Ossetia autonomous district, then in August of 2008, Russia implemented direct aggression against Georgia by occupying 20 percent of the territory of Georgia.

Second Conflict between Azerbaijan and Armenia and its Results

Considering the war between Armenia and Azerbaijan, as it is known, on September 27, 2020, the armed conflict between the two countries over Nagorno-Karabakh resumed. The hostilities lasted for 44 days. Eventually, an agreement was signed under which hostilities in the region were suspended. Let us briefly consider the agreement signed by Azerbaijan, Armenia, and Russia. In particular, the 2020 Nagorno-Karabakh ceasefire agreement is an armistice agreement that ended the 2020 Nagorno-Karabakh war. It was

signed on 9 November by the President of Azerbaijan Ilham Aliyev, the Prime Minister of Armenia Nikol Pashinyan, and the President of Russia Vladimir Putin, and ended all hostilities in the Nagorno-Karabakh region from 00:00, 10 November 2020 Moscow time.[1]

Overview of the Agreement

According to the agreement both parties had to exchange prisoners of war and the dead. Furthermore, Armenia was obliged to withdraw its military forces from Armenian-controlled territories surrounding Nagorno-Karabakh by 1 December 2020. A 2,000-strong Russian peacekeeping force from the Russian Ground Forces had to be deployed to the region for a minimum of five years to protect the Lachin corridor, which is situated between Armenia and the Nagorno-Karabakh region. According to Azerbaijan, Turkish forces would also take part in the peacekeeping process. Additionally, Azerbaijan could gain passage to its Nakhichevan exclave through a strip of land in Armenia's Syunik Province. Russian forces took the responsibility to oversee security for the roads connecting Azerbaijan to Nakhichevan.[2]

Who is the Winner from Signing the Ceasefire Agreement?

As it was mentioned, as a result of the agreement signed between Azerbaijan, Armenia, and Russia on November 10, Azerbaijan regained a significant part of the territories, about 2/3 of the territories, which were lost by 1994, but it should also be noted that Russia benefited significantly from the agreement, thus gaining much more leverage.[3]

Taking into account various factors, it can be said that the Nagorno-Karabakh conflict is not over yet and the international community should take full account of the terms of the agreement, given the fact that a new geopolitical picture has been established in the South Caucasus region, namely: Russia has perfectly succeeded under the mantle of peace. What hap-

1 BBC News, 2020. Armenia, Azerbaijan and Russia sign Nagorno-Karabakh peace deal.

2 GuftToday, 2020. Azerbaijan, Armenia sign peace deal to end conflict.

3 Ward, Alex. 2020. "The surprising Armenia-Azerbaijan peace deal over Nagorno-Karabakh, explained". Vox.News.

pened was that the Russian armed forces returned to Azerbaijan. In particular, Russian troops left Azerbaijan in 1993, and in 2012 an agreement was signed to close a Russian radar station in Gabala, and since then Russian military facilities in Azerbaijan have ceased to exist.[4] Today Russian forces have received the right to be deployed in Azerbaijan. The entry of "peacekeepers" into the conflict zone within hours of the signing of the agreement means that Russia has been preparing for this event for a long time. In particular, the fact is that the current government of Azerbaijan is indebted to Russia, first of all, because Moscow did not support its strategic partner, Armenia, in the conflict. On the other hand, Kremlin showed Armenia that attempts of Prime Minister Pashinian to get out of Russia's sphere of influence had failed.

Azerbaijan has recaptured several regions, which is a big plus for President Aliyev. According to the above-mentioned agreement, by the end of November and within December, additional districts have become under the control of Azerbaijan.

When we talk about Russia's role in the region, it should be noted that the Kremlin will have the opportunity to cause provocation at any time through its military formations against either country. Its ability to play this role has been well demonstrated in the Tskhinvali region, Abkhazia and Crimea, as well as in Karabakh in the early 1990s, but so far Russia has not been stationed in Karabakh.

When discussing the situation in the Nagorno-Karabakh region, it is important to analyze one detail of the agreement signed between the three countries, which is the narrow corridor that should connect Azerbaijan with its part Nakhichevan throughout Armenia. This corridor will also be under the control of Russia, but not the Armed Forces, but the armed units of the Russian Federal Security Service (FSB) will be involved in the process. Of course, it is also important to note that the signing of an agreement on the settlement of the Nagorno-Karabakh conflict does not automatically mean that this agreement will be fully implemented.

---

4 APA.AZ. 2012. Azerbaijan and Russia to sign agreement on handover of Gabala radar station in near future. Retrieved from: https://apa.az/en/azerbaijan-army-azerbaijani-armed-forces/xeber_azerbaijan_and_russia_to_sign_agreement__-196981.

In general, the following factors can be considered as Russia's main achievements:

- In addition to Georgia and Armenia, Russia has deployed its armed forces on the territory of Azerbaijan for at least 5 years (with the prospect of extension for another 5 years), thus increasing its influence in the whole region;[5]
- Kremlin leaves open the issue of the status of Karabakh, which will always allow manipulation and influence on the parties;
- Its "peacekeepers" will control the situation on the Lachin road connecting Karabakh and Armenia, thus always having the leverage to influence Armenia and Azerbaijan;
- The issue of functioning of the road connecting Turkey, Nakhichevan and the rest of Azerbaijan will depend on Moscow's "goodwill", which is another additional lever in Moscow's hands;
- The Kremlin has sufficiently "punished" the Western-backed Pashinian and threatened all pro-western leaders in the post-Soviet space.

In addition, Russian President Vladimir Putin signed an order about establishing an interagency humanitarian response centre in Nagorno-Karabakh. According to official information, the function of the Humanitarian Centre is to return the refugees, restore the infrastructure, promote cooperation between Baku and Yerevan with international humanitarian organizations. The centre also implements the functions to coordinate the activities of the Russian state and non-governmental organizations to assist residents of the Nagorno-Karabakh region affected by the war.

In this case, of course, it is necessary to mention that despite the "humanitarian" functions of the above-mentioned center, its main goal is to implement the so-called "soft power" policy by Russia toward Azerbaijan and Armenia.

As for Armenia, Russia will use the content of the agreement signed on November 9, 2020, to force the government of Armenia to be more loyal to the official Kremlin policy.

---

5 BBC News, 2020. Armenia, Azerbaijan and Russia sign Nagorno-Karabakh peace deal.

In addition, Russia will try to use its propaganda and other methods to always remind Armenia that it was Russia that saved Armenia from destruction and that it was with the assistance of the Kremlin that Armenia retained control over the part of Nagorno-Karabakh including the capital Stepanakert (Khankendi) and the Lachin corridor, which will connect Armenia and Nagorno-Karabakh.

Possible Scenarios of the Situation Development in Nagorno-Karabakh

During the discussion of the further developments around Nagorno-Karabakh and throughout the South Caucasus as a whole, it is necessary to analyze both pessimistic and optimistic scenarios.

When discussing a pessimistic scenario, attention should be focused Russia's involvement in the "peacekeeping" process, in which Russia may increase pressure on both Azerbaijan and Armenia. In particular, the Kremlin will conduct political trade with Azerbaijan, based on the Kremlin's leverage that Russian federal forces will control the transport corridor between Azerbaijan and Turkey, which will cross the southern region of Armenia, and the autonomous republic of Nakhichevan, which is a part of Azerbaijan. Accordingly, Moscow will have the appropriate grounds to force the Azerbaijani authorities to refuse to implement other regional cooperation initiatives, including with the participation of Georgia, in exchange for providing official transport links between Turkey and Azerbaijan. In particular, it should be mentioned about energy projects TANAP (Trans-Anatolian Pipeline) and TAP (Trans-Adriatic Pipeline). The TANAP project envisages the export of 16 to 32 billion cubic meters of natural gas from Azerbaijan to Turkey via Georgia, and its continuation is the TAP project, through which the further transportation of Azerbaijani gas from Turkey to southern Europe is planned. The project aims to transport about 10 billion cubic meters of gas to southern Europe.[6] For information, according to the information released by the consortium TAP AG in November 2020, Azerbaijan is ready to start commercial gas supplies to Europe through TAP. The Trans-Adriatic Pipeline will transport

[6] Chitadze, 2015. Main aspects of the Georgia`s Energy Policy and Energy Independence. Journal of Social Sciences. International Black Sea University. Volume 4. Issue 2. December 2015. Tbilisi, Georgia.

gas from the giant Shah Deniz II field in the Azerbaijan sector of the Caspian Sea to Europe.[7]

In addition, Russia will try to persuade Turkey that, in exchange for providing direct transport links between Turkey and Azerbaijan, Turkey will increase the additional volume of import of natural gas from Russia by the agency of existing pipelines on the bottom of the Black Sea. As it is known, the export of Russian gas to Turkey is implemented in the framework of two projects: "Blue Stream" and "Turkish Stream".

This process will provide the capacity growth of two pipelines between Russia and Turkey and can cause the decreasing the importance of the Baku-Tbilisi-Erzurum gas pipeline and in general, the significance of TANAP and TAP projects.

In addition to the above, Russia may offer Azerbaijan to purchase an additional volume of natural gas. Of course, rich in gas resources Russia does not need additional natural gas at all, but by "pumping" Azerbaijani gas from Georgia and Turkey to the Russian market, the TANAP and TAP projects could be faced with additional problems.

In addition, Russia will do its best to influence Azerbaijan and Turkey within the framework of the "divide and conquer" policy, so that the two countries do not lift the economic and transport blockade against Armenia, especially in the background of growing dissatisfaction in the Armenian society toward official Moscow due to Russia's passive position during the military operations in Karabakh. That is why Russia will be more interested in the fact that under the conditions of the economic blockade of Armenia, this country will still be dependent on Russia from both – political and economic points of view. This ultimately will provide Armenia's pro-Russian orientation and its presence in the Eurasian Economic Union, as well as Armenia's dependence on Russian natural gas.

---

7 Report.ge. 2020. Azerbaijan starts commercial gas supply to Europe via TAP. Retrieved from: https://report.ge/en/economics/azerbaijan-starts-commercial-gas-supply-to-europe-via-tap/.

As for optimistic scenarios, in this case, there is a possibility that Azerbaijan and Turkey, together with the West, in particular in the framework of the "Eastern Partnership Program", will lift the economic blockade on Armenia as a result of the goodwill of both countries and EU involvement in the South Caucasus, which will create prospects for regional cooperation. Direct economic and transport links will be established between Armenia and Azerbaijan, as well as between Armenia and Turkey. In this case, it will be possible to implement various regional cooperation initiatives with the participation of Armenia, for example, the launch of the existing railway, Gyumri (Armenia) - Kars (Turkey). Moreover, Armenia will be ready to move further away from its dependence on Russia. To this end, for example, Yerevan can negotiate with Iran to import natural gas in the future from this country and not from Russia with the prospect that in the long run, natural gas will also be imported to Armenia by Azerbaijan.

In addition, to compensate for the increasing military presence of Russia in the conflict zone, Azerbaijan and Turkey will have additional incentives to implement transport and energy projects that will reduce Russia's geopolitical and geo-economic influence in the South Caucasus and the Black Sea region. For this purpose, the commissioning of the above-mentioned TANAP and TAP projects will be accelerated, as well as the issue of launching the Baku-Tbilisi-Akhalkalaki-Kars railway will be one of the main priorities too. This railway will provide the transportation of different kinds of goods from China to Europe and vice versa from Europe to China via the territories of Azerbaijan, Georgia, and Turkey. The capacity of this railway will be from 5 to 17 million tons of cargo per year.[8]

Besides, it is expected that the West will intensify efforts to further resolve the situation in the conflict region, for example, the EU has already expressed readiness to allocate additional three million euros to help civilians affected by the conflict in and around Nagorno-Karabakh.[9]

---

[8] Chitadze, 2015. Main aspects of the Georgia`s Energy Policy and Energy Independence. Journal of Social Sciences. International Black Sea University. Volume 4. Issue 2. December 2015. Tbilisi, Georgia.

[9] European Commission, 2020. EU provides initial emergency aid to civilians affected by the Nagorno Karabakh conflict. Retrieved from: https://ec.europa.eu/neighbourhood-

In addition, it is possible that due to the deployment of Russian "peacekeepers" on the territory of Azerbaijan, the United States may be motivated to activate its military presence in Georgia, especially with the background, that the US has already withdrawn a significant part of its armed forces from Germany (under Trump Administration), Afghanistan and Iraq. Besides, important attention should be paid to the US General Ben Hodges' (former Commanding General, United States Army Europe) announcement according to which, US military infrastructure should be deployed in Georgia.[10]

Overall, as a result of the end of hostilities between Azerbaijan and Armenia, this are all preconditions for a significant change of the geopolitical situation and the balance of geopolitical forces in the South Caucasus region, which will largely depend on the policies pursued by leading geopolitical players and all three South Caucasus states.

Conflicts in Georgia

The Current Situation in Abkhazia

From the historical point of view, Abkhazia was an indivisible part of Georgia. During the conflict in Abkhazia within the period 1992-1993, due to the illegal involvement of Russia in the war between the central government of Georgia and separatists from Abkhazia and extremists from Northern Caucasus, Georgia lost control over the biggest part of Abkhazia.

After the recognition of Kosovo by the International community, Russia started to behave extremely radically. From the beginning of 2008 Russia was, without the agreement with Georgia, increasing its military contingent in Abkhazia, and accomplished an offensive on upper Abkhazia in August 2008, despite the Georgian side not carrying out any military operation there.

---

enlargement/news_corner/news/eu-provides-initial-emergency-aid-civilians-affected-nagorno-karabakh-conflict_en.

10 Agenda. Ge. 2020. American LTG Hodges on Karabakh conflict and Russian 'piece keepers': I'd like to see more US infrastructure in Georgia. Retrieved from: https://www.agenda.ge/en/news/2020/3585.

Despite the "success" of military operations supported by the Russian side Abkhazia cannot be considered as the winner. The present government of Abkhazia declares that Abkhazia is an independent, sovereign state and it has all attributes which are typical for a state. But Abkhazia cannot be considered as an independent state because there has not been made international-legal recognition of Abkhazia. And the recognition from Russia, Nicaragua, Venezuela, Syria, and Nauru will not bring any international-legal outcome.

Nowadays Abkhazia is under the vassalage of Russia. At this time Abkhazians acknowledge that Russia uses them for its insidious plans and it needs Abkhazia as the arms of pressure to Georgia. On the territory of Abkhazia, all kinds of economic infrastructure were "purchased" or "leased" by Russia. Besides this, day by day it is increasing the number of military contingents and new "military towns" are built.

Abkhazia does not have its national currency and accordingly, it cannot make any independent monetary-banknote policy. Abkhazia is in economical isolation. It only has relations with Russia. Therefore, because of economical distress, it is the mass migration of population outside the borders of the Republic, especially in Russia. Russia tries to strengthen Russian orientation in the Abkhazian population and accomplishes it by giving Russian passports. But this fact may cause the opposite result. It may destroy the Abkhazian identity and dismantle the Republic from the population.

Therefore, the main speaking language is Russian and it is going gradual process of disappearance of the Abkhazian language. There is an extremely unstable political situation in Abkhazia. From this point of view, it is a remarkably strained interethnic situation. First of all, it is connected to the fact that the Georgian population compactly lives in the Gali region which is a constant problem for Abkhazians. And there must be tension between Armenians and Abkhazians. This is the result that the reins of business management are in the hands of Armenians, but at this time Abkhazians are dominants in the political sphere.

The total number of Russian occupation forces stationed in Abkhazia is estimated at 4,000 military personnel. The armament of the 7th army includes 40 T-90A tanks; 120 BTR-80A armoured vehicles; 18 self-propelled 2C3

"Acacia" howitzers; 18 BM-21 "Grad" systems; D-30 towed howitzers, and S-300 air defence missile systems.[11]

Conflict in Tskhinvali Region (Former South Ossetia)

As a result of the conflict in the former South Ossetian Autonomous District within the period of 1991-1992 and due to the supporting separatism by the official Kremlin, Georgia lost control over almost 50 percent of the territory of former South Ossetia.

After the Russia-Georgia war in August 2008, the whole territory of former South Ossetia was occupied. Taking into consideration the current realities in the region, according to which most of the GDP of South Ossetia is created as a result of transferring financial resources from the federal budget of Russia, it should be pointed out it is not only occupied but *de facto* annexed by Russia.

The total number of Russian occupation forces deployed in the territory of the former South Ossetian Autonomous Region consists of 4,000 military personnel. It has 40 T-72 tanks, 120 infantry fighting vehicles, 36 self-propelled 2C3 "Acacia" howitzers, among others.[12]

Russia-Georgia War in 2008

To analyze Russian actions in August 2008 it is necessary to consider the process which developed after the end of the Cold War and the collapse of the Soviet Union. And that is most important for how Russia perceives these processes. In this point of view, the existing international environment around Russia was defined by the following factors;

1. The unstoppable enlargement of NATO;
2. The development of oil and gas projects that by-pass Russia;

---

[11] Chitadze, N. 2021. Foreign Policy of Georgia (in Georgian). The Center for International Studies.

[12] Chitadze, N. 2021. Foreign Policy of Georgia (in Georgian). The Center for International Studies.

3. The fear of contagion from "coloured revolutions" in the Russian neighbourhood;
4. The international recognition of Kosovo.[13]

Conclusion and Recommendations

The Position of Georgia after Strengthening the Military Presence of Russia in the South Caucasus

As for Georgia and particularly for official Tbilisi, Russia's strengthening position in the region should be very thought-provoking. This should be an additional motivation for Georgia to make more efforts in relations with strategic partners, more efforts to gain international protection guarantees, and more efforts to integrate Georgia into NATO. In this situation, the guarantee of Georgia's security is the successful cooperation of the country with the West, towards NATO and the European Union.

At present, there are no international agreements or international guarantees, which protect Georgia. Therefore, in addition to the above issues, more emphasis should be placed on Black Sea security programs and cooperation with the United States and other NATO member states. Of course, Georgia's strategy, the European and Euro-Atlantic course, should not be revised under any circumstances. Georgia must analyze the fact that Russia has chosen a convenient time to be involved in the Nagorno-Karabakh conflict when the world's attention was shifted to the pandemic and partly to the situation in Ukraine and less attention from the international community side was paid toward Karabakh. That is why the activity of Georgian diplomacy is very important so that the role and place of Georgia in the South Caucasus and the Black Sea region should be represented as actively as possible in the agenda of the new American administration.

Perspectives of Conflict Resolution in Georgia

Nowadays, resolving the conflict in Georgia by peaceful negotiations is practically impossible because of the radically different views of the sides on the

[13] Chitadze, N. 2011. Geopolitics (in Georgian). Edition House "Universali". Tbilisi, Georgia.

political status of Abkhazia and Tskhinvali District (former South Ossetia) and because of the pressure of Russia on the marionette regime. Besides this, the negotiation process is complicated by the refusal of the Abkhazian and Ossetian sides to renovate negotiations with Georgia, till Georgia signs a security guarantee agreement between Tbilisi and Sukhumi and between Tbilisi and Tskhinvali.

In defining the legal status of Abkhazia and former South Ossetia, the two main principles of international law, namely territorial unity of the state and the right of a nation to self-determination should be considered. The right of a nation to self-determination of international law does not mean to give absolute independence to the state. Here it implies high political status, the existence of political formation in another state where should be foreseen political, social, economic, religious, and other rights of the nation, fighting for its rights.

Within Georgia, the political leadership of Abkhazia and former South Ossetia should be elected by the direct vote of the populations of Abkhazia and former South Ossetia. Within Georgia, Abkhazia and former South Ossetia all state symbols – flag, national anthem, the constitutions of Abkhazia and South Ossetia – should have the criminal, civil, and administrative codes.

It should be defined as an adequate quota for Abkhazian and Ossetian representatives in the parliament of Georgia and at the same time an adequate quota for Georgian deputies in the parliaments of Abkhazia and South Ossetia.

There should be an open representation of Abkhazia and Tskhinvali district (former South Ossetia) in Tbilisi and the representation of the government of Georgia in Sukhumi and Tskhinvali.

Within Georgia, there should be given the right to Abkhazia and South Ossetia to define for itself the main principles of administrative-territorial division of the autonomous republics.

At the same time, it is necessary to point out, that today both, Abkhazia and former South Ossetia are almost completely economically integrated with Russia. Accordingly, in the modern period, taking into account the economic

conditions in Georgia and Russia, representatives of Abkhazian and Ossetian societies will be more focused on Russia. Thus, to become more attractive for inhabitants of Abkhazia and Tskhinvali, Georgia needs rapid socio-economic development by the agency of attraction more investments in the different sectors of the economy of Georgia, also maximal involvement in the international projects of Regional and Global characters such for example TRACECA project (EU initiative of the revival "Great Silk Road" from China to Europe) and "One Belt One Road Initiative" (Chinese Project of creating economic and transport space with involvement of most of the countries from Eurasian continent, including the South Caucasus States).

Moving Ahead from Post-War to Peace

Possible Steps Towards Armenian-Azerbaijani Peaceful Coexistence

Elena Mandalenakis

The trilateral ceasefire agreement of November 9, 2020 ended a 44-day war between Armenia and Azerbaijan over Nagorno-Karabakh.[1] Is this armistice enough to guarantee peace and regional stability? The aim of this paper is to evaluate the success of the ceasefire agreement and its potential to lead to a long-lasting peace between Armenia and Azerbaijan. As the armistice regulates some issues but it purposely omits others that would determine the future relations of the involved states, the paper concludes that although the signed armistice is far from a peace agreement, it offers some short-, medium- and long-term practical recommendations for the future, one that would facilitate their peaceful co-existence.

Towards a Ceasefire Agreement

The war began on September 27, 2020 on uneven terms. The role of Israel and Turkey, allies to Azerbaijan, was paramount, both in the outcome of the war as well as in post-war. Azerbaijan's military advantage quickly became evident by regaining parts of its lost territories from the first Nagorno-Karabakh war. Russia, a traditional ally of Armenia, opted to avoid direct military involvement in this war, choosing instead to mediate the ceasefire deal that ended the 44-day war between Armenia and Azerbaijan over Nagorno-Karabakh.

The ceasefire agreement was signed in Moscow in the evening of 9 November 2020 between the Russian president Vladimir Putin, the Armenian prime minister, Nikol Pashinyan and the president of Azerbaijan, Ilham Aliyev. Turkey, although not one of the signatories was kept informed of the developments.[2] The ceasefire came into force on November 10, which meant that

1 Reference to the trilateral ceasefire agreement throughout the paper will be made as ceasefire and armistice.

2 Andras Racz, "In Russia's Hands", Conflict Series, European Union Institute for Security Studies, April 2021, p.2.

hostilities had to cease immediately at the line of contact thus, legitimizing the positions held by the fighting parties at the time of the signature.

The agreement consists of nine points and is rather laconic in their expression. The terms that stand out are the return of the Agdam, Kalbajar and Lachin territories, the deployment of the Russian peacekeepers, the internally displaced peoples' (IDPs) safe return and the exchange of prisoners of war.[3]

Evaluation of the Armistice

The purpose of an armistice serves both short- and long-term goals. The short-term aim refers to the need to stop the armed conflict in order for the conflicting parties to sit at the negotiation table. In the long-term, it should allow for the amelioration of the bilateral relations of Armenia and Azerbaijan to the point that it leads to peaceful neighbourly relations. The nature of this armistice indicates that for the time being, it is only a tool to halt hostilities – a ceasefire – over Nagorno-Karabakh, the effectiveness of which remains to be seen.

Armistice as a Ceasefire Tool

When the states become inclined to resolve the conflict and seal it with a peace treaty, it may be feasible to utilize the armistice as a foundation. The immediate function of an armistice or ceasefire agreement is the complete cessation of armed hostilities in the affected region. As every war ends with a winner and a loser, it is sometimes preferable to reach an agreement to conclude the war earlier. In the Nagorno-Karabakh war, in the absence of the ceasefire, both sides would have continued the fighting with grave consequences, and especially dire for the losing side. Hence, the trilateral agreement's success lies on the fact that it puts a stop to the unnecessary loss of life.

---

[3] The Prime Minister of the Republic of Armenia, Press Release, 10 November 2020, https://www.primeminister.am/en/press-release/item/2020/11/10/Announcement/ and Presidency of Russia. http://en.kremlin.ru/events/president/news/64384.

A factor that may hinder any progress and therefore, can be detrimental to the successful implementation of the ceasefire, is the mistrust between Armenia and Azerbaijan both at state and societal levels. This is evident as both states continuously test and contest the implementation of the armistice, while accusing each other for unlawful violations of the trilateral agreement. Under the current circumstances, success seems unlikely due to lack of political will, combined with diverse and sometimes conflicting interests of all the actors involved.

Importance of the Armistice; People and Territory

The importance of the trilateral agreement ending the military conflict in Nagorno-Karabakh, lies on the fact that, not only the internationally recognized geographical borders of Azerbaijan were restored, but it also takes a position on the issue of the IDPs. It holds both sides accountable to the internally, or externally, displaced peoples, forced to leave their motherland during the different phases of the thirty-year conflict. Thirty thousand Armenians fled the region during the 2020 war. A war that culminated to the death of six thousand five hundred soldiers and one hundred and fifty civilians.[4]

With respect to the territorial settlement of the agreement, the signatories agreed to keep their controlled territories up to the time of implementation of the deal. This indirectly recognized Azerbaijan's military advantage and implied that it was to the benefit of Armenia to accept the deal in order to diminish its human, material and territorial losses. The fact that Agdam, Kalbajar and Lachin districts were immediately recognized as Azerbaijan's territory even though they had not been seized as such yet, further confirms this view. In fact, these districts were populated by ethnic Azerbaijanis who fled after the first Nagorno-Karabakh war and became internally displaced. As a result, 70 percent of Nagorno-Karabakh Autonomous Oblast remains under

[4] "Armenia counts 3439 its perished people in Nagorno-Karabakh", Caucasian Knot, 21 January 2021, https://www.eng.kavkaz-uzel.eu/articles/53442/#:~:text=A%20total%20of%203439%20bodies,did%20not%20exceed%204000%20persons.

Armenian control, as the rest had already been seized by Azerbaijan by November 9, 2020.[5]

Furthermore, the agreement provides legitimacy to the new borders and changes the balance of power in the region for another decade in the least. This comes to a direct contrast to the previous balance of power which did not guarantee the peaceful co-existence of the neighbouring states. The trilateral agreement aims at settling issues of animosity and contestation and therefore, it outlines a possible pathway for conflict resolution in the region. Although it is only partly based on the settlement roadmap mediated since 2004 by the OSCE's Minsk Group, it still reflects the need to resolve long-standing territorial and human security issues. The question then is to what extend can this ceasefire agreement serve, if at all, as a preliminary peace deal that could shape a peace treaty in the future?

Moving Beyond a Ceasefire Towards Peace and Regional Stability

The trilateral agreement of November 9, 2020 could have functioned as a peace agreement had it not been signed under both the pressure of war and Russia's influence. In fact, the main factor determining the Armenian-Azerbaijani relations is not only their own political will but Russia's own foreign policy objectives.

Russia took a mediating role in brokering the ceasefire, while Turkey and Israel openly sided with Azerbaijan in its effort to re-establish its internationally recognized borders and win the war.[6] Turkey, succeeded in transforming its allied power status to one of a peacekeeping power thus, justifying its long-term presence in the region. The management of the conflict and the presence of foreign powers in the region do not indicate a successful conflict resolution nor they guarantee a long-term Armenian cooperation. A long-lasting peace that would allow for regional stability and development can only be achieved through the war parties' willingness to cooperate and compromise for a prosperous future.

---

5 Andras Racz, "In Russia's Hands", Conflict Series, European Union Institute for Security Studies, April 2021, p.2.

6 Russia brokered another ceasefire on October 10, 2020, but it was short-lived as it was violated by Azerbaijan.

The address of President Aliyev to the nation on November 10, 2020 stipulates the coercive nature of negotiations leading to the Trilateral Agreement. It explains that "at the very last moment, the Armenian prime minister refused [to sign the agreement]", and continues, "Pashinyan will sign it anyway. We have forced him to do that… He is not signing it of his own free will. He is signing it under pressure from the iron fist!"[7] Throughout the speech it is evident that Azerbaijan was determined to regain all territories occupied by Armenia in the first Karabakh war and Armenia's losses depended on its signing the armistice or not. Since the beginning of the war Azerbaijan aimed at taking back the Agdam, Kalbajar and Lachin districts. Although the war ended before Azerbaijan's re-occupation of these territories by military force, the armistice sets as pre-condition for these territories peaceful return to Azerbaijan, at the latest by December 2021. The Armenian commitment to this part of the deal was monitored by the presence of the Russian peacekeepers and the above-mentioned districts are now part of Azerbaijan's territory.[8]

As a response to Armenian calls for Russia's support due to both states' membership in the Collective Security Treaty Organization (CSTO), Vladimir Putin made clear that any Russian involvement in favour of Armenia as member of CSTO, is not legitimate as neither Azerbaijan nor Nagorno-Karabakh are members. He specifically said that "it is deeply regrettable that the hostilities continue, but they are not taking place on Armenian territory".[9] Moreover, Armenia tried to receive support from Russia based on their 1997 treaty on friendship, cooperation and mutual assistance.[10] The Armenian ministry issued the following statement: "The prime minister of Armenia has asked the Russian president to begin urgent consultations with the aim of

---

7 "Address of President of the Republic of Azerbaijan Ilham Aliyev", 10 November 2020, https://mod.gov.az/en/news/president-ilham-aliyev-addressed-the-nation-33795.html.

8 "Azerbaijani Forces Enter Lachin Last District Handed Over to Armenia", FRANCE24, 1 December 2020, https://www.france24.com/en/europe/20201201-azerbaijani-forces-enter-lachin-last-district-handed-over-by-armenia.

9 The Moscow Times, "Russia's Security Guarantees for Armenia Don't Extend to Karabakh, Putin Says", 7 October 2020, https://www.themoscowtimes.com/2020/10/07/russias-security-guarantees-for-armenia-dont-extend-to-karabakh-putin-says-a71687.

10 Harry Tamrazian, "Armenia/Russia: Landmark Treaty Includes Provision for Mutual Defense", RFE/RL, 9 August 1997, https://www.rferl.org/a/1086156.html.

determining the kind and amount of aid which the Russian Federation can provide Armenia to ensure its security". In addition, the foreign ministry stated that "Russia will render Yerevan all necessary assistance if clashes take place directly on the territory of Armenia".[11]

Inside Armenia, Nikol Pashinyan lost the trust of the Armenian population for signing the armistice, as the public could not come to terms with the loss of ethnic Armenian territories after so many years of conflict. However, it seems that despite the political and military pressure, Pashinyan did not unilaterally decide to proceed with the armistice. As it turned out, this was a joint decision made by Pashinyan and the Karabakh Armenian leader Haraik Harutyunan who expressed that "if military action had continued at the same pace, then we would have lost the whole of Artsakh [the unrecognized Nagorno-Karabakh republic] in a few days and suffered heavy casualties," hence, "the alternative was even worse".[12] Despite this, Pashinyan was criticised for an apparent lack of patriotism and challenged on the same grounds by forty high-ranking military officers. He formally resigned and called for snap elections in June, which his party eventually won.[13]

As the Armenian population is divided over the choice of exit from the war, it creates a situation that results in unwillingness to create conditions for peaceful coexistence. At the foreign relations decision-making level and specifically in an OSCE meeting, the Armenian delegate declared that "any efforts at demarcation and delimitation of borders conducted at gunpoint, with the use or threat of force, cannot lead to sustainable peace or security".[14] Based on the above-mentioned statements and behaviour of the two states, it is unrealistic to expect that this ceasefire agreement, like the previous ones, will facilitate a post-conflict peace and regional stability.

---

11 Mariam Harutyunyan, "Russia Pledges Help to Yerevan if Fighting Reaches Armenia", The Moscow Times, 31 October 2020, https://www.themoscowtimes.com/2020/10/31/russia-pledges-help-to-yerevan-if-fighting-reaches-armenia-a71920.

12 Thomas De Waal, "A Precarious Peace for Karabakh", Carnegie Moscow Center, 11 November 2020, https://carnegiemoscow.org/commentary/83202.

13 During his formal resignation, Pashinyan continued to be acting prime-minister of the Armenian government.

14 OSCE 1315th Plenary Meeting, PC.JOUR/1315 25, May 2021, Annex 3, p.9.

Despite the manner through which this armistice was signed, there are elements embedded into the armistice or completely omitted, that will not facilitate the function of a preliminary peace agreement. Nevertheless, the following analysis explains the reasons.

Regional Balance of Power

Although the ceasefire agreement altered the balance of power between Armenia and Azerbaijan, it is far from a peace treaty that would permanently resolve the conflict. The main reason is that there are many sensitive issues that have not been properly addressed, reinforced by the lingering mistrust between the parties and the continuous accusations for violations of the ceasefire agreement.

The issues of particular sensitivity resulting in areas of contention in the agreement are as follows:

1. The agreement introduces Russian peacekeeping forces in Upper Karabakh with the dual mandate to supervise the ceasefire and to protect the Armenian population of Upper Karabakh.
2. It does not refer, nor determines Upper Karabakh's legal or political status.
3. It assumes that part of Upper Karabakh's territory falls within Azerbaijan's sovereign authority, and
4. It introduces the opening of a corridor that would connect western Azerbaijan and its exclave of Nakhichevan, across Armenian territory under the supervision of Russian border troops.

The multitude of strong actors involved in this ceasefire may also not be conducive to a path towards long-term peace, as their mere existence indicates the fragility of the Armenian-Azerbaijan relations. This further translates into a multiplicity of different interests that the actors try to fulfil, some of which may conflict with the purpose and objective of a peace treaty under the currently agreed conditions.

Russia as Guardian of Peace

The trilateral ceasefire agreement reintroduced Russia as a guardian of peace in the region. Since 2017, Russia has attempted to persuade the belligerent

states to accept the deployment of Russian peacekeepers around Nagorno-Karabakh as part of the "Lavrov Plan".[15] The "Lavrov Plan" proposed a gradual withdrawal of the Armenian forces from the occupied territories around Nagorno-Karabakh, that would allow for a Russian peacekeeping force to enter the region in order to guarantee the security of the Karabakh Armenians.[16] Currently, the Russian peacekeeping forces safeguard the de facto independence of the Karabakh Armenians. Having said that, Russia's role is not limited to its mediation for the attainment of ceasefire deal alone. Indeed, it assumes a leading role in the region as it seems committed to relieve the persistent tensions resulting from the attempts of the border delimitation and demarcation by Armenia and Azerbaijan.[17]

Russian Peacekeepers

The Russian peacekeeping presence allows for direct control of the region by Russia at least for the next decade. The ceasefire agreement stipulates that the peacekeepers are to remain in the region for five years, with a possibility of a mandate renewal for another five, notwithstanding any objections. In addition, another regional power, Turkey, is further involved in the region initially through its alliance with Azerbaijan and later on as a supporter of Russia's peacekeeping mandate in the current situation.

Henceforth, Russia's military presence on the ground, enables it to manipulate any substantial negotiations toward a final settlement, in favour to Russian interests. The same applies for Turkey but to a lesser degree, due to the magnitude of its influence compared to Russia's. Armenia has now fallen into full dependence on Russia whereas Azerbaijan can rely on Turkey, the new entrant and game-changer in the region, to serve Azerbaijan's interests, at least to the extent that they coincide with the Turkish ones.

---

15 Laurence Broers, "Did Russia win the Karabakh War?" Eurasianet, 17 November 2020, https://eurasianet.org/perspectives-did-russia-win-the-karabakh-war.

16 Thomas De Waal, "A Precarious Peace for Karabakh", Carnegie Moscow Center, 11 November 2020, https://carnegiemoscow.org/commentary/83202.

17 Daniel Bellamy, "Russia hosts rare talks between arch rivals Armenia and Azerbaijan", Euronews, 27 November 2021, https://www.euronews.com/2021/11/27/russia-hosts-rare-talks-between-arch-rival.

The International Community and the Minsk Group

This armistice undermined the credibility of the Minsk Group and its conflict management process. This indicates the possibility that international mediation may not be as effective as it should, as it tries to balance between two conflicting norms; territorial integrity and self-determination. The Nagorno-Karabakh conflict can only be understood through the lens of both norms. The fact that the international community hesitates, in many cases, to decide over the preponderance of one norm over the other and its prevalence during decision-making, gives the impression of an ineffective mediation process. Even worse, the international community and especially of the OSCE's Minsk Group has been bypassed by one of its co-chairs, Russia. Thus, we could infer that the Russian initiative sends a clear message to the West and the international community at large.

Russia, not only acted unilaterally in mediating a conflict management solution, but it mediated a solution incompatible with the outset of the OSCE's 1994 annual conference, which excludes troops of the co-chairing countries and of neighbouring countries from any future peacekeeping missions.[18] Hence, the presence of Russian and Turkish peacekeeping forces on the ground discards past decisions within the OSCE's framework and is received with uneasiness by the international community, on account of its prioritization of Russian interests in the region.

Key Issues Lacking or Partially Addressed in the Armistice

a) Internally Displaced People and Prisoners of War

Although the agreement stipulates the return of prisoners of war (POWs) and displaced peoples (IDPs), it does neither specify the practical details over such a difficult process, nor sets a timeline for its implementation. The return of the IDPs will take place under the auspices of the United Nations High Commissioner for Refugees (UNHCR) under the oversight of the International Committee of the Red Cross, which will ensure the humane treatment

[18] Vladimir Socor, "The Minsk Group: Karabakh War's Diplomatic Casualty", Eurasia Daily Monitor, Volume 17, Issue 168, 25 November 2020, https://jamestown.org/program/the-minsk-group-karabakh-wars-diplomatic-casualty-part-one/.

during the exchange of detainees and prisoners of war. Unfortunately, the return of POWs is a lengthy and laborious process that continues unresolved for a full year since the armistice, under intense protests by Armenia for Azerbaijan's failure to return its captured troops.

b) Provision of Demining Maps

Azerbaijan accuses Armenia for not providing maps necessary for the demining of the region in order for the safe return of the people.[19] The existence of physical landmine maps has not been confirmed by the Armenian side. In practice, both states should provide maps for mine clearance, although this may be easier said than done, considering that the region was subject to hostilities and war for the past thirty years.

c) Status of Upper Karabakh and Future Self-Governance

As already mentioned, the armistice is not in line with all the Basic Principles of 2009 – the result of the ongoing mediation of the Minsk Group – especially regarding the legal and political status of Upper Karabakh.[20] A principle that both Armenia and Azerbaijan had agreed upon is the "future determination of the final legal status of Nagorno-Karabakh through a legally binding expression of will".[21] "The Basic Principles reflect a reasonable compromise based on the Helsinki Final Act principles of Non-Use of Force, Territorial Integrity, and the Equal Rights and Self-Determination of Peoples".[22] Under the current ceasefire agreement, the Upper Karabakh's legal and political status within Azerbaijan, has not been addressed nor the future of its self-governance. Again, a highly sensitive political issue remains unresolved thus, increasing the likelihood for conflict in the future.

---

19 Joshua Kuchera, "Azerbaijan Demands "mine maps" from Armenia", Eurasianet, 11 June 2021, https://eurasianet.org/azerbaijan-demands-mine-maps-from-armenia.

20 Statement by the OSCE Minsk Group Co-Chair countries. L'Aquila, 10 July 2009, https://www.osce.org/mg/51152.

21 Ibid.

22 Ibid.

d) Peacekeeping Mandate

Occasionally, "international security guarantees that would include a peacekeeping operation" are deemed necessary for the successful conflict settlement.[23] The trilateral ceasefire agreement of November 2020, lacks a UN or OSCE mandate to support the deployment of peacekeepers, along with a minimum description of the role of the respective peacekeeping mission. It only makes reference to the five-year time frame with a possible renewal for an additional period of five years.

In addition, the armistice does not stipulate the terms of reference of Russia's Border Guard Service of the Federal Security Service (FSB) in regulating the corridor between Western Azerbaijan and Azerbaijan's Nakhichevan autonomous republic.[24]

Short-Term Practical Recommendations

a) Human Security

Taking into consideration the geopolitical changes resulting from the 2020 war and moving beyond territorial claims, priority should be given to the conflict-stricken areas where there is an essential need for human security. Hence, it is essential to focus on the needs of the people rather than the territorial aspects of the conflict. For this reason, imminent action is required to improve the well-being of the people who have been directly or indirectly affected by the last war, with an emphasis on mental health issues.

Upon invitation from the regional states, international organizations, being neutral, should offer their organizational and technical skills along with their field expertise. They should primarily involve human security experts of the regional states although not exclusively, as expertise could as well as be found outside the region. This multilateral relief effort would be of regional own-

---

23 Ibid.

24 Vladimir Socor, "The Minsk Group: Karabakh War's Diplomatic Casualty", Eurasia Daily Monitor, Volume 17, Issue 168, 25 November 2020, https://jamestown.org/program/the-minsk-group-karabakh-wars-diplomatic-casualty-part-one/.

ership, involving regional experts and regional states. The engagement of local experts into human security projects, some of which should be regionally implemented, would encourage acquaintance, recognition, respect and eventually trust among the peoples of the South Caucasus. Therefore, it could act as a peace-building measure. The significance of this recommendation is that it deals with short-term needs and it develops in a strong confidence-building measure that increases the possibility for peace.

b) Status of Artsakh

The clarification of the status of Artsakh will facilitate the implementation of any future projects. Currently, Armenia continues to support the ethnic Armenians of Artsakh. Energy needs and destroyed infrastructure have deteriorated their lives.

c) Prisoners of War

The ceasefire agreement should expedite the exchange and return of detainees and prisoners of war from both sides.

d) De-Mining

Armenia and Azerbaijan should be encouraged to cooperate in de-mining the region for the sake of human security, forgiveness and long-term reconciliation that is essential for the involved societies. Russia, in its peacekeeping role should facilitate and support this process. If necessary, it could create a specific task force for the purposes of de-mining like the Stabilisation Forces in Bosnia and Herzegovina (SFOR) in Bosnia and Herzegovina.

e) Russian Peacekeeping

Russia in its peacekeeping role should hold all sides accountable for human rights violations and Turkish peacekeepers should facilitate this task wherever possible. It is essential that the peacekeepers should remain neutral to the conflict parties, as expected by definition.

Medium- and Long-Term Practical Recommendations

a) Human Security

I will refer again to the first short-term recommendation as this is the most important and it has long-term effects for the involved societies. The fact that the proposed multilateral relief effort would be of regional ownership, is the strongest pillar upon which a long-lasting peace should be built.

The people are the soul of any nation or state and should not be used as tools for perpetuating the conflict. Civil societies in Armenia, Azerbaijan and the Upper Karabakh should be strengthened through the absence of propaganda that feeds off from hatred. They should be given the space to flourish and should be encouraged to connect with each other for future reconciliation. This is an extremely ambitious idea but it is the only one that will prohibit the perpetuation of conflict.

b) Cultural, Educational and Scientific Diplomacy

Another way to prepare the regions' populations to recognize and accept each other's values is to implement cultural, educational and scientific diplomacy, which emphasizes and cultivates a common understanding that would destroy barriers and become the driving force for innovation in all fields of scientific, political and entrepreneurial life.

c) Political Will for Peace

Last but not least, it is essential that there is political will from the leaders to attain peace and friendship for the sake of a prosperous future of the Caucasus region. This should lead, in the long-term, to peaceful co-existence without the need of mediation from third powers. A good example of co-existence evolving into friendship is the evolution of the French-German relations since Germany's defeat in World War II. The willingness for reconciliation led to a political process of rapprochement through small steps that lasted for decades. The landmark however, of this relation was the signing of the Elysée Treaty on 22 January 1963, by President Charles de Gaulle and Chancellor Konrad Adenauer which officially proclaimed the end of the

two states' historical enmity and established their collaboration on issues of defence, youth and education.

Conclusion

This analysis concludes that the ceasefire agreement of November 9, 2020 is neither a peace deal nor a treaty, but an armistice which although successful in halting the 44-day war, it does not guarantee nor offers further provisions for a long-term peaceful coexistence of Armenia and Azerbaijan. It is not uncommon that an armistice has the form and substance of a preliminary peace treaty. The Armistice of November 11, 1918 signed by Germany and the Allies ended World War I and in 1919 the Treaty of Versailles marked its official end and imposed punitive terms on Germany. Another armistice signed in July 27, 1953, ended the hostilities in the Korean War. On that note, it would be best for all states involved in the regional conflict, to sign a strong armistice that has the potential to become a prelude to a peace treaty. Political will or desperation are the main drivers for turning an armistice into a preliminary peace treaty. These drivers do not seem to exist on both sides of the negotiating table even though Aliyev, in his meeting with Putin and Pashinyan, openly expressed his will to draft a peace treaty that would lead to peaceful neighbourly relations.[25] Let's hope the underlying conditions and considerations influencing this particular result, will align with each other over time to create a need for a more balanced approach, one that will invariably lead to the conclusion of an ever desired peace treaty, commonly accepted between the actors in the region.

[25] Daniel Bellamy, "Russia hosts rare talks between arch rivals Armenia and Azerbaijan", Euronews, 27 November 2021, https://www.euronews.com/2021/11/27/russia-hosts-rare-talks-between-arch-rivals-armenia-and-azerbaijan.

Comments on the South Caucasus Workshop

Alan Whitehorn

Over the decades, Iran has sought to foster dialogue between Azerbaijan and Armenia and thereby indicated that it could be a useful counter-weight stabilizer in the South Caucasus region. However, to foster a possible positive role, it will be necessary to overcome some of the American and West European skepticism and even aversion to an expanded Iranian role. It may, however, be time.

The recent 3 + 3 state negotiation proposal (the immediate countries of Armenia, Azerbaijan, Georgia and nearby states of Russia, Turkey, Iran) has a greater inter-regional focus that could promote further and wider dialogue. Such a forum, of course, would be missing the United States, a number of West European countries and the pan-continental European Union itself. These are major players on the world stage. Whatever it other merits might be, the 3 + 3 plan would be lacking the pluralist input from a number of major democracies. In fact, the 3 + 3 format would have a heavily authoritarian cultural background which could be problematic in the long run for fostering peaceful inter-state horizontal links and dialogue.

A massive challenge to overcome in seeking to lessen the conflict and promote peace in the South Caucasus is that too many of the regimes in the region are highly authoritarian states. As a result, there is too little civil society within each of the countries and this makes it hard, if not impossible, to hear diverse and moderating international views within each of these societies. As a result, interactions are less likely to be civil between these states and countries.

Accordingly, we also need to ask 'how do we foster civil society and dialogues within each of these countries?'. The quest for greater international economic integration without also fostering domestic democracy seems to be building on a poor structural foundation. In essence, conflict resolution is also about democracy building.

Peace between Armenia and Azerbaijan is Possible: Do not Revive the Past

Razi Nurullayev

At time of writing almost a year has passed since the end of the Second Karabakh war and signing of the Trilateral Agreement between the leaders of Azerbaijan, Armenia and Russia. This document helped stop the war and provided some kind of framework for the future post-conflict era. Some issues, however, still remain unsolved. And depending on choices made by Armenia, by regional countries, as well as by international actors the outcome may be either positive (peace, economic development and cooperation) or negative (new conflicts, closed borders, etc.).

November, unfortunately, remained very tense and again took tens of lives from both sides. The Sochi meeting between the heads of state of Azerbaijan and Armenia with Russian president Putin's mediation created hope for delimitation and demarcation of borders. Now the border's delimitation has become the Gordian knot between the belligerents and hopes sparked from time-to-time fade with each death on the contact line. Armenia seems still putting up territorial claims to Azerbaijan and unfortunately revanchist feelings prevail among the oppositional political forces there, who call for a new war.

The goal of Azerbaijan in this situation is very clear and stays unchanged – Baku wants peace and prosperity in the region, which can only be achieved if countries open to each other, and create relations, based not on destructive propaganda and hatred, but on trust and constructive thinking. This translates into mutual recognition of territorial integrity with Armenia and opening of all transporting routes in the region. Only the fulfilment of those goals may allow deploying subsequent peaceful developments.

> "War and conflict are now things of the past. We are ready to start negotiations with Armenia on the delimitation of borders on the condition of mutual recognition of

territorial integrity. We are also ready to start negotiations on a peace agreement with Armenia",[1]

said Azerbaijani president Ilham Aliyev in his speech at a session of the Council of Heads of State of the Commonwealth of Independent States.

So, it's mostly up to Armenia. If this country chooses development, it should give up propaganda, hatred as well as dubious claims and grasp all these appealing opportunities. The Armenian government has been making some positive steps in this direction and these steps can be the foundation for future peace in the region. However, there are no clear guarantees from the Armenian side that Yerevan will go down this path to the end. Also, revanchist ideas as said are still very strong in this country.[2]

So here comes the need for international actors to engage, what may accelerate the process of normalizing relations between Azerbaijan and Armenia, which will eventually lead to development and prosperity in the region of the South Caucasus. Different tools can be used – ranging from business initiatives to cultural projects and different kinds of platforms to make people from both countries come together and eventually become closer.

But all these actors should make no mistake; deployment of any initiatives should be conducted without any violation of territorial integrity of Azerbaijan. Also, any speculation regarding the special status for Armenians in Karabakh will never be accepted by Baku, and in general will do more harm than good.

For people not directly familiar with the matters in the South Caucasus the main question may sound like: Can peace be achieved between Armenia and Azerbaijan?

The answer to this question is short and straightforward: Yes. But the road to peace is not easy, and it may require efforts from both regional players and the international community, which are sometimes on the opposite sides of the trenches. Russia is now almost the sole negotiator and meditator and

1 https://azertag.az/en/xeber/President_Ilham_Aliyev_Azerbaijan_is_ready_to_start_talks_with_Armenia_on_delimitation_of_borders-1900010.

2 https://www.eng.kavkaz-uzel.eu/articles/57251/.

Azerbaijan does not mind if the other actors like EU and USA also get actively involved unless they raise the status for Armenians in Karabakh. The Minsk group for Baku is water under the bridge, and Azerbaijan promotes the 3+3 Regional Cooperation Format in the South Caucasus. Some progress is being made in this regard, which hopefully can be reconciled with the Georgian prime minister's proposals.

Current Level of Relations between Azerbaijan and Armenia and the Position of Regional Players

In this regard, as mentioned before, the Trilateral Agreement provides some kind of platform on which both Azerbaijan and Armenia can build a peaceful partnership. But it does not resolve some key questions; how should Baku and Yerevan establish bilateral relations after the ceasefire? How should communications between two countries be opened?

The only platform, which discusses these questions regularly is the Trilateral Working Group, co-chaired by deputy prime ministers of Azerbaijan, Armenia and Russia.[3] It should be stated that this platform has yet to achieve tangible results. But during the last few weeks there were some positive signs from the Armenian side in that regard. For instance, prime minister of Armenia Nikol Pashinyan has recently said that the work of opening communications with Azerbaijan is underway, adding, however, that all the issues that need to be overcome were political in nature.[4] Also, according to the statements of government officials, Armenia is ready to start the process of border delimitation and demarcation with Azerbaijan.[5]

This process is one of the key issues that Azerbaijan and Armenia must resolve to fully normalize mutual relations. Sides pre-agreed to conduct demarcation and delimitation using the maps of Soviet era with Russian president Vladimir Putin claiming that Moscow possesses these maps and is ready to step in as a mediating force.[6] So, there are necessary pre-conditions for Baku and Yerevan to move towards normalization of relations.

---

3 https://www.azernews.az/nation/184635.html.

4 https://azeridaily.com/reality/64726.

5 https://tass.com/world/1355243.

6 https://azeridaily.com/reality/64573.

Of course, all final agreements on this matter should be discussed directly between Ilham Aliyev and Nikol Pashinyan. Only the political will of the Armenian prime minister will allow moving all achieved results into the legal field. In this regard it is very important for direct meetings between leaders of two countries to happen. However, there is no indication that this is possible anytime soon. It seems Moscow can only allow the meetings to take place between the two sides with only the Kremlin's participation as it happened on 26 November in Sochi.[7]

In general, the position of Armenia towards opening of communications and conducting the demarcation and delimitation process does not seem very stable, at least for now, despite the abovementioned positive signs. Of course, the government in Yerevan realizes the benefits which normalization of relations with Azerbaijan will bring. However, there is an opposition within the country, which does not want to give up on revanchist propaganda and claims that Yerevan needs to prepare for a new war. The demarcation process with the subsequent signing of a full-fledged peace agreement will mean that Armenia recognizes the territorial integrity of Azerbaijan, including Karabakh. This alone can be a problematic step for the government in Yerevan.

On top of that, there are no clear mechanisms guaranteeing that the Armenian side will keep its promises. In that regard, Azerbaijan and other regional countries need some solid guarantees from Yerevan, which are absent right now. There are a number of questions about the peacekeeping and mediating role of Russia as well. Some experts argue that the true intention of Moscow is not to ensure peace between Azerbaijan and Armenia, but to keep *status quo* in Karabakh, use to achieve its own goals in the region and keep both countries in its own zone of influence.[8] Full resolution of conflict between two countries will not benefit Moscow as it can lose its leverage in the South Caucasus.

---

7 https://icrcenter.org/the-sochi-summit-a-small-but-successful-step-toward-reconciliation-between-armenia-and-azerbaijan/.

8 https://jamestown.org/program/karabakh-conflict-continues-through-competing-construction-projects/.

There have also been reports that Russia itself violates the agreement, deploying additional forces to the zone of peacekeeping mission and allowing Armenian militants and other persons to pass through the Lachin corridor, and therefore illegally access Karabakh region of Azerbaijan. One of the examples of that is a recent visit of the Armenian defence minister and Parliamentarians to the city of Khankendi.[9]

Nevertheless, considering that Russia is one of the major powers in the world, its interests cannot be ignored by Azerbaijan. So, Baku needs to conduct a balanced policy of achieving goals of its own and not breaking relations with Moscow.

In turn the interests of Turkey in the region, mostly match those of Azerbaijan. Baku and Ankara insist on opening transport communications in the region as soon as possible. After the signing of the Shusha Declaration both countries have officially transformed into strategic allies.[10] Turkey has declared its readiness to normalize relations with Armenia and open borders as soon as Azerbaijan does the same.[11]

> "Armenia should demonstrate sincere resolve in these issues to solve problems with Azerbaijan. If it shows goodwill towards Azerbaijan, then there will be no obstacles to the normalization of relations between Turkey and Armenia. I would like to stress again that Turkey will also constructively respond to any positive step aimed at establishing lasting peace",

Turkish president Recep Tayyip Erdogan said during a press-briefing with his Azerbaijani counterpart Ilham Aliyev.

Of course, Ankara has its own geopolitical interests in the region and aims to deepen its ties with Azerbaijan in a number of areas. But these interests are ***not*** detrimental to any third party, as stated in abovementioned Shusha Declaration. Right now, Turkey is mostly interested in getting financial benefit from the future infrastructure projects.

---

9 https://www.azernews.az/nation/185457.html.

10 https://coe.mfa.gov.az/en/news/3509/shusha-declaration-on-allied-relations-between-the-republic-of-azerbaijan-and-the-republic-of-turkey.

11 https://caspiannews.com/news-detail/president-erdogan-highlights-conditions-for-normalizing-ties-with-armenia-2021-10-27-0/.

According to the Declaration, sides will

> "…encourage the implementation of common projects in order to develop joint capabilities and make a positive contribution to the development of mutual technologies in the defense industry, provide their weapons and ammunition, and mutually encourage production technologies and support the creation of production industries that do not currently exist in their countries, the implementation of joint research and production activities, cooperation between defense industry bodies of the two countries in the field of technology, military products and services in the domestic and international markets."

The other important actor in the region, Iran, does not seem to be much of a decision maker in the current situation. Experts mention that, for Iran, the 44-day war resulted in a less favourable outcome than for other regional players. Since 1994, Iran has had potential leverage over Azerbaijan, with Iranian transit routes critical for Azerbaijan in order to connect to Nakhichevan. Events that ended this dependence, like the reopening of railways, are making Iran's position weaker. Iran also lost the ability to conduct illegal trade through separatists in Karabakh.[12] After the war Baku was dissatisfied by the fact that Iranian trucks kept entering Azerbaijani territory without consent and established customs and police posts. The situation transformed into serious confrontation between two countries, there were threats and provocations from Iranian side.[13] But Iran eventually backed off and silently agreed to Azerbaijani terms. Again, this shows that Tehran right now, despite boasting its powerful military capabilities does not have sufficient leverage to affect the current situation. So, it is highly unlikely that Tehran will be seriously concentrating on the South Caucasus matters in the near future.

In turn, the relations between Azerbaijan and Iran have almost improved, which of course inconvened Armenia. Actually, Armenia was trying to play the Iran card to put pressure on Azerbaijan. Losing this opportunity Armenia – to my mind – may be much softer to come to terms for peace agreement with Azerbaijan.

Azerbaijan, Iran, and Turkmenistan have agreed on a natural gas swap deal for up to 2 billion cubic meters per year on the sidelines of the 15th Summit

---

12 https://www.trtworld.com/magazine/why-is-iran-deploying-troops-on-its-border-with-azerbaijan-50377.

13 https://eurasianet.org/azerbaijanis-rally-as-iranian-threats-continue.

of the Economic Cooperation Organization (ECO) in Ashgabat.[14] Under the swap deal, Iran will receive gas from Turkmenistan and deliver an equivalent amount to Azerbaijan at the Astara border. The Iranian and Azerbaijani presidents also discussed the two countries' relations in the Turkmen capital. The meetings seem to remove almost all the odds between the sides and Iran radically divert from its strict position some months earlier. As said above Armenia did not expect this and lost its last card in the face of Iran. What Iran's president said is very clear and to my mind would help with the peace in the region and Iran not deviate from the 3+3 format.

> "We must resolve our problems, work together to advance our relations and deepen mutually beneficial cooperation. Experience so far shows that when we discuss our issues ourselves, we manage to resolve many of them and overcome the obstacles. The position of the Islamic Republic of Iran on the Karabakh issue was also transparent and unambiguous. The position of all officials in Iran's state bodies, starting from the supreme leader of the Islamic Revolution, was that the territorial integrity of the Republic of Azerbaijan should not be compromised, and the territorial integrity of the Republic of Azerbaijan should be ensured",

President Ebrahim Raisi said on November 28.[15]

What Benefits Will Normalization of Relations with Azerbaijan Bring to Armenia?

The World Bank and the Asian Development Bank calculated that the unblocking of communications in 2 years will give Armenia 30 percent of GDP growth. "We understand that the unblocking of communication will essentially increase the opportunities for our initiatives and competitiveness", said Armenia's Economy Minister Vahan Kerobyan during an interview.[16]

> "The opening of communications, especially in this situation, is beneficial for both Armenia and Azerbaijan. It is beneficial for Azerbaijan as it should get a communication with Nakhichevan. It is beneficial for Armenia because we must get reliable railway and land communication with the Russian Federation and the Islamic Republic of Iran. This means that our country's economy can change considerably",

---

14 https://www.world-energy.org/article/21468.html.

15 https://caspiannews.com/news-detail/azerbaijan-iran-turkmenistan-agree-to-swap-turkmen-gas-2021-11-30-0/.

16 https://news.am/eng/news/663602.html.

prime minister of Armenia Nikol Pashinyan said in March 2021.[17]

For Armenia, one of the poorest post-Soviet countries developing its economy is a vital task.[18] The share of the country's external debt in gross domestic product (GDP) is more than 60 percent. Its foreign exchange reserves are quite small, and the fiscal capacity of the budget is limited. For decades this country was in a voluntary blockade – because of the aggression towards Azerbaijan. Now, after the restoration of territorial integrity of Azerbaijan, Yerevan gets a real opportunity to drastically improve the situation. It's worth noting that normalization of relations with Azerbaijan, opening of communications with subsequent deployment of new infrastructure projects can bring immense benefit to all Armenians, living in the region. Armenians in Karabakh get a chance to switch their semi-legal status to a full-fledged citizenship of Azerbaijan. To live in a stable environment, keeping their cultural identity and greatly improving their financial and social situation. Azerbaijan is planning to put large investments to the liberated territories, and Armenians as citizens of Azerbaijan can gain a lot from that. Investment means new and better jobs, new schools, hospitals, universities, infrastructure in general, which means higher standards of living. The same goes for citizens of Armenia, once communications are opened, they can greatly benefit from new business opportunities and get investments from Azerbaijan. Business ties will add the lobbying activities to the existing political efforts. Citizens of Armenia will be able to get new jobs, develop existing and create new business opportunities and get new export markets for their products. The choice comes to this: Continue living in isolation and in an atmosphere of hatred and distrust or live in prosperity and in peace with neighbors. The answer is obvious.

One of the main priorities in this process is the opening transport route, which will connect Azerbaijan's mainland with its southwestern exclave of Nakhichevan – the Zangazur corridor.

Article 9 of the Agreement states (quote):

---

17 https://armenpress.am/eng/news/1046669.html.

18 https://www.worldbank.org/en/country/armenia/overview.

> "The Republic of Armenia shall guarantee the security of transport connections between the western regions of the Republic of Azerbaijan and the Nakhichevan Autonomous Republic in order to arrange unobstructed movement of persons, vehicles and cargo in both directions."[19]

It is important to note that opening of transport routes in the region is a point of interest not only for Azerbaijan. Russia, for example, has already offered the establishment of a new format in the Caucasus. It includes the three Caucasus states – Armenia, Azerbaijan and Georgia – and their three "big neighbours" Russia, Turkey and Iran. This format was announced by Russian Foreign Minister Sergei Lavrov.

The strategic importance of the Zangazur corridor has been mentioned multiple times both by experts and Azerbaijani officials. It will establish a new trade route that can potentially connect China through Central Asian countries, Azerbaijan, Armenia and Turkey with Europe. Baku has already started the construction of the Azerbaijani section of the railway to Nakhichevan, which passes through the recovered territories. Thus, the Zangilan district of Azerbaijan will become a transport hub at the crossing point on the borders of Iran, Armenia and Azerbaijan. In a broader perspective the Zangazur corridor will become an important link in the East-West and North-South transport corridors, which will significantly increase the importance of both Azerbaijan and Armenia as a transport hub. So, the project has great importance not only for Baku, but for Yerevan, as it will greatly expand exporting capabilities of Armenian producers.

Some Armenian experts are keen to introduce this project as some kind of burden for Armenia. But in reality, this is far from true: the Zangazur corridor is a purely economic project that aims only at financial benefits – for all regional countries. And Armenia is not an exception. As Azerbaijani MP and economic expert Vugar Bayramov states Yerevan, in fact, will be doing itself a huge favour by participating in infrastructure projects offered by Azerbaijan.[20]

> "From this point of view, the opening of the Zangazur corridor may be important for the Armenian economy. If Armenia wants to stop the economic downturn and gradually restore the economy, opening up communications is a special alternative

[19] https://en.wikipedia.org/wiki/2020_Nagorno-Karabakh_ceasefire_agreement.

[20] https://www.azernews.az/nation/184767.html.

for it. On the other hand, the opening of the Zangazur corridor will create new economic opportunities for the countries of the region as a whole. Including taking into account the fact that Turkey proposed a "platform of six", which can be considered as meeting the economic interests of three countries of the region."

According to Thomas de Waal reopening closed railway lines would also have a positive environmental benefit by shifting large volumes of freight from the roads of the South Caucasus.

"The main international artery between Armenia and Azerbaijan is a railway between Baku and Yerevan, built between 1899 and the 1940s, mostly along the southern borders of both countries with Iran alongside the river Araxes. The route passes through southwestern districts of Azerbaijan, into the southern Meghri region of Armenia, and then crosses into Azerbaijan's exclave of Nakhichevan before heading northward back into Armenia to Yerevan. The Armenian-Azerbaijani conflict of 1991–1994 resulted in large portions of this railway being first shut down and then destroyed, along with the main highways traversing the region. (…)

Rebuilding relatively small sections of railway in Armenia and Azerbaijan would make much more viable the 7,200-kilometer (4,400-mile) International North-South Transport Corridor, a projected rail route stretching from Finland through Russia to the Persian Gulf and on to India. (…)

A new good-quality rail network with minimal border controls would also boost east-west trade, especially if the Armenia-Turkey border, closed since 1993, is reopened. It would enhance the attractiveness of the Middle Corridor, a route carrying goods between China, Central Asia, Turkey, and the European Union via the South Caucasus. "[21]

What Can International Actors Do?

So here may lay a chance for international players both governmental and non-governmental, to step in and promote new regional initiatives to solve all the problems that keep persisting in the region. Hypothetically, these can be economic, cultural and educational platforms and projects which will help Azerbaijan and Armenia to leave all grudges behind and start establishing new beneficial connections from a clean sheet.

President of Azerbaijan Ilham Aliyev already mentioned that Baku does not mind allowing international players to join the process of establishing stable

[21] https://carnegieeurope.eu/2021/11/08/in-south-caucasus-can-new-trade-routes-help-overcome-history-of-conflict-pub-85729.

peace in the South Caucasus. During his meeting with EU ambassador Peter Mikhalko, he stated that the European Union can take an active role in this process.

> "Of course, now I think one of the most important areas will be the post-war development and the contribution of the EU towards establishment of sustainable peace and cooperation. We are ready for that. Probably, you heard about my statements on that. I say what I mean and this is our policy. We want to turn the page. (…) We want to establish relations with our neighbor Armenia and we are ready to start negotiations on peace agreement, on delimitation, on opening communications. Partly this process has started but I think if the European Union is actively involved, I see that there is such a desire that can help us in many areas."[22]

Azerbaijan does not mind involvement of other players in the process of building long-term peace.

So how can international actors contribute to the establishment of long-term peace in the South Caucasus?

First, by deploying projects that will boost public diplomacy. Mutual visits and events can be organized to help citizens of Azerbaijan and Armenia, including journalists, scientists, members of political parties and students meet, discuss the current situation in free form without any obligations.

Second, by boosting economic cooperation in the region by establishing various business projects. Cooperation between entrepreneurs will enlarge possibilities in the political field, as people of Armenia will be interested in a strong legal basis for conducting their business.

So, again, new approaches and new players can become the key component for resolving all current problems and answering all the questions. But it is only true for actors which do respect international law and do not take sides. And, of course, the issue of special status for Armenians in Karabakh should be dismissed. Azerbaijan in no way will be at the table discussing it. So, there is no need for another 30 years to justify status talks. Rather, other ways should be explored by the stakeholders that won't disturb the other ethnic minorities in Azerbaijan.

---

[22] https://apa.az/en/xeber/official-chronicle/azerbaijani-president-we-want-to-establish-relations-with-our-neighbor-armenia-359373.

Summary

In summary, it should be stated that the situation in the South Caucasus in general seems a bit more optimistic than it was just a few months ago. There has been some activity in terms of opening communications and resolving the border issue between Azerbaijan and Armenia. But this stability is in fact fragile and can be disrupted by any careless step or an intentional provocation. And again, the peacemaking process in its current form is not perfect and can be revised.

Azerbaijan wants to make the situation beneficial for everyone: Ensure prosperity and development through projects. Signing of a Peace agreement with Armenia is a necessary step in this direction. Of course, it will take some time for two nations to start living together and develop fruitful cooperation. And, again, appliance of positive efforts in this direction can make the prosperous future closer.

After that economic and other relations between Baku and Yerevan can be gradually restored, which will eventually lead to the transformation of the South Caucasus into a more developed and safer region.

But any other options, like promoting a special status for the Armenian population in Karabakh, are simply not acceptable for Baku and will never be. Any initiatives that suggest violation of Azerbaijani territorial integrity will be rejected by Baku. Karabakh belongs to all people, all citizens of Azerbaijan including Armenians. All speculations regarding the threats to ethnic Armenians in Karabakh are simply a product of propaganda, as they do not stand up to scrutiny. Azerbaijan is a modern and civilized state, and of course, for people familiar with the real situation in the South Caucasus that kind of discussions are just ridiculous. They serve only as a justification for separatism. And the situation as we know it today is an outcome of acts made by Armenian nationalists. During Soviet times Armenians enjoyed wide autonomy within the borders of Azerbaijan and the two nations used to get along just fine. It was nationalist movements and dubious claims that led to a full-scale war that resulted in the occupation of Azerbaijani territories, a war in which more than 20,000 Azerbaijanis had been killed, nearly a million were displaced. The territories of the former Nagorno-Karabakh autonomous region and seven adjacent districts of Azerbaijan were occupied by

Armenian forces and stayed under occupation for almost 30 years. For a long time, separatist forces in occupied Karabakh had been a constant security threat not just for Azerbaijan, but for the whole South Caucasus. Four UN Security Council resolutions (822, 853, 874 and 884), were issued in 1993, demanding the immediate and unconditional withdrawal of Armenian troops from Azerbaijani territories, but were never fulfilled by the Armenian side.[23] During the years of occupation, a lot of infrastructure there, including Azerbaijani cultural and historical heritage was literally wiped out by separatist forces. Some 3,890 persons (3,171 servicemen and 791 civilians) from Azerbaijan are still missing from the First Karabakh war in the early 1990s. Azerbaijani side suffered acts of terrorism, including environmental terrorism and constant military provocations.

So, it is obvious that the victim of the Karabakh conflict was Azerbaijan. And even despite that, Baku is ready to leave the past behind and start a new page in relations with Armenia – a page of constructive cooperation. So maybe it is about time for Yerevan to do just the same?

[23] https://2001-2009.state.gov/p/eur/rls/or/13508.htm.

Prerequisite Instability: External Power Penetration in the Caucasus as a Prelude to New Regional Order

Armine H. Arzumanyan

Now that large-scale military action has come to a halt, and a ceasefire has been put in place, essential questions arise as to why the South Caucasus in general have not seen any progress towards stability since. As a possible answer to these questions, this paper argues that the way the 44-day-war was waged and came to a halt not only created no foundation for regional stability and failed to provide a solution to the conflict between Armenia and Azerbaijan, but also conceded all control over regional geopolitics to far stronger actors – Russia and Turkey – who are the new immediately decision-makers on the ground and whom neither Armenian nor Azerbaijan have the capacity to confront. This new landscape further provoked a third regional power – Iran – to enter the game after its military and strategic absence in the Caucasus since the treaties of Gulistan and Turkmenchay in the early 1810s, which we can call the grand return of Iran into Caucasus security politics. This, in turn, led to the unprecedentedly direct involvement of the US in the Caucasus, as the US Secretary of Defence paid a historic first visit to the region for talks with Georgia where, among other objectives, Russia's proposal on a "3+3" regional platform was heavily criticized.

This new environment has been taking shape in the immediate aftermath of the 44-day-war, while many Artsakh issues still remain unsolved and are, within this context, the 'required' element of instability allowing for the emergence and development of a new landscape. This means that the Artsakh issue is no longer a localized dispute between two relatively small South Caucasian states; it is now the cornerstone of a much bigger game where the roles and outreach of both Armenia and Azerbaijan have become trivial as compared to those of the far greater actors now operating on the ground. Thus, the 44-day war not only failed to establish stability or provide a solution to the Artsakh issue, but it has made the conflict more complex than it has been since the 1920s.

This paper attempts to discuss the emergence of these new competing realities in broader detail. The first section will give an overview of the Russian-Turkish pact in Artsakh and illustrate how both Armenia and Azerbaijan will keep losing strategic autonomy and direct impact on the situation as the pact keeps consolidating itself. The second section will summarize and analyze Iran's response to the pact, showing that we are witnessing Iran's historic return to the Caucasus since the concession of the region to the Russian empire in the early 19th century. The third section will focus on the growing immediate presence of the US in the Caucasus, which, in the author's view, is yet another echo to the new security environment in the region. The fourth section will tie all these back to Artsakh, showing how these new developments make expectations for peace and stability in Artsakh delusional; having become the ground upon which greater actors enter regional politics, thus generating strategic impact over not only the Caucuses but all of Eastern Europe and the Middle East, Artsakh can no longer afford to remain a localized dispute. Finally, this paper will compare the outcomes of the first and second Artsakh war through the lens of external power penetration, arguing that it is no accident that this intensified complication of the strategic landscape was avoided in the 1990s. In 1994, the leadership of Armenia and Azerbaijan rationally chose to avoid this turnover in an acknowledged manner, which was objectively smarter, as it is precisely these post-conflict complications in the strategic landscape that make peace and stability in Artsakh and the Caucasus practically unachievable at least in the coming decade. The paper concludes with recommendations to be taken in order to preserve autonomy for South Caucasian states in this context.

The Russian-Turkish Pact in Artsakh: An Attempt at a New Caucasus Regional Order

The strategic vision and objectives of the actor involved in and impacted by the 44-day-war were and still are drastically different. We may highlight three groups of actors involved in the Artsakh war of 2020 based on their objectives and stance: (1) actors interested in transforming the region by military means – Russia, Turkey, Azerbaijan, and Israel; (2) actors not interested in war and drastic changes to the *status quo* but limited in their choices – Armenia and Georgia; and (3) active and passive observers – Iran, Europe, and the United States – who, despite having certain interests in the region, chose to withhold and assume positions of active or passive neutrality.

In the immediate aftermath of military action, the Lavrov plan-based trilateral agreement of November 9 effectively paved the way for a Russian-Turkish pact in Artsakh, marking a tactical victory for Russia and a strategic victory for Turkey. Russia and Turkey appealed to their experience of cooperation in the Middle East, where albeit having competing interests, they were able to form a situational alliance with Iran, allowing them to play a dominant role together while ultimately also achieving their respective goals.[1] In the Caucasus, Russia and Turkey turned to this experience gained through the Astana process in the Middle East to use the region as a sphere of *both* cooperation *and* confrontation among themselves without, however, involving Iran in the scheme.

Past experience of cooperation in the Middle East alone, however, does not suffice to explain the new patterns in the Caucasus. Having been a sphere of almost exclusive Russian domination since the early 19th century, the Caucasus has not seen direct Turkish presence as the Ottoman Empire at its peak, too, failed to establish itself in the region. It is therefore essential to evaluate and analyze, at least in general terms, Russia's strategy as to why Turkey was allowed to assume an unprecedented strategic stance in the South Caucasus, achieving military and political presence in the region.

Now that the vision of Greater Eurasia seems to have fallen through due to the victory of China's competing BRI project, it is safe to assume that the top military-political leadership of Russia are henceforth driven by the logic of constructing a hybrid USSR/Russian Empire 2.0.[2] The results of the war do indeed fit into the grand strategy behind the USSR/Russian Empire 2.0 project. With Armenia's factual capitulation, Russia gained a direct military presence in Artsakh, which has been the cornerstone of shaping the security environment in the Caucasus in recent decades. Positioning itself in Artsakh, Russia also gained an unprecedented ability to project military coercion

---

1 Kortunov, Andrey. "The Astana Model: Methods and Ambitions of Russian Political Action." The MENA Region. A Great Powers Competition, ISPI-Atlantic Council Report. Retrieved from www. ispionline. it/it/pubblicazione/mena-region-great-power-competition-24090 (2019).

2 Kapoor, Nivedita. "Constructing greater Eurasia: The challenges ahead for Russia," Observer Research Foundation, Retrieved from https://www.orfonline.org/research/constructing-greater-eurasia-the-challenges-ahead-for-russia/ (2020).

power upon Iran, and, coupled with a maximized military presence in Armenia and aspirations to control the to-be-constructed transit routes, Russia is trying to secure space and opportunities to intervene in the actively evolving Turkey-Azerbaijan partnership.

All these goals were, in fact, already outlined in Russia's agenda back in 1994 in the aftermath of the first Artsakh war but remained unrealized due to systemic resistance in Artsakh and Azerbaijan. Now, with these 'long-awaited' patterns being shaped, Russia has been able to achieve direct binding of Azerbaijan and Armenia, as well as indirect binding of Georgia to the Russian neo-imperial project. We may also perceive Russia's keen acceptance of the capitulation of its ally Armenia as a concession to Azerbaijan and Turkey within this framework, and it is only logical that Russia probably expects concessions from them in turn.

As such, not long after the war, Russian state news outlets actively promoted the discourse of Azerbaijan possibly joining the Eurasian Economic Union (EEU).[3] We may suggest this is at least part of the concessions Russia expected from Azerbaijan and Turkey because joining the EEU would significantly limit Azerbaijan's economic freedom on the one hand and directly bind the EEU to Turkey on the other via Azerbaijan, which, having its freedom limited, would have to concede major elements of economic decision-making to Russia, allowing the latter greater control of regional and continental energy security among other objectives. In this scenario, Turkey would have to lose the privilege of having oil-rich Azerbaijan as its very controllable satellite and be compelled to cooperate with Russia's economic and energy interests instead, while Azerbaijan would be directly tied to Russia's neo-imperial project. Had this objective been realized, Russia would have gained not only a tactical but also a strategic victory. At the moment, however, this vision has remained unrealized for a number of reasons, most prominent of which are the high grounds Turkey and Azerbaijan now hold as the immediate victors and Russia's underestimation of Turkey's ambition

[3] Shahbazov, Fuad. "Azerbaijan Feels Pressure to Join Moscow-Dominated Eurasian Economic Union", Jamestown Foundation, Retrieved from https://jamestown.org/program/azerbaijan-feels-pressure-to-join-moscow-dominated-eurasian-economic-union/ (2021).

for will-projecting in the region and the scope of Turkey's influence on decision-making in Azerbaijan.

Indeed, the outcomes of the war allowed Turkey to secure diplomatic, political, and military presence in the Caucasus and Artsakh – a success that was not achieved even by the Ottoman Empire in its prime. Turkey taking on the burden of organizing and conducting the military campaign on Azerbaijan's behalf after Azerbaijani armed forces failed to register any significant advances in the early weeks of the war led to the dominance of the Turkish military machine in Azerbaijan. By surrendering war-waging and security decision-making to Turkey, the Azerbaijani state and society formulated their readiness to unite with Turkey, transitioning from the ideological slogan "one nation – two states" to "one nation – *de facto* one state". This translates into the Azerbaijani elite losing the opportunity to pursue an independent political line and becoming a satellite of Turkey and its ambitions.

Hence, Russia's initial calculation to help Azerbaijan win and limit its freedom and autonomy afterwards fell short since Turkey exploited this opportunity earlier and more efficiently with the Shushi declaration being signed long before EEU membership became feasible in theory. Given the unprecedented scope of Turkey's newfound presence in the region, this marks an obvious strategic victory.

Turkey gaining strategic advantages in the South Caucasus, downplaying Russia's initial plan, and establishing itself militarily on the Russian borders has compelled Russia to deploy a contingent to Artsakh that, in terms of military power and capabilities, is clearly not of peacekeeping nature, while simultaneously hastily building up its military presence in Armenia's mainland. The presence of Turkey in the South Caucasus and the right granted to it by Russia to operate militarily pull the region into the orbit of the Middle East. Artsakh and possibly other disputed de-facto states in the Caucasus will likely 'mutate' into Middle Easters models of grey zones, characterized by a higher level of military violence, the presence of ideologically-motivated radical militant groups, the gradual dissolution of state institutions, etc. All these developments, marked with the Russian-Turkish pact and unprecedented for the Caucasus, constitute an attempt at drastically redrawing the strategic landscape of the South Caucasus and establishing a new regional order.

1. Iran's Grand Return to the Caucasus

The new Turkish-Russian pact in the South Caucasus, the unprecedented Turkish presence in the region, and a new emerging balance of power provoked a third regional power – Iran – to enter the game. Iran carried out large-scale military drills on October 1 near its border with Azerbaijan and tested a locally manufactured long-range drone.[4] This was yet the largest operation undertaken by Iran in the region following a traditionally neutral stance and a non-intervention policy in regional military affairs.

We can outline a number of reasons behind Iran's drastically sharpened stance. The timing, symbolism, and location of the operation help shed light on Iran's rationale. First, with regard to timing, the drills came almost immediately after the Azerbaijan-Turkey-Pakistan trilateral military exercises.[5] While the axis itself is not new, it has not held military exercises in the Caucasus before. Given Turkey's increase in strategic weigh cemented through the Shushi declaration, these exercises bear a new level of threat to Iran. Erdogan's support for pan-Turkism – an ideology advocating for the political and cultural integration of Turkic peoples (including Azerbaijanis and Iranian Azeris) – into a Turkey-led hybrid empire – neo-Ottomanism – continues to damage relations between Ankara and Tehran. In December 2020, while attending a military parade celebrating Baku's victory, Erdogan quoted a poem condemning the separation of northern Azeris in Azerbaijan from southern Azeris in north-western Iran.[6] This act infuriated Tehran, as Iranian authorities interpreted this affront as proof that Ankara intends to jeopardise Iran's territorial integrity by promoting Azeri nationalism.

Secondly, Iran named this extensive ground military exercise "Khyber Conquerors." Khyber refers "to the door of an ancient Jewish fortress on the

---

4 Ramani, Samuel. "Iran–Azerbaijan Crisis Points to Shifting Regional Currents". RUSI, Retrieved from https://rusi.org/explore-our-research/publications/commentary/iran-azerbaijan-crisis-points-shifting-regional-currents (2021).

5 Stone, Jean-Philippe. "Playing With The Lion's Tail: The Iran-Azerbaijan Crisis", the Organization for World Peace. Retrieved from https://theowp.org/reports/playing-with-the-lions-tail-the-iran-azerbaijan-crisis/ (2021).

6 Ibid.

Arabian Peninsula that was conquered by Imam Ali, the first Shia Imam."[7] Therefore, we may suggest that from Iran's point of view, Azerbaijan is a version of that fortress, and its gate is the so-called "Zangezur corridor" proposed to connect Azerbaijan with its Nakhichevan enclave via Armenia's Syunik region. Apart from the consolidating effect, this would have on the new regional order established by the Russian-Turkish pact, as well as violate the Armenia-Iran border that is if essential significance to both states, the 'corridor' could also serve as a gateway for Israel and NATO's direct entry into the South Caucasus. With Turkey as the second strongest NATO member possibly establishing a military base in Azerbaijan and Georgia moving forward with potential NATO membership, the scenario of Israeli forces being present in the region sets a potentially severe threat to Iran's national interests. We can see from the combination of timing and symbolism that this grand gesture is intended to show Iran's readiness to disturb the emerging regional order with hard power should it pose threats to its vital interests.

Third, the choice of location hints that Iranian officials are concerned about the possibility of a renewed regional conflict dragging north-western Iran into war, which is far more likely now given Iran's lack of any defense policy in its newfound border areas near Artsakh that did not require equipment and defense on Iran's side while under Armenian control.

Fourth, as mentioned above, the lingering presence of ISIS terrorists Azerbaijan and Turkey deployed in the Caucasus to fight in Artsakh, and the likelihood of ongoing importation of Middle Eastern politics and strategic patterns into the Caucasus requires Iran's immediate attention as well.

After its military and strategic near-absence neutrality in the Caucasus since the treaties of Gulistan and Turkmenchay in the early 1810s, Iran is now establishing and augmenting its direct military presence in the Caucasus through a grand gesture showcasing its hard power capabilities. With the timing, location, and complex symbolism of these military exercises, we can call this act the grand return of Iran into Caucasus security politics since the

---

[7] Qaidari, Abbas. "Iranian war games on the border with Azerbaijan were really a message to Israel". The Atlantic Council. Retrieved from https://www.atlanticcouncil.org/blogs/iransource/iranian-war-games-on-the-border-with-azerbaijan-were-really-a-message-to-israel/ (2021).

concession of the region to the Russian Empire in the early 19th century. The neo-imperial rhetoric dominating the discourse and grand strategies of both Russia and Turkey reminds Iran of the pre-nation-state model of regional order and compels it into acting the way it would have in the imperial age.

2. The Re-Emergence of the US in the New Regional Order

The heightened strategic presence of Russia, Turkey, and Iran in the Caucasus did not slip from the attention of the US. In an unprecedented move, the Caucasus saw the first-ever official visit of US Secretary of Defense Lloyd Austin. Although Georgia-NATO talks and the Georgia-US dialogue have been ongoing since 2008, Austin's visit has been thus far the highest-level symbolic and practical commitment of the Western bloc to Georgia and a strong gesture for the entirety of the Caucasus.

Ahead of Austin's tour, the Pentagon stated that the United States "steadfastly supports its European Allies and partners in the face of Russia's destabilizing actions in the critical Black Sea region," and Secretary Austin "looks forward to meeting with his counterparts and other senior officials to reinforce the United States' commitment to a safe, stable, and prosperous Europe."[8] US Department of Defence also said that the visit "will reaffirm the US support for Georgia's sovereignty and territorial integrity and underscore the importance of the US-Georgia strategic partnership in addressing regional and global security challenges".[9]

During the visit, Secretary Austin and Georgian Defence Minister Juansher Burchuladze signed a memorandum of understanding regarding the Georgia Defense and Deterrence Enhancement (GDDE).[10] The current support agreement, known as the Georgia Defense Readiness Program (GDRP), was enforced in May 2018 and is to expire at the end of 2021. The GDDE is thus

---

8 US Department of Defense. "Secretary Austin Travels to Europe." Retrieved from https://www.defense.gov/News/Advisories/Advisory/Article/2811872/secretary-austin-travels-to-europe/ (2021).

9 Ibid.

10 CGTN. "U.S., Georgia sign defense cooperation memorandum". Retrieved from https://news.cgtn.com/news/2021-10-19/U-S-Georgia-sign-defense-cooperation-memorandum-14tLD7vMig8/index.html (2021).

the replacement agreement and, as stated by Austin, the new agreement highlights the US' "long-term policy to support Georgia's defense and the country's Euro-Atlantic aspirations".[11] The US vowed to continue to encourage institutional reforms in Georgia's defense establishment, strengthen the country's defense and deterrence capabilities, as well as help advance its compatibility with NATO standards.

Austin has also commented on the "3+3" format proposed by Russia, Turkey, and Iran for the Caucasus with Azerbaijan, Russia, Armenia and Georgia, and said that "first Russia must respect the 2008 ceasefire agreement with Georgia" and withdraw its forces from Georgian territory. He stated that it is better for the South Caucasian countries to strengthen cooperation for regional security.

It is safe to assume that the timing of Austin's visit is no accident, given the major shift in the regional order in the Caucasus. We must bear in mind that in recent years, due to passive responses from the NATO leadership, Georgia had been gradually becoming a satellite of Turkey's growing strategic orbit in the Caucasus, which until recently appeared to be Georgia's only choice. In this context, Secretary Austin's historic visit reaffirmed the US aspiration for an immediate long-term presence in the region and presented an act of the US re-claiming its ally in an increasingly intensifying thrive of regional power centers to assume high grounds in the emerging new regional order. Austin's dismissal of the "3+3" format, his recommendation that South Caucasian states should negotiate without mediators, and the stress he put on Georgia's sovereignty are a subtle recognition of the apparent loss of autonomy in the regional states and their reluctance to drift with the flow of power games of far greater magnitude and outreach.

3. Prerequisite Instability: What to Expect for Artsakh Now?

The three sections above have demonstrated the drastic increase in external power penetration in the South Caucasus in the immediate aftermath of the 44-day-war. The timing, symbolism, and geography of the unprecedented

[11] RadioFreeEurope. "U.S. Defense Chief Inks Cooperation Deal With Georgia On First Leg Of Visit To Black Sea Allies." Retreived from https://www.rferl.org/a/austin-georgia-us-nato/31515931.html (2021).

grand gestures in the region lead us back to the changes brought forward by the November 9 agreement. All the power centres now increasingly consolidating their stance in the Caucasus entered the region through the Artsakh issue. Therefore, providing a solution to the issue now translates into closing the gateway that provided these power centres with the opportunities to join the game. Thus, the instability in Artsakh and the rest of the region is a prerequisite for these power centers to remain in the Caucasus and further consolidate their position.

Given that the goals the regional power centers are pursuing now were very much present in their respective agendas back in the 1990s as well, a comparison of the outcomes of the first and second Artsakh war through the lens of external power penetration shows that it is no accident that this intensified complication of the strategic landscape was avoided in the 1990s. In 1994, the political leaderships of Artsakh and Azerbaijan rationally chose to avoid this turnover in an acknowledged manner, which was objectively smarter, as it is precisely these post-conflict complications in the strategic landscape that make peace and stability in Artsakh and the Caucasus practically unachievable at least in the coming decade. Moreover, the stronger the positions of regional and global power centers and the higher the scope of their intervention in inter- and intra-state politics in the Caucasus, the more autonomy and sovereignty the South Caucasian states will lose.

It is obvious that the Azerbaijani elite could perfectly foresee these developments and factually accepted and helped shape a new regional order where Azerbaijan, as well as Armenia and Georgia, would get gradually swallowed by greater actors and cease to exist as independent state actors. The apparent erosion of democracy and gradual shifts towards authoritarian regimes in Armenia and Georgia, as well as the very fact of Azerbaijan's autocratic regime getting away with initiating the conflict already demonstrates the devolution of statehood models in the region, as they slowly slip into hybrid post-Soviet-Middle-Eastern patterns.

The most important decision the South Caucasian states must make in this new reality is formulating their ultimate objective: whether or not they wish to preserve statehood. In the author's view, speaking for Armenia, the answer is positive and non-negotiable. The only way for Armenia to ensure its physical survival in an environment where its territory and the lives of its

citizens have been and still are being sacrificed by ill-natured alliances and failed mediation for limited tactical victories is: establishing direct dialogues with its immediate neighbours, and making better alliances that would help Armenia strengthen its state institutions. It is also recommended for Azerbaijan and Georgia to choose statehood and not vassal-hood to greater actors. In a coordinated action, not unlike that in 1994, regional states can still prevent further penetration of external power centers into the region and gradually undo the harm caused by the 44-day war and its aftermath, thus avoiding the increasing destabilization and dissolution of the South Caucasus.

The Review of the Tripartite Statement Implementation Status Signed by Armenian, Azerbaijani and Russian Leaders

Ahmad Alili

One year after the end of the 2020 Karabakh War, it is time to review the region's developments for the past year. It is essential to understand how the region has changed in the last year in order to know where the South Caucasus is moving towards peace or regional destabilisation. The Tripartite Statement signed by Armenian Azerbaijani and Russian leaders on 10 November 2020 is a ceasefire agreement, and there is a need to work toward the comprehensive peace agreement. The two-page document does not clarify many issues, leaving some vague and creating opportunities for the double-reading of the paper by the Armenian and Azerbaijani parties. Therefore, there is a need to review the implementation of the Tripartite Statement signed on 10 November 2020, which ended the military phase of the Armenian-Azerbaijani conflict in 2020.

We can divide the implementation of the Tripartite Statement into three distinct categories:

1. Implemented/Fully implemented
2. Partially implemented
3. Not implemented.

The text of the Tripartite Statement has nine articles:

1. A complete ceasefire and termination of all hostilities.

Implementation status: **Partially Implemented**

Currently, the Azerbaijani Armed force occasionally exchange fire with the leftover Armenian forces in Karabakh. Not all Armenian armed personnel are out of the region, at the demand of the Tripartite Statement. Therefore, occasionally hostilities occur in Karabakh and the Armenian-Azerbaijani international border after one year of the 2020 Tripartite Statement. Nevertheless, this document ended the war in November 2020.

2. **The Agdam District shall be returned to the Republic of Azerbaijan by 20 November 2020.**

Implementation status: **Fully Implemented**

Azerbaijani forces currently control Agdam District in its Soviet map borders.

3. **The peacekeeping forces of the Russian Federation, namely, 1,960 troops armed with firearms, 90 armoured vehicles and 380 motor vehicles and units of special equipment, shall be deployed along the contact line in Nagorno-Karabakh and along the Lachin Corridor.**

Implementation status: **Partially Implemented**

Russian troops number in Karabakh and their equipment exceeds the number of the agreed troops and equipment. These troops have no mandate for operating in the region. Azerbaijan refused to sign the mandate on the same night. Azerbaijan's position is explained by its unwillingness to sign the same document with an Armenian signature. Karabakh is an internationally recognised part of Azerbaijan, and Baku demands no signature of Armenia in this document. Russian Federation representatives' position on the issue is that the peacekeeping forces entered Azerbaijani territories due to the Tripartite Statement, which has signatories of the three representing parties; hence, the mandate should also be signed by all. The Tripartite Statement and the Russian Peacekeeping Forces Mandate for Baku are separate cases; therefore, they should not be compared.

4. **Withdrawal of the Armenian troops from Karabakh concurrently with the Russian Federation Peacekeeping forces deployment to Karabakh.**

Implementation status: **Partially Implemented**

Currently, there are Armenian Armed Force soldiers in Karabakh, and it causes tension between the conflicting parties. It is caused by double-reading. The Armenian position on the issue is that the term "Armenian Armed Forces" is about soldiers of the Armenian Army, not Karabakh Armenians. Nevertheless, all Armenian population of Karabakh carry Armenian national passports, and there is no distinction among them from the Azerbaijani perspective. Baku also considers the continuous presence of Armenian armed groups in Karabakh as a violation of the Statement because the physical security of Karabakh Armenians is provided by the Russian troops deployed

in the Karabakh. There was no provision about the presence of the third parties – military groups – in Karabakh.

5. **For more efficient monitoring of the Parties' fulfilment of the agreements, a peace-making centre shall be established to oversee the ceasefire.**

   Implementation status: **Implemented**

Nevertheless, the Centre is not functional as it was expected to be. Russian Ministry of Defence representatives are making reports on the developments on the ground.

6. **The Republic of Armenia shall return the Kalbajar District to the Republic of Azerbaijan by 15 November 2020 and the Lachin District by 1 December 2020. The Lachin Corridor.**

   Implementation status: **Implemented**.

7. **Internally displaced persons and refugees shall return to the territory of Nagorno-Karabakh and adjacent areas under the supervision of the United Nations High Commissioner for Refugees.**

   Implementation status: **Not Implemented**

Since Armenian Armed groups are still stationed in Karabakh, and the occasional hostilities occur between the conflicting parties, internally displaced people are not safe to return to the areas.

8. **The Parties shall exchange prisoners of war, hostages and other detained persons, and casualty remains.**

   Implementation status: **Implemented**

The status of some of the detainees are disputed, but right after the conflict, the exchange took place, and Azerbaijan also returned the remains of 1500 casualties to Armenia.

9. **All economic and transport connections in the region shall be unblocked.**

   Implementation status: **Not Implemented**

The double reading on the transport corridors in the region is the main reason for the lack of implementation of this clause. Azerbaijan demands "an unimpeded movement of citizens, vehicles and goods in both directions",

which the document reads. Despite signing the paper, the Armenian leadership believes Armenia can provide only transport links, but not the corridor passing its territories. Hence, this clause remains a crucial issue, which implementation could lead to peace in the region.

Providing for Regional Conflict Management and Resolution

Redefining Armenia's Foreign Policy One Year after the 2020 Nagorno-Karabakh War

Taline Papazian

A year after the 2020 war, Armenia is still experiencing the shock waves of defeat across four dimensions: social, domestic politics, foreign policy, and security.

Armenian society is going through loss-related hardships and trauma in more than one way. While massive loss of lives and territory, the plight of dozens of prisoners of war still in custody in Azerbaijan, the displacement of thousands of refugees from Nagorno-Karabakh formerly occupied territories and/or areas of the former Nagorno-Karabakh Autonomous Oblast (NKAO) are the most obvious aspects of these, another thing that has been lost to last year's crushing defeat is trust. Trust towards the political discourse on the Nagorno-Karabakh issue, in diplomatic and security terms. This deeper aspect touches upon a crisis of Armenian national identity crystallized around the Nagorno-Karabakh issue since the end of the USSR.

The need to lay down representations and realities and confront them in the backdrop of the 2020 war is a necessity. The present article builds on a collective work on Armenia's foreign and security policies published in September 2021, by R. Aydabirian, G. Libaridian and the author of the present article in which they questioned and reconsidered the premises of Armenia's foreign policy.[1] For the purpose of the present article, analyses of the White Paper that were presented during the PfP Consortium Study Group in Austria in November 2021 will be laid out hereafter, as well as internal challenges insofar as they are related with diplomatic ones.

[1] Aydabirian, Libaridian, Papazian. The Karabakh War of 2020 and Armenia's Future Foreign and Security Policies. 2021.

Assessment of the Security Pillars of the Republic of Armenia after the 2020 War

Post-Soviet Armenia was born in 1989 from a two-pronged challenge: establishing a sovereign state supported by a democratic system, and taking charge of a national question in need of a solution, the future of Karabakh. Within the trajectory of Armenian statehood these two dimensions became intensely intertwined, with the first dimension taking precedence over the second as soon as 1992.[2]

The 25 years that elapsed between the 1994 cease-fire and the 2020 war were often abusively regarded as years of "freeze". This illusion did not spare Armenian political and military elites. As a result of the 2020 war, security pillars of the RA (Republic of Armenia) have been shattered or badly shaken.

The Armed Forces of the RA is one of the oldest institutions created in the era of independence, with its building launched as early as 1992, during the first Nagorno-Karabakh war (1991-1994). In spite of problems linked to mistreatments and abuses denounced over the years by human rights defenders, the army has always enjoyed high level of confidence in the Armenian society. Overconfidence in the state of the armed forces was artificially maintained by the various governments since the end of the 1990's, and blatantly so after the Four-Day War of 2016. The Four-Day War evidenced both the degree of popular mobilization that the Nagorno-Karabakh issue was still capable to trigger twenty years after the 1994 cease-fire and the fact that this would not be enough to counter a large-scale attack. The means deployed during that short war as well as its results should have acted as a wake-up call. Armenian Armed Forces and the defence army of Nagorno-Karabakh experienced high lethality (more than 100 killed in only a few days), a consequence of the poor air defense in the face of new armaments procured by Azerbaijan. In addition, for the first time since 1994, the Azerbaijani armed forces advanced on Nagorno-Karabakh occupied territories. In short, the Four-Day War demonstrated key points where Azerbaijan had reversed the balance over the years and now enjoyed clear superiority. That call remained

[2] Papazian, Taline. L'Arménie à l'épreuve du feu. Forger l'Etat à travers la guerre. Paris: Karthala. 2016.

heard only by a small fraction of the Armenian society, of political and military experts, whereas the response given by the government of Serge Sargsyan of the time was mixed. On the one hand, the results of the Four-Day War were never acknowledged openly for a defeat by the political elite. On the other hand, a number of reforms introduced at the time aimed at addressing some shortcomings in armament and in the education level of officers while reinforcing the cohesion of army and society. Other problems were not addressed at all, or only after the Velvet Revolution of May 2018. Too little, too late. The following factors are usually overlooked when focusing only on the "drone war" aspect of the 2020 war, but were actually of particular significance in its outcome: the mobilization of the armed forces in general, and especially of the reserves; shortcomings in, and incomplete enforcement of approved doctrinal reforms (at least since the strategic reviews of 2008 and up to the Vision of the Minister of Defence for 2018-2022); poor intelligence services and information; lack of honest communication with the public on the real situation within the Armed Forces (AF); strategic misconceptions in the long-term military build-up (with an over-reliance on Soviet style attrition warfare); and military education.

Second, in a situation of open hostility such as the one in which Armenia and Azerbaijan are locked in, land connection between the former NKAO and Armenia proper through the regions of Lachin and Kelbajar gave Armenia and Nagorno-Karabakh some territorial depth. It is necessary to remind the reader that the occupied territories around the former NKAO were primarily seen as a security belt for the inhabitants of the region and for Armenia that was acting as a security guarantor for them. The territorial security of the RA on its borders with Azerbaijan is nothing less than precarious, with the Nakhichevan exclave on the south-west flank and Azerbaijan on the East. This peculiar geographical reality makes Armenia vulnerable to any attack at the hour-glass section of its territory – on the Vayots Dzor and Syunik regions – as regularly evidenced by the incursions and the strategy of permanent military pressure mastered by the Azerbaijani armed forces on Armenia proper since May 2021.

A third security pillar, that was the protection against any possible threat from Turkey by the strategic alliance with Russia (1997 bilateral treaty), has also been shaken. The direct and indirect involvement of Turkey in the 2020 war; its strategic, military and logistical support to Azerbaijan and the fact

that these were not considered by Russia as grounds to clearly draw redlines even when acts of war were committed on the territory of Armenia proper, make many Armenian experts question the validity of the alliance with Russia. At the same time, Russia was the only power that was: willing and able to impose a cease-fire in November 2020; and since then, the only security-guarantor to the lives of the Nagorno-Karabakh inhabitants through its "peacekeeping" force.

The combination of external and domestic challenges not properly addressed by the ruling party in the wake of the defeat, results in a prolonged internal crisis. The only good news that came from the domestic front in 2021 was the positive record of the snap parliamentary elections held in June for Armenia's democratization. This record is however somewhat misleading as Armenian citizens were cornered in an alternative between old and new-regime. Whereas a majority of the electorate who casted their vote for Civil Contract were led by a rejection of the old elites and a desire for peace, Pashinyan's government avoided to give the public an honest assessment of the war and post-war situation, and what the desire for peace actually entails in the diplomatic front on the Nagorno-Karabakh issue and conflict-related issues: regional transportation links, relations with Azerbaijan, relations with Turkey. In the absence of a credible alternative, the Civil Contract party won a majority of seats in the National Assembly. Reactionary forces of the "Hayastan" block led by former President Kocharyan and its traditional ally, the Dachnaktsoutiun party, and the "I have the honour" alliance, an offshoot of the Republican party led by other former President Serge Sargsyan, came second and third. The geostrategic environment in which Armenia finds itself has given arguments to forces that favour a "tougher hand": Armenia's main if not only ally, Russia, is itself an authoritarian regime; the same holds true for Azerbaijan that won the war. The fresh and fragile democratization process is threatened by internal distrust created by the defeat and by the hard security challenges confronting the current government and made worse by Azerbaijan's strategy of "territorial nibbling" on the line of contact. As a reaction, the government is engaged in party and power consolidation, a process which is already adversely affecting democratization and which can only weaken Armenia when asked to deliver on the engagements of the November 9, 2020 and January 2021 agreements.

What Has Become of the Nagorno-Karabakh Conflict?

The Nagorno-Karabakh conflict, although multi-dimensioned, is first and foremost about the possibility for Artsakh Armenians to live on their lands freely and safely. In the last years of the USSR, the right to self-determination is activated by Armenians of Nagorno-Karabakh and Armenia for that purpose. Even after the 2020 war, the issue of Nagorno-Karabakh status is to be looked at in that context.

Besides the status question, other features have emerged alongside the first Nagorno-Karabakh war and over the years of cease-fire, and aggregated themselves to the conflict: territorial integrity of internationally recognized states, and hence the issues long under negotiations of the territories adjacent to the former NKAO which for some of them are a matter of security for Artsakh, i.e. the Lachin area; and Azerbaijani and Armenian refugees and IDPs from the 1990's and now from last year's war. These elements have been modified in their interrelation and content as a result of the 2020 war.

The November 9, 2020 statement makes clear that these pieces are perceived and dealt with as an interstate Armenia-Azerbaijan conflict that has swallowed the question of the rights of Artsakh Armenians. Of paramount significance now are the issues of border delimitation and demarcation between the two internationally recognized states (Armenia and Azerbaijan) and of opening up regional transportation links East-West and South-North.

With respect to the Nagorno-Karabakh question, Armenia has lost its role as a security guarantor. It has also practically lost its say in a future resolution of the conflict, way behind Baku, Moscow and Ankara. However, Armenia has a moral responsibility to continue nurturing the human resources in Artsakh, with the highest level of economic and social assistance it can provide.

In the post-2020 situation, the question of Nagorno-Karabakh status is not resolved: all stakeholders to the conflict admit to that, with the exception of Azerbaijan. Hypothesis that might have been under discussion, such as independence or remedial secession, whether likely or unlikely before the war, are now removed of the table for all practical purposes. What other possibilities could be discussed? A Russian protectorate of some form or another is

the current *de facto* state. That applies for the part of Karabakh that is not under direct Azerbaijani control. The Nagorno-Karabakh leadership has growingly endorsed this prospect. Nevertheless, Russian forces can be requested to leave by either party at any five-years interval. Azerbaijan has made it clear that it considers Russian presence as temporary. Therefore, the possibility of Russia leaving in the medium-term, either of its own accord or because Azerbaijan will insist on it, must be integrated as a factor in the calculations of scenarios, something which Artsakh Armenians seem to be overlooking so far. Another option pertaining to the protectorate category would be to replace or complement Russian peacekeepers with another, possibly non-co-chair OSCE country, forces. Russia would resist such a move because it would threaten its interests in the region. In that resistance, Russia could use Nagorno-Karabakh if convenient. Azerbaijan however might welcome the option of more diverse forces as less threatening to its sovereignty. This option therefore could be worked upon over time by leaders of Azerbaijan and Armenia if they realize it might constitute a converging interest.

What is thus clear is that a medium-term resolution of the status is unreachable today: the question of status will be left to the future. In the perspective of Armenians therefore, time is, as of yet, an element to be used through a well-conceived and thought-out diplomacy in order to avoid future catastrophic scenarios involving the emptying of Artsakh Armenians, either by force or because adequate conditions of a secure civilian life fail to be restored over the next years. What can be done? The answer is both hard and simple; to envision an accommodation between Karabakh and Azerbaijan. The Nagorno-Karabakh leadership should accept Azerbaijani sovereignty in return for a territorially defined status with a high degree of self-government and Russian/international guarantees and presence. This option raises fears, depicted by Armenians under the expression of "Nakhichevanization" of Karabakh, i.e. the slow dilution of the Armenian majority and the ultimate loss of people on an Armenian territory. To prevent such a dramatic future, the issue of security of Artsakh Armenians must be at the heart of multilateral as well as regional discussion formats. The Azerbaijani state-orchestrated xenophobia and hatred against Armenians which have proved countless times the extent and excess to which they could yield, must be tackled. That option is the hardest to imagine in the still prevailing traumatic situation in Artsakh and in Armenia, and in the absence of direct contacts between Nagorno-Karabakh and Azerbaijan for 25 years. Notwithstanding the obstacles

and difficulties, we believe this scenario must be worked on for a long-term prospect of resolution of the Nagorno-Karabakh conflict whether in the form of a primary or reserve plan (to the Russian protectorate), and stabilization of the South-Caucasus region.

Pragmatic Recommendations for Armenia's Foreign Policies[3]

The foreign and security policies of Armenia were built as a response to a mid-1990's reality, consisting of the following factors: the US held a dominant and proactive role in international relations and often acted as the force of restraint on regional powers, either by itself or through multilateral "Western" organizations; Russia systematically countered NATO-member Turkey, and Turkey would not venture into Russian area of special interests, i.e. its "near abroad".

These assumptions are no longer valid. On the international stage of the last decade, liberal rules of the game are constantly on the retreat, whereas illiberal states are willing to impose their *modus operandi*. The West, whether we take it as the US, or the US+Europe and their various multilateral formats, has been sidelined of many geopolitical hotspots. The Nagorno-Karabakh conflict, which had been the point of entry of the US in the post-Soviet South Caucasus is practically in the hands of Russia and secondarily of Turkey.

This means that Armenia's security environment has changed, and its policies must now reflect new realities. The "3+3" format is unavoidable and to a certain extent logical; it makes sense that the primary concerned states are the most involved in the issues crucial to the region. At the same time Armenia needs and does engage in other, multilateral formats, first the OSCE Minsk Group when it comes to remaining issues of the Nagorno-Karabakh conflict. There must be however a clear and reciprocal understanding between Armenia and its Western partners in general of what can be delivered and what not; and the extent to which their involvement can go. Multilateral formats are also essential in many issues crucial to Armenia's development well beyond the Nagorno-Karabakh issue (institution-building, economic

[3] The following recommendations are taken from the White Paper, where they are developed more comprehensively. See in particular Part II, section 2.

programs, infrastructure, energy, education). Armenia must be helped in playing a balancing act with Russia, where Russia is considered and part of the conversations without being the only interlocutor for Armenia.

Regarding the Armenia-Azerbaijan conflict, Armenia should act on the premise that entering into a new *status quo* of neither war nor peace will be too much of a burden because of Armenia's current multilayered weaknesses. Unless Armenia is to be on a permanent war-footing, normalization of relations with neighbors is an integral component of a long-term security system. Armenia's number one long-term threat is emigration of the youth. To avoid new waves of massive emigration, stabilization of the relations with Azerbaijan, coupled with economic and social developments should be the priority.

In addition to working closely with Russia and building a robust defense whose mission is to defend the borders of the RA, the best way to reduce tensions with Azerbaijan and Turkey is to begin a dialogue with all concerned, even if separately and confidentially at first, in an exploratory and informal setting.

Thus, Armenia should take the initiative to develop a comprehensive framework for a dialog with Azerbaijan, tackling contentious issues one by one, gradually leading to the normalization of relations. In that regard, the developments of the intergovernmental working group on the demarcation of the borders with Azerbaijan will be a significant milestone. At any rate, especially given the lackluster allied commitments displayed by Russia thus far, Armenia should also seek other ways to secure its borders.

Without underestimating the anti-Armenian rhetoric of Turkey and policies of Azerbaijan nor being hostage of them, Armenia needs to understand and assess the policies of these two states in all their complexity. Armenia may miss openings and opportunities to discuss and possibly to resolve problems through diplomacy if it focuses solely on the anti-Armenianness of Azerbaijan and Turkey. At the same time, xenophobic rhetoric and acts must be taken seriously, including by the international community. The leaders of Azerbaijan and Turkey may be inclined to tackle this issue in practice if they find they have an interest in doing so. All concerned will be more prone to

act on these if Armenia displays a proactive diplomacy of regional stabilization including by establishing direct contacts. Multilateral platforms may facilitate this endeavour. The more Armenia will prove capable of deescalating the situation with Azerbaijan, the more it can hope to encourage Azerbaijani and Karabakh leaders to enter into contact with each other in the future.

These recommendations may sound trivial yet they entail a deep change of mental disposition of Armenians, one that is virtually impossible in the current internal crisis of Armenia that bans rational debate. The region is currently in a situation of "bad peace", certainly preferable to last year's war. But it has never been so fragmented. Choices various stakeholders of the conflict at large make today, in the region and beyond, will have consequences on how bad peace transforms over time. The common goal should be to help the South Caucasus states, and first and foremost Armenia and Azerbaijan, define the terms of what an honourable peace could be, slowly but consistently, small step after small step. Beyond Armenia and Azerbaijan, the whole South Caucasus region needs a deep change in the self-projection of the respective three states between themselves, to their larger neighbours and to the world. In the long run, the South Caucasus region could live at peace only when it starts conceiving of itself as a "*strategic persona*" (the very goal of the Regional Stability in the South Caucasus Study Group), the components of which would be gradually and commonly evolved between Armenia, Azerbaijan and Georgia, with the support of the neighbouring states as well as the Western partners.

Towards the Need for a New Model of Regional Cooperation in the South Caucasus

Anastasia Chalenko

South Caucasus in a Changing World Order

The increased level of conflict in the South Caucasus today poses a serious challenge for the Eurasian integration processes. There are many reasons, and among them one can single out a favorable geopolitical position, as well as a wealth of natural hydrocarbon resources in the Caspian Sea region. According to preliminary forecasts, oil production in the Caspian region could account for one-fifth of the world's oil reserves and counterbalance the oil reserves held jointly by Iraq and Kuwait. During the Cold War, it was not cooperation that was characteristic, but cold disinterest and increased rivalry for the "limitrophe states". The rivalry was not intense and was determined by situational factors; nevertheless, it did exist. The redistribution of influencing forces in the region began after the collapse of the Soviet Union, when the interests of external players such as Great Britain, Iran, China, Turkey, the United States and Israel became more pronounced. For Russia, the starting point was the adoption of a declaration affirming its geopolitical superiority in post-Soviet Eurasia in 1995. Today, each of these players has its own strategy, goals and objectives, potential interests and a regional partner that helps to implement these interests.

After the collapse of the USSR, the "limitrophe countries" developed mainly in two ways: either by playing on the contradictions of major actors, or by adhering to one of the major players and living at the expense of this. But the processes taking place today in world politics indicate that external players, previously striving to expand their territory, are now asking themselves about the need for such an approach. Therefore, the post-Soviet countries in recent years have been, as if in a zone of turbulence, but a gradual change in scenarios indicates that a transition to a different quality may soon occur. The behaviour model of the countries-objects of rivalry must change. In this new era, the South Caucasus, like other regional conglomerates of the world, must feel and position itself in a new way.

Nagorno-Karabakh: Appeal to the Past Does Not Lead to Conflict Resolution

The societies of the South Caucasus are fragmented and misunderstood, so diplomatic approaches to conflict resolution rarely produce lasting results and seem to need to be complemented by other approaches. Thus, it is extremely important to view internal conflicts in a political and multidimensional framework that takes into account social, economic and historical factors. It is also important to recognize that in situations of ethnic conflict, a multilevel approach must be taken to involve many actors and institutions in the transformation process, and that each stage of the conflict may require different kinds of interventions by different actors or combinations of actors.

In a fragmented society, in which relations are characterized by division and alienation, and the image of the enemy is formed, local communities become powerless. In these situations, humanitarian assistance from non-governmental organizations takes on particular importance in the process of peaceful construction. Long-term approaches must include empowering local actors, institutions and organizations to support the peace process launched in 1992 and investing more resources in peace building. Changing the regional context, building coalitions for conflict resolution and establishing multilateral channels of dialogue are also critical to shaping approaches to the peace process.

Reasons for the Ineffectiveness of Previously Adopted Agreements

It is worth mentioning that the Prime Minister of Armenia Nikol Pashinyan on February 15, 2020, within the framework of the Munich Security Conference, stated that "the international community is tired of hearing about the same topics ... the parties need micro-revolutions in relation to the conflict." The Nagorno-Karabakh conflict has remained unresolved for more than 30 years; it is one of the very first and bloody ethnopolitical conflicts in the post-Soviet space, which claimed the lives of 25000 people. After the conclusion of the Bishkek "Agreement on an Indefinite Ceasefire" in 1994, the OSCE Minsk Group is still looking for opportunities and taking action to resolve the conflict peacefully.

Let's try to analyze separately the agreements on the settlement of the Nagorno-Karabakh conflict, offered after the ceasefire:

1. Lisbon Summit 1996
2. July 1997 Package Option for the Nagorno-Karabakh
3. December 1997 Phased Option
4. November 1998 "Common State" option
5. April 2001 Key West "Agreed Package"
6. Madrid Principles of 2007

In each of the documents mentioned, special attention was paid to territorial problems. These agreements include various solutions for the status of Nagorno-Karabakh, offer mechanisms for the return of territories, as well as different approaches to Lachin, Shushi and Shahumyan. If the package option tries to give a clear definition that the corridor linking Armenia and Nagorno-Karabakh will not be formed across the entire Lachin region, then in the documents suggesting a phased settlement, the issue of the Lachin region, along with the cities of Shahumyan and Shushi, should be discussed during further negotiations. The "common state" option states that the corridor will be provided, but the final determination of its status is also left for further negotiations. The Key West agreements also provided for the creation of a corridor through the Lachin region, with an emphasis on the latter having the same status as Nagorno-Karabakh. According to the package and "nationwide" options, Shushi and Shahumyan should be transferred respectively to the administrations of Baku and Stepanakert. The phased version leaves this issue for further resolution. Within the framework of the Lisbon summit, a three-component document on the conflict in Nagorno-Karabakh was adopted, according to which the territorial integrity of Azerbaijan and the autonomy of Nagorno-Karabakh within Azerbaijan were recognized.

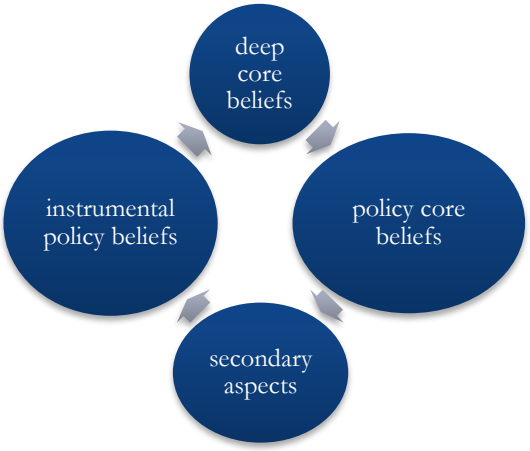
The option for the settlement of the conflict proposed in 1997 by the Minsk Group was to provide Nagorno-Karabakh with autonomy on the territory of Azerbaijan. It was also planned to withdraw troops within the borders of Nagorno-Karabakh in 1988. The Lachin region was intended to provide a corridor linking Nagorno-Karabakh with Armenia, but the latter did not cover the entire Lachin region. The city of Lachin, as well as the territory outside the corridor, were transferred to the Azerbaijani administration, and the corridor was transferred under the control of the OSCE, which, in turn,

provided it to Karabakh. It was planned to transfer the city of Shushi and Shahumyan region to Baku and Stepanakert, respectively. This option was accepted by Azerbaijan, Armenia made several comments, but, in general, positively assessed the package option, but the authorities of Nagorno-Karabakh rejected this option. The Armenian side expressed the position that it cannot base the solution of the issue on the territorial integrity of Azerbaijan until the Azerbaijani-Nagorno-Karabakh relations are clarified along with the political status of Nagorno-Karabakh. That is, we see a direct clash of interests of each of the parties, which each time disputes a number of provisions of the adopted agreements.

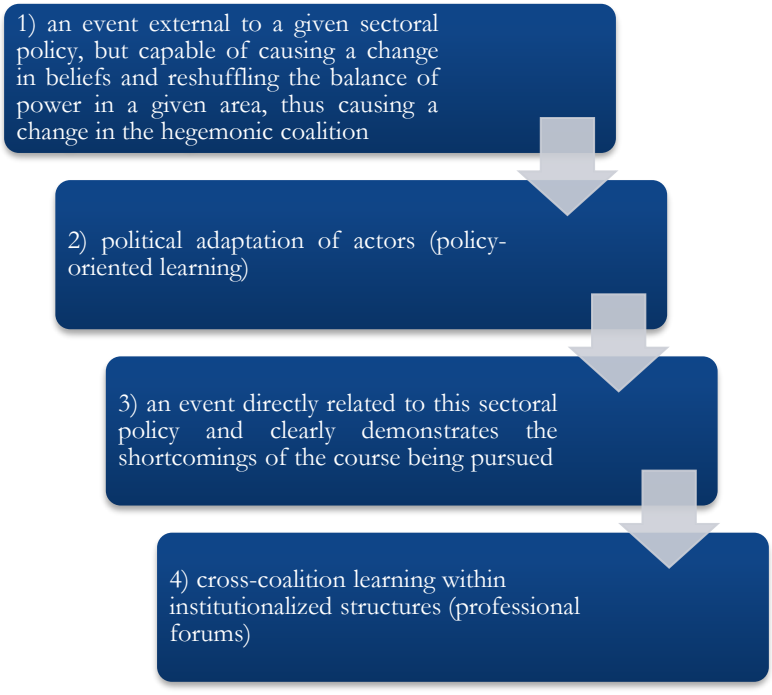
The Madrid principles proposed by the leaders of the OSCE Minsk Group co-chairing countries differ from those initiatives that were voiced earlier. The point is that they do not clarify the implementation mechanisms, but they establish the principles on which each side should rely when making new decisions during the negotiation process. The provisions of the Madrid Principles contain many nuances and details that can be interpreted in different ways. In fact, the Madrid principles integrated the opposing positions of the parties; the right of the people of Nagorno-Karabakh to self-determination, and the territorial integrity of Azerbaijan. Therefore, they cannot be fully realized.

Time to Change the Conflict Management Strategy

If we rely on the concept of advocacy coalition framework suggested by P. Sabatier, the political process between regional actors is a competition, where each promotes his or her beliefs about political problems and their solutions. The convictions of Armenia and Azerbaijan as parties to the conflict are three-layer systems. First of all, these are the deepest essential beliefs, which are the most difficult to change. As stated earlier, they are based on historical background. Secondly, it is the essential beliefs about the political course, which in this case can vary depending on the internal political course of the state and external actors exerting pressure and influence in the region. Since the geopolitical alignment of forces in the South Caucasus, in which such major players as Turkey, Russia, Iran, and the United States are involved, has a long-term perspective, we will try to focus on a secondary aspect. This aspect includes the instrumental beliefs about policy that are least resistant to change.



The advocacy coalition framework concept is a convenient tool for analyzing the relationship between policy choices and the actions of national support coalitions in specific sectoral policies. Today, the newest reading of this concept identifies four ways to change a political course:



For many years, the main emphasis of the signed agreements was focused on security issues, ensuring freedom of transport corridors, etc. This approach is now referred to by some analysts as "corridor thinking". And, from the point of view of the spiral nature of the negotiation process, it is not capable of leading to progress in the settlement of the conflict.

The essence of the new approach may be a gradual shift in emphasis from the security issues of the whole region to the issues of human security and well-being, their rights and freedoms.

The Arctic Council as Model?

An example of such interaction is the Arctic Council. It is a regional organization created after the Murmansk Initiatives and the Rovaniemi Process in 1996. It was created as a response to a challenge, when more and more attention was paid to the Arctic, regional and external actors began to calculate the economic benefits from the development of the region and the development of transport corridors and oil production. Then the Arctic countries realized that a new organization was needed, whose activities would be aimed at sustainable development and preservation of the territory as an island of peace and security. For this purpose, the member countries of the Arctic Council agreed to exclude security issues from the agenda, and to focus on the environment, education, the rights of indigenous peoples and human life in the Arctic in general.

This organization was not taken as an example by chance. In fact, there are many similarities between the Arctic and the South Caucasus, which include a rich diversity of ethnic diasporas, the resource intensity of the region, unresolved issues of delimiting borders and territorial ownership, and the concentration of big powers. The structure of such an organization includes the constant participation of ethnic groups in meetings, where everyone's opinion is taken into account. These are the groups that make up the core of the coalition. In shaping the agenda, non-profit organizations also play an important role, whose ideas and activities in the region influence the formation of instruments of political interaction.

The establishment of such a platform for interaction would freeze thereby the impetus for the establishment of regional cooperation. This idea makes

sense, because time and circumstances begin to demand it. If we follow the logic of the proposed theory, step by step, countries would come to adapt and focus on economic benefits, but not on losses from war. Countries like the USA, Turkey, and Russia could become observer countries of the new council and submit their initiatives to preserve the South Caucasus as a region where dialogue prevails over confrontation. And then the next stage would be a gradual inter-coalition adaptation within the framework of institutional structures. In conclusion, it can be emphasized that today everything depends only on the political will of the regional countries and what kind of future they really want for the South Caucasus.

Conclusion

Frederic Labarre and George Niculescu

It is entirely fortuitous that the Covid crisis has enabled the Regional Stability in the South Caucasus Study Group to meet after a suitable amount of time had elapsed from the close of the 44-Day war, and also to have two meetings in quick succession (September and November). This has enabled participants in both meetings to soberly consider the implications of the 44-Day war on the one hand, but also to enable the co-chairs of the RSSC SG to produce this Study Group Information booklet as a double-issue, which provides the readers with a certain sense of progression in the on-going destiny of the South Caucasus.

As co-chairs, we have been keen to provide a platform for discussion whose conclusions can reach decision makers through the PfP Consortium network of defence academies and security studies institutes. The aim has always been, in the more immediate form, to provide actionable solutions for all conflicting parties in the region. While the 44-Day war restored in great part the territorial situation *de jure* at the time of the recognition of the independence by the international community of Armenia and Azerbaijan in January and February 1992, we must lament the loss of life and treasure it has entailed, especially after the decade we have spent, as co-chairs and members of the RSSC SG, to provide alternative solutions to violence.

What remains to consider is the "new" future in the South Caucasus, brought about by this state of affairs, and also, either in this Study Group or another PfP C Study Group or Working Group, the consequences of the "precedent" provided by the military action entertained by Azerbaijan. For the first item to consider, there is still much to discuss about the situation between Armenia and Azerbaijan, not least is energy security, logistical security, the role of Iran, the possible aspirations of other minorities (like the Tabrizi), the fate of IDPs, the status of the territory of Nagorno-Karabakh within Azerbaijan, perhaps distinct from the status of the Armenian minority in Azerbaijan, among many other issues.

The current situation in the South Caucasus is still unstable, but apparently having started to move in the right direction. The region remains highly geopolitically fragmented and each of the three South Caucasus states pursuing different foreign policy goals and having developed divergent security threats assessments. Regional power is shared by Russia and Turkey, with Iran, the US, the EU, and some Middle Eastern actors increasingly interested to increase their regional influence. Georgia continues to suffer from what they call "Russian occupation of our territories", while its Western democratic credentials are seriously backsliding.

Three months ago we would have deplored the feeling that the South Caucasus was not moving towards peace and regional stability. The trilaterally signed Statement of November 10th, 2020 left open key issues, such as: the status of Nagorno-Karabakh and what happened to the status if the initial five-years mandate of the peacekeepers was not prolonged; the future role of the OSCE Minsk Group and of other international organizations and actors in its implementation; the conditions for the return of the displaced persons to the parts of Karabakh which are under the protection of Russian peacekeepers; how existing mistrust and animosities between the Armenian and Azerbaijani communities from Karabakh would be overcome; the delimitation and demarcation of the international borders between Armenia and Azerbaijan; demining the fields along and across the former Line of Contact and the exchange of prisoners of war. Some of those issues have become bones of contention among the signatories and have made for, as Thomas de Waal had coined it "A Precarious Peace for Karabakh", and an uncertain future not only for the population of Nagorno-Karabakh itself, but also for the wider South Caucasus region.

However, today, in the wake of the Sochi (November 26, 2021) and Brussels summits (December 14, 2021) of the Armenian and Azerbaijani leaders hosted by the Russian and European Council presidents, respectively, we are cautiously optimistic about the future of peace and regional stability in the South Caucasus. Although only very modest steps towards starting a sound process aiming at normalizing relations between Armenia and Azerbaijan, and Armenia and Turkey, respectively, have been made, the signs of a change of mood towards peace in the South Caucasus have been apparent from all capitals concerned: Yerevan, Baku, and Ankara. Even better news was the apparent close coordination between Moscow and Brussels in taking forward

the implementation of the Trilateral Statements of November 2020, and January 2021, during their respective hosted summits of ARM and AZE leaders in Sochi and in Brussels.

Ideally, the future of the South Caucasus region would be governed by a number of very broad and uncontroversial principles known as the Brussels Consensus on post-Conflict Regional Integration in the South Caucasus. Those would include: the right of all people to live in peace and security; a shift from preparing for war to building enduring peace; good neighbourly relations as a basis for peace building; the right of all people to strive for economic prosperity; the right of all IDPs and refugees to return to their homes and/or lands, and live there in peace and security. However, in reality, the future of the region will largely depend on how the leaders of Armenia, Azerbaijan and Georgia will be able to overcome their current conflicting interests and policy divisions and develop a common vision for a shared future.

All in all, it would have been preferable to undergo negotiations on the basis of realistic evaluations of the equilibrium of forces than to persevere and hope that status issues would resolve themselves either through conflict longevity or by another ill-conceived modification of international law. Nevertheless, the RSSC SG will continue its work to provide South Caucasus-borne solutions to the most urgent challenges with enthusiasm and diligence. We can only hope that the current Covid crisis will not continue to distract attention from what is arguably the most important issue of our time; peace and security in Europe.

POLICY RECOMMENDATIONS

Policy Recommendations: 21st RSSC SG Workshop, September 2021 in Rome, Italy

Regional Stability in the South Caucasus Study Group

Executive Summary

The Regional Stability in the South Caucasus Study Group (RSSC SG) was proud to resume its activities within a face-to-face workshop held in Rome on 7-10 September 2021. On that occasion, the Study Group discussed and subsequently agreed on a number of policy recommendations, such as:

1. Further examine when and in what conditions parallel DEEP's (Defence Education Enhancement Programmes) could facilitate interested education institutions to offer or receive courses/modules for the professional military education on conflict escalation/de-escalation and historic comparative case studies.
2. Future regional economic integration is crucial for regional stability, security and prosperity. To that end, substantive progress should be made at least at two levels: international and sub-national:
    - At the international level, a "3+5" (ARM, AZE, GEO + RUS, TUR, IRN, EU, US) regional cooperation mechanism was suggested. Similarly, opening direct talks on economic connectivity projects, in ARM-AZE-TUR format, should also facilitate sectorial agreements until conditions for the full normalization of relations were met.
    - At sub national level, Transnistria's model of economic integration with Republic of Moldova was recommended to continue to be applied and deepened by Georgia in the case of Abkhazia (but not for South Ossetia). The depoliticization of the status issue, and a refocus on practical economic integration issues should be included in the review of Georgia's de-occupation strategy.
3. The lack of a clear legal mandate for the Russian peacekeeping force in Karabakh has started to become an issue. In this context, providing the peacekeeping operation in Karabakh with a valid international

(UN/OSCE) mandate is necessary for the preservation of the current fragile status-quo and the effective protection of the local population.
4. As an essential part of the internationally facilitated reconciliation process, it was felt that a focus on the remaining humanitarian challenges in Karabakh was absolutely necessary. To that end, the protection of human rights, including those of the persons belonging to ethnic minorities with the aim to help rebuilding the "inter-community ecosystem", and international support for demining should feature as high priorities.
5. Canada needs to take a more constructive role in conflict-resolution discussions, as well as in shuttle diplomacy.

Risks and Opportunities of the Emerging South Caucasus Regional Order

The Regional Stability in the South Caucasus Study Group (RSSC SG) was proud to resume its activities in a face-to-face format in Rome, 7-10 September 2021. Not only was it the first such meeting in 22 months, it was also the first time that colleagues from Armenia and Azerbaijan met face-to-face after the 44-Day war the year before. The co-chairs and organizers of the 21st RSSC SG Workshop salute their courage and flexibility in gracefully and constructively discussing on how to move beyond the "precarious peace" established by the 10 November 2020 Trilateral Statement.

The second Karabakh war was the catalyst for massive changes in the South Caucasus. For the first time in a quarter of a century, the possibility of an end to bloodshed between Armenia and Azerbaijan is possible to contemplate, and perhaps within reach. Certainly, the new territorial realities fit better the internationally recognized territories of both countries, but important challenges remain, making it important for the RSSC SG to meet to spur thinking on the way forward.

The conflict was also an opportunity for other regional actors. Georgia deployed uncommon diplomatic and peacemaking skills in the aftermath of the combat phase between Armenia and Azerbaijan. While Georgia demonstrated its ability at being an effective bridge between the two belligerents, Russia established itself as the essential arbiter and guarantor of a fragile ceasefire, and of purveyor of security for new lines of demarcation between Armenia and Azerbaijan. Turkey has not waited and sided with Azerbaijan

in achieving and securing the new territorial realities. In practice, the Trilateral Statement has created a new geopolitical reality founded upon a Russo-Turkish strategie partnership, possibly leading into an emerging new regional order. This brief summary shows how necessary the 21st RSSC SG Workshop was.

PANEL 1: The South Caucasus after the "Summer of Summits"

The first panel enabled participants to take stock of the ferment of diplomatic activity that took place in the summer of 2021. The South Caucasus countries' reaction was evaluated by our experts in the wake of the NATO Summit that took place in mid-June 2021, the Shusha Declaration, and also on the looming shadow cast by China over the region.

The NATO Summit Declaration has mentioned China as a menace for stability, but has done little for the South Caucasus. It is well known that China has economic interests in the South Caucasus, and Armenia and Georgia, in particular, have been seen as receptive to China as a potential regional balancer. Meanwhile, Presidents Biden and Putin concluded their first bilateral Summit in mid-June in Geneva (Switzerland) which might have moved U.S.-Russia confrontation into the next stage, where restoring the predictability and stability in relations seemed to be the top priority for both parties. On the other hand, the Russo-Chinese strategic partnership was boosted by the geopolitical vacuum created in Central Asia by NATO's withdrawal from Afghanistan. That has not prevented Georgia, for one, from demonstrating its positive role in the region. Georgia continues to link its security to NATO membership. The constructive diplomacy it has shown in mediating between Armenia and Azerbaijan should go a long way in improving its international standing as a responsible regional actor, despite the democratic crisis which it is enduring presently. The Shusha Declaration by Azerbaijan and Turkey is interpreted by Georgia as a positive development because it cements Azerbaijan's territorial integrity and guarantees a modicum of Allied presence in the region, according to one panelist. Georgia has shown itself open to a trilateral (ARM-AZE-GEO) format of discussion at this summer's Antalya Forum, which much resembles this very RSSC SG's objectives of helping create an integrated strategic persona in the South Caucasus.

This panel also explored the influence of China onto South Caucasus stability. For a few years now, co-chairs of the RSSC SG had been noticing a significant rapprochement of the South Caucasus towards this Asian giant. This panel has conclusively shown that the attention cast upon China is not necessarily mutual. In fact, China's influence has been demonstrated as being limited in reach and effect. The risk of having a large power confrontation (say with Russia or Turkey, owing to China's potential for aggression) is unlikely. The experts on this panel reassure us that China's geographic, political and commercial reach into the South Caucasus should not be overstated, especially since the region's countries are wary of the debt trap that China is known of springing.

The Shusha Declaration, experts presume, enables Turkey to establish itself as a permanent fixture in the South Caucasus security equation. In that sense, the outcome of the 44-Day war has enabled Turkey to expand its two decades old strategic partnership with Russia into the South Caucasus region. However, it is too soon to say whether the Shusha Declaration (against which Russia has issued clear warnings) may translate into tensions between Turkey and Russia, or may further aggravate the ongoing NATO-Russia stand-off. Even great powers will need to adapt to the new geopolitical realities.

Clearly those new realities are not satisfactory to Armenia. Armenia has miscalculated badly in its handling of the diplomatic play which preceded the war, and in giving due credit to Russia's efforts in settling the crisis, in particular. The outcome is that administratively and politically, Artsakh has become more of a burden to Yerevan. This burden had to be alleviated if a modicum of stability is to be achieved in the relations between Armenia and Azerbaijan, going forward. The Russian Federation can be credited for taking on that load full on through a 5-year peacekeeping operation, to manage the new contact line between the belligerents. But Armenia still has certain obligations to its remaining Armenian residents, bringing into sharper contrasts the new challenges that the Azerbaijani victory may have created, such as the human and political rights of the Armenian community there, cultural rights, as well as refugee issues, and relations between the returning Azerbaijanis and the remaining Armenians. How these issues will be affected when some panelists argue that Armenia's best outcome is to resist any formalization of a ceasefire or peace deal, which would confirm the "loss of sovereignty" by the self-styled Nagorno-Karabakh Republic, remained unclear.

PANEL 2: Regional Risks and Opportunities at Times of Great Power Rivalries

Here the opinions were greatly divided. To Azerbaijan, great powers have limited interest in the South Caucasus. Iran is mostly restrained to developments there, and even the presence of the Russian peacekeeping mission past 2025 is not absolutely necessary. Even now, Azerbaijan would not mind to see Russian peacekeeping operation staffed with Western forces. To Azerbaijan, the Shusha Declaration is sufficient deterrence against revisionism, and therefore, great power influence would be superfluous to the relations between Armenia and Azerbaijan. Only "a mutual recognition of the territories of Armenia and Azerbaijan would lead to long-standing peace". The new status quo is in fact a "return to normality", where the problem of Karabakh is settled once and for all, exclusively on Azerbaijani terms. To other panelists, the South Caucasus represents an area of privileged interest to the Russian Federation, and so "Western" influence in that region is frowned upon. NATO has been deemed "expelled" from the region, and the reach of the European Union's policies are limited by their normative (as opposed to security) content. This outcome is not surprising, say some panelists, as the West has "betrayed" the South Caucasus. To others, the great hope to balance Russia lies in Turkey, because Iran is marginal at best as an actor (if not detrimental to the South Caucasus' hopes of better connecting with the West). Whether Turkey can be an effective balancer very much depends on its own normalization of relations, especially with Armenia. In this respect, panelists have hinted at the creation of an additional trilateral platform, where Armenia could speak directly to Azerbaijan and Turkey leading into establishing full diplomatic relations.

The last presentation of this workshop focused on a policy recommendation agreed during the 7 June 2021 online workshop, pertaining to the possibility of creating a joint Armenia-Azerbaijan NATO DEEP program focusing on topics related to conflict resolution and conflict deescalation. Officials close to the NATO DEEP program recognized that such an endeavor could be of interest, although it exceeds the mandate of the DEEP program. They presented the mechanisms and tools available for the Implementation of such a program, and further clarified that the interest of those directly concerned is of utmost necessity. Nevertheless, they provided the Study Group with the opportunity to further evaluate the feasibility of this approach.

Interactive Discussions/Policy Recommendations

Interactive discussions were lively and rich. They were open with a call from the co-chairs to participants, in particular those who did not have the chance to attend the online roundtables of 4 December 2020 and 7 June 2021, to take into account and avoid to unnecessarily repeat the agreed (and published) Policy Recommendations. A couple of select discussion kickers opened up the interactive discussions with the aim to offer a new breath to the regional debate leading into new, value-adding Policy Recommendations. The Study Group focused on a number of policy recommendations, and the way ahead for the region:

1. It was proposed to examine when and in what conditions parallel DEEPs could be implemented at the most propitious moment so that interested NATO and EU members' civilian or military education institutions could offer, if acceptable, courses/modules for the professional military education on conflict escalation/de-escalation and historic comparative case studies. This recommendation was deemed particularly relevant for the Armenian and Azerbaijani military education needs.

2. Attractive economic and trade incentives for the entire South Caucasus region and key regional players would be important to ensure mutual pragmatic interests, which would gradually reduce animosities. In addition to tagging the countries of the region to oil and natural gas pipelines (such as for example Baku-Ceyhan, or TANAP), it would be crucial to diversify economic and trade relations in other sectors of the economy. A well functioning economic and trade infrastructure of the entire region would be the most stable guarantor of peace. OSCE and relevant UN agencies and financial donors should support the process.

3. Future regional economic integration is crucial for regional stability, security and prosperity. To that end, and in line with the previous policy recommendation, substantive progress should be made at least at two levels: international and sub-national. At the international level, a "3+5" (ARM, AZE, GEO + RUS, TUR, IRN, EU, US) regional cooperation mechanism was suggested from the floor as a way to overcome the current stalemate on the "3+3" regional cooperation mechanism proposed

by Turkish president Erdogan and rejected so far by the Georgian leaders. Similarly, opening direct talks on economic connectivity projects, in ARM-AZE-TUR format, should also facilitate sectorial agreements until conditions for the full normalization of relations were met.

4. At subnational level, Transnistria's model of economic integration with the Republic of Moldova was recommended to continue to be applied and deepened by Georgia in the case of Abkhazia (but not for South Ossetia). The depoliticization of the status issue, and a refocus on practical economic integration issues should be included in the review of Georgia's deoccupation strategy as key elements leading to conflict transformation and practical cooperation based on humanitarian needs. This could also help transform, on the medium term, the currently tense and emotionally overcharged Georgia-Russia relations.

5. Since over the last months a relatively large number of tragic incidents have happened on the current Armenia- Azerbaijan borders, both international monitoring of the borders and third-party documenting of any incidents would be helpful to complement ongoing Russian border demarcation and protection efforts

6. Very recently, the lack of a clear, legal mandate for the Russian peacekeeping force in Karabakh has started to become an issue. Local media reports as well as several official statements have highlighted brewing tensions between Azerbaijani armed forces and the Russian peacekeeping contingent. In this context, providing the peacekeeping operation in Karabakh with a valid international (UN/OSCE) mandate is necessary for the preservation of the current fragile status-quo and the effective protection of the local population.

7. As an essential part of the internationally facilitated reconciliation process (highlighted in previous Policy Recommendations of this Study Group), it was felt that a focus on the remaining humanitarian challenges in Karabakh was absolutely necessary. To that end, extensive discussions about the protection of human rights, including those of the persons belonging to ethnic minorities within the context of rebuilding the "intercommunity ecosystem", and the provision of international support for demining should feature high on the priorities' agendas.

8. In the quest for fostering transnational contacts between the warring states of Azerbaijan and Armenia, international humanitarian organizations could serve as catalysts or neutral brokers for informal dialogue between wounded veterans and/or widows from both countries.

9. Canada, a country with a long and important tradition and expertise in peacekeeping and a respected middle power, needs to take a more constructive role in conflict-resolution discussions, as well as in shuttle diplomacy.

Policy Recommendations: 22nd RSSC SG Workshop, November 2021 in Reichenau/Rax, Austria

Regional Stability in the South Caucasus Study Group

Executive Summary

The Regional Stability in the South Caucasus Study Group (RSSC SG) resumed its normal activities on 4 to 7 November 2021 in Reichenau/Rax, Austria to discuss new conflict management platforms in the context of the first anniversary of the ceasefire in the aftermath of the 44-Day war. Initially, the workshop had aimed at discussing a host of different initiatives with a particular focus on the Georgian Peaceful Neighbourhood Initiative (PNI). But much discussion inevitably focused on its potential geopolitical competition with the "3+3" format, as well as on whether or not either of them should replace the OSCE Minsk Group.

A PNI should not only be a flexible framework, but also a sum of interchangeable parts aiming to attract external support behind a common vision on peace and stability through regional integration. The platform's purpose would be to integrate the whole of the South Caucasus – with a view to identifying common risks to the region, and finding multilateral solutions, within a changing regional geopolitical context. A number of associated policy recommendations were discussed and agreed upon, such as:

1. A PNI, or a PNI-like platform, should be the fruit of a bottom-up initiative to ensure that there is local ownership of the effort by Armenia, Azerbaijan and Georgia, first and foremost.
2. As a regional cooperation platform, it should focus on issues of common interest, such as environmental sustainability, transport, energy, water resources, and human security needs.
3. It was suggested that the PNI, or a PNI-like structure, could have a parliamentary component.

4. The PNI should remain a platform designed to achieve small steps, acting in low profile, to produce technical solutions. Solutions must not only be pragmatic, but practical.
5. A separate proposal was made to set up a distinct sub-platform to discuss economic issues. The RSSC SG has chosen to take up this challenge at its next (23rd) workshop in Spring 2022 as a panel (or breakout group) in the agenda.
6. It was also independently suggested to host a symbolic kick-off event, free from outside mediation – ostensibly hosted by Georgia – where the three South Caucasus states would meet to shape a path to "growing regional interdependence".
7. Other proposals mentioned a "Marshall Plan" solution where the international community would commit to investing in infrastructure, transport, and energy regional projects, and that imminent action was required to improve the human security of those people who were the most affected by the 44-Day war.

Introduction

The Regional Stability in the South Caucasus StudyGroup (RSSC SG) resumed its normal activities on 4 to 7 November 2021 with the 22nd workshop in Reichenau/Rax, Austria. A small group of participants from Armenia, Azerbaijan, Canada, France, Georgia, Romania, Russia, Turkey, Ukraine and the United States gathered to discuss new conflict management platforms in the context of the first anniversary of the ceasefire in the aftermath of the 44-Day war.

The 10th November 2020 Trilateral Statement by Armenia-Azerbaijan-Russia on Nagorno-Karabakh has established a fragile peace in the South Caucasus.

Many questions remain as to how to move forward constructively. It therefore seemed appropriate to search for new ways to build new conflict management platforms in the South Caucasus, since earlier instruments, like the OSCE Minsk Group, had been lamentably side-lined. This 22nd workshop was also the occasion to celebrate the role of Georgia in the search for a pan-regional identity, what is arguably among the more difficult goals for the RSSC SG to achieve. In particular, the RSSC SG was keen to provide advice in support of Georgia's "Peaceful Neighbourhood Initiative" (PNI). We

hope that the RSSC SG's modest contribution will help Georgian – and by extension South Caucasus – diplomats to bring this initiative to life.

PANEL 1: Georgia at the Forefront of the Peaceful Neighbourhood Initiative

The first panel wasted no time in deepening the meaning of the PNI, and provided many ideas to give substance and possible relevance to this initiative. Georgia's mediation following last year's war had been a success on which the Georgian Ministry of Foreign Affairs could build on, but there has initially been little substance behind and, apparently, limited political interest for the instrumentalization of the PNI. Consultations with other partners, among which the U.S. and the EU seemed to suggest that Georgia could be transformed into an agent for peace in the South Caucasus. However, as stronghold for Western values in the South Caucasus, Georgia was also keen to neutralize the "3+3" format of cooperation (see 21st RSSC SG workshop policy recommendations). Of particular importance was the need to limit the Russian regional influence that would be facilitated by this cooperation format. Prior to launching the debate over the PNI, Tbilisi's approach was "wait and see", while a broader agenda for Black Sea security was being developed by the West.

If the PNI were formally to take shape, it could do so under an original scenario where regional cleavages are not an impediment to the European integration of Georgia, or regional cooperation with other powers. One way to activate the PNI, or a PNI-like platform, would be to tie it to transportation, communication, and energy infrastructure connectivity projects. Actually, this theme came back repeatedly during the RSSC SG's deliberations over the weekend, and could give strong substance to the PNI.

Others saw that a "light" PNI could complement the already proposed "3+3" format. The aim would be to convene belligerents on some particular issues without cross-linkages. Such opinions suggested adopting mechanisms that would lessen the weight of the "3+3" concept, and avoid further undermining the role and the relevance of the OSCE Minsk Group. As such, the PNI could complement the Geneva International Discussions on Georgia as well by providing a way to include Abkhazia and South Ossetia in status-neutral discussions.

The Georgian mediation efforts were successful so far, because they were kept low profile. The important point for a successful PNI is to let the actors work on small, achievable, reconciliation steps. The aim could be, in this case, the transformation of relations, not necessarily the settlement of particular divasive issues. The Georgian mediator should therefore not try to impose solutions on the parties. The status quo may not be ideal, but there is no way to alter it for the moment. Better to make the most of the current situation by emphasizing topics of common interest – like responses to transnational challenges conducive to multilateral cooperation – and setting controversial hard security issues aside for later discussion.

During the Q&A one participant thought that Azerbaijan will not participate in any regional platform where the territorial integrity of all members was not recognized. He further thought that Russia should be also somehow involved in the PNI, if it was desired for Moscow not to have reasons to place sticks into its wheels. He reiterated the policy recommendation agreed after the Rome meeting to combine the "3+3" and the PNI formats into a broader "3+5" framework (see #3 from Chapter "Interactive Discussion/Policy Recommendations" of the 21st RSSC SG workshop). In response, another participant concluded that the PNI should start from the core three South Caucasus states, while the "+ n" regional powers should be subsequently added, as appropriate.

PANEL 2: Moving Ahead from Post-War to Peace

This panel highlighted the gaps in the ceasefire "deal" of November 2020, stressing, among other things, the lack of coordination measures between Russian peacekeeping and Azeri forces on the ground, making it difficult to prevent ceasefire breaches, and exposing the whole peacekeeping effort to the spoiling effects of miscreants.

The OSCE Minsk Group strongly discouraged – not to say prohibited – the use of Minsk Group Co-chairs states' militaries as part of a peacekeeping solution in the South Caucasus. Therefore, the presence of Russian peacekeepers goes against that principle. This suggests that the role of the Minsk Group as legitimate conflict management platform has somewhat eroded, but it could be retrieved, provided there was political will on all sides to do

so. While this may confirm the geopolitical expulsion of Western powers from large parts of the South Caucasus, it does not solve the human security emergencies in the region.
The recommendation is to focus on people(s), not territory in the short term. Practically speaking, a specific task force (civilian or military) should be appended to the existing peacekeeping mission to expedite demining, as well as ensuring the neutrality of the Russo-Turkish peacekeeping effort. Over the longer term, the mutual political will should be devoted to creating a stronger cultural, educational, scientific, business, and civil-society Track 2 diplomatic space.

Others suggested that to get there, there is a need for an unmediated meeting of the minds, especially between Armenia and Azerbaijan. The aim would be mutual recognition of territorial integrity. While the preference for un-mediated talks is expressed, there can be no neglect of the influence of large powers like Russia, Turkey and Iran over the region. The way forward towards effective peace includes communication and trade "corridors" that would be mutually beneficial. And if trust is to be built, talks about status must be replaced with international guarantees for the political and civil rights of Armenians from Karabakh. Actors likely to support beneficial business linkages should be also included, like the EU. Foreign investment should also focus on health care, education, universities, disaster relief, environment and ecology, cyber and misinformation security, and infrastructure.

It remains to be seen whether the foregoing can be achieved with the great return of Iran on the South Caucasus "chessboard". Although Iran is apparently less threatening now than it was two months prior this workshop, the military drills held on the border with Azerbaijan are a signal that regional stability must not develop without certain key interests being kept in mind by the South Caucasus states. It would therefore be propitious to revise the Trilateral Agreement of November 2020 in light of these developments. Clarification, precision and follow through are needed. At present, the situation in the Lachin corridor and other districts must be regularized and ceasefire breaches must be prevented. While the situation of prisoners of war (POWs) has been largely implemented, that of internaly-displaced persons has not. The understanding of what a "peacekeeping mission" entails seems approximative for the Russian military; while there are officially 1960 troops

deployed in Nagorno-Karabakh, there are several others deployed by other Russian ministries.

In the Q&A discussion, a proposal emerged for those cases where border disputes have led to unclear border demarcation thereby endangering the food security of local inhabitants living on both sides of the border. The respective states should be encouraged to negotiate and sign bilateral agreements that would regulate and guarantee for safe cross-border livestock grazing and harvesting. Local governments would be instrumental for the successful implementation of these agreements as they have first-hand knowledge of the local communities' needs.

PANEL 3: Providing for Conflict Management and Resolution

The first speaker addressed the topic from the perspective of a White Paper on Armenia's foreign and security policy1. Within that context, she explained the pros' and cons' of the "3+3" regional cooperation format while highlighting that this should not be the only platform for dialogue between Armenia, Azerbaijan and Turkey. In addition, other platforms of multilateral diplomacy, including the OSCE Minsk Group, should resume their work on conflict mediation, with a clear and precise mandate approved by the parties. Such regional platforms should not obstruct the parties' ability to establish direct contacts, and to foster channels for backdoor discussions. Meanwhile, she admitted that Yerevan needs to better understand the goals and objectives which drive the current foreign and security policies of Baku and Ankara, while striving to seek more convergence with its other neighbors (i.e. Georgia and Iran). From this perspective, she wondered why the organizers would not invite Iranian participants to future RSSC SG workshops. Her conclusion was that regional cooperation initiatives (like "3+3" and PNI) should eventually aim at mitigating the geopolitical fragmentation of the South Caucasus.

The next speaker basically echoed most of the themes of the previous one. He pointed out that Armenia is not against any regional cooperation platform, but it sees certain potential risks with each of them, and Yerevan would obviously like to avoid them to materialize. He made a plea for the need for openness and transparency of each regional platform, and for avoiding by all

means linking those platforms to great powers' competition and the ensuing geopolitical fragmentation of the region.

Next speaker offered the Arctic Council as an example of a successful regional cooperation platform. She enumerated a number of similar features which would make comparable the two case studies, while highlighting several advantages the Arctic Council model would offer to meaningful regional cooperation in the South Caucasus. Eventually, she proposed to overcome regional political, security and military divergences by focusing regional cooperation platforms on human security, developing joint economic projects, and on addressing environmental challenges. While the comparison of the South Caucasus regional platforms with the Arctic Council was not welcome by everyone around the table, the conclusions offered were mainly in line with the main thrust of the workshop's discussion.

Last speaker expressed cautious optimism about the progress achieved so far in the Armenian-Azerbaijani peace process. He thought that now it is a good time to discuss the implementation of various infrastructure connectivity projects, as well as other soft security, economic development and human security issues. He has also offered challenges posed by climate change as a possible future topic to be explored in one of the next RSSC SG workshops. In addition, he argued strongly in favour of ensuring the regional ownership of any regional cooperation initiatives, while stressing that it would have been better if the PNI was proposed jointly by the three South Caucasian states.

Interactive Discussions / Policy Recommendations

Initially, the 22nd workshop of the RSSC SG had aimed at discussing a host of different initiatives with a particular focus on the Georgian PNI ideas. But much discussion inevitably focused on its potential geopolitical competition with the "3+3" format (Armenia, Azerbaijan, Georgia + Russia, Turkey, Iran), as well as on whether or not either of them should replace the OSCE Minsk Group.

A PNI structure could theoretically accommodate a secretariat, but the importance is to provide mechanisms to discuss particular topics among South Caucasus representatives primarily. A PNI is not only a flexible framework, but it should be also a sum of interchangeable parts aiming to attract external

support behind a common vision on peace and stability through regional integration. The platform's purpose would be to integrate the whole of the South Caucasus – with a view to identifying common risks to the region, and finding multilateral solutions, within a changing regional geopolitical context.

1. A PNI, or a PNI-like platform, should be the fruit of a bottom-up initiative to ensure that there is local ownership of the effort by Armenia, Azerbaijan and Georgia, first and foremost.

2. As a regional cooperation platform, it should focus on issues of common interest, such as environmental sustainability, transport, energy, water resources, and human security needs. A list of possible areas of cooperation that could be taken into account was agreed at the 3rd Extraordinary RSSC SG Virtual Roundtable, of 7 June 2021 (General Recommendations, item #4).

3. Several sub-platforms would help the PNI address discrete issues directly among stakeholders, such as demographic issues, brain-drain, fighting organized crime, tackling human rights issues, etc.

4. It was suggested that the PNI, or a PNI-like structure, could have a parliamentary component (meaning that members of the respective parliaments in the South Caucasus could also meet occasionally, ostensibly under the auspices of a parliamentary friendship group within the PNI). This would of course bring greater legitimacy to the PNI, but it would also raise its profile.

5. An "official" PNI would therefore attract a lot of attention. If that may be so, the profile of the platform should be kept as low as possible to relieve negotiators from public pressure or unwanted media attention, which could spoil discussions. The PNI should remain a platform designed to achieve small steps, acting in low profile, to produce technical solutions.

6. In support of recommendation 5, above, solutions must not only be pragmatic, but practical. Focus on crossborder activities, education, cultural exchanges, health and welfare for the respective populations.

7. A separate proposal was made to set up a distinct subplatform to discuss economic issues. The RSSC SG has chosen to take up this challenge at its next (23rd) workshop in Spring 2022 as a panel (or breakout group) in the agenda. This panel/breakout group could symbolically represent a model for an eventual sub-platform of an "official" PNI.

8. It was also independently suggested to host a symbolic kick-off event, free from outside mediation – ostensibly hosted by Georgia – where the three South Caucasus states would meet to shape a path to "growing regional interdependence", the end point being better guarantees for human security across the region, and an effective strategic persona to interact with larger powers or other economic regions.

9. A third proposal mentioned a "Marshall Plan" solution where the international community would commit to investing in the peace of the South Caucasus, by way of infrastructural, transport, and energy investment.

10. Another proposal envisaged that imminent action is required to improve the human security of those people who were the most affected by the 44-Day war. Upon invitation from regional states, relevant international organizations, being neutral, should offer their capabilities and field expertise to engage local experts into human security projects. Such engagements could amount to a peace-building measure. (Details in the paper presented by Dr. Elena Mandalenakis)

While these recommendations give pride of place to the South Caucasus states themselves, we should not forget that the region is a geopolitical crossroads of great interest to Russia, Turkey, Iran, US, EU and even China. Despite this reality, the RSSC SG seemed to find broad consensus over the fact that a "3+2" PNI format (Armenia, Azerbaijan, Georgia, EU and US) was premature in the current context. Negotiation and cooperation platforms should be born from the actors which have a primary interest in stabilizing their region. This said, there is room to believe that a PNI, or such an initiative could also welcome external sponsors/contributors to extend regional stability into the geopolitical fabric of the relations between Russia, Turkey, and Iran.

List of Abbreviations

BRI	Belt and Road Initiative (*alternative abbreviation*: B&R, *also*: One Belt, One Road, see OBOR)
BTK	Baku-Tbilisi-Kars
CPEC	China-Pakistan Economic Corridor
CSTO	Collective Security Treaty Organization
DEEP	Defence Education Enhancement Programmes
EAEC	Eurasian Economic Community
EAEU	Eurasian Economic Union
EaP	Eastern Partnership
EEI	Eurasian Economic Union
ENP	European Neighbourhood Policy
EU	European Union
FSB	Russian-Federal Security Service
GD	Georgian Dream – Democratic Georgia (*party of Georgia*)
GDDE	Georgia Defense and Deterrence Enhancement
GDP	Gross Domestic Product
GDRP	Georgia Defense Readiness Program
IDPs	Internally Displaced Peoples
JCPOA	Joint Comprehensive Plan of Action
MAD	Mutual Assured Destruction
MFA	Ministry of Foreign Affairs
MoD	Ministry of Defence
NATO	North Atlantic Treaty Organization
NGO	Non-Governmental Organization
NK	Nagorno-Karabakh
NKAO	Nagorno-Karabakh Autonomous Oblast (region)
OBOR	One Belt, One Road
OSCE	Organization for Security and Co-operation in Europe
OSCE MG	Organization for Security and Co-operation in Europe Minsk Group
PfP C	Partnership for Peace Consortium
PNI	Peaceful Neighbourhood Initiative
POWs	Prisoners of War
Q&A	Question and Answers
RA	Republic of Armenia

RSSC SG	Regional Stability in the South Caucasus Study Group
SGI	Study Group Information
RSSC SG	Regional Stability in the South Caucasus Study Group
SFOR	Stabilisation Forces in Bosnia and Herzegovina
TANAP	Trans-Anatolian Gas Pipeline
TAP	Trans-Adriatic Pipeline
UNHCR	United Nations High Commissioner for Refugees
USSR	Union of Soviet Socialist Republics

List of Authors and Editors

Ahmad ALILI, Caucasus Policy Analysis Centre, Baku

Armine H. ARZUMANYAN, University of Glasgow

Anastasia CHALENKO, Youth Diplomacy Center "Legatus", Moscow

Nika CHITADZE, Center for International Studies, Tbilisi

Mahir J. IBRAHIMOV, US Army Command and General Staff College, Fort Leavenworth

Boris KUZNETSOV, Center for International and Regional Policy, St. Petersburg

Frederic LABARRE, Royal Military College of Canada, Kingston

Yana LEKSYUTINA, Saint-Petersburg University

Elena MANDALENAKIS, McGill University, Montreal

Nilüfer NARLI, Bahcesehir University, Istanbul

George Vlad NICULESCU, European Geopolitical Forum, Brussels

Nazi NURUALLAYEV, REGION International Analytical Centre, Baku

Taline PAPAZIAN, Armenia Peace Initiative, Paris

Benyamin POGHOSYAN, Centre for Political and Economic Strategic Studies, Yerevan

Yeghia TASHJYAN, Issam Fares Institute – American University of Beirut

Alan WHITEHORN, Royal Military College of Canada, Kingston

Band 4 / 2022

Peace in the South Caucasus remains precarious, but the security situation has started to improve. The region remains highly geopolitically fragmented as regional states pursue different foreign policies and have developed divergent security threat assessments. The regional balance of power is shared by Russia and Turkey, with US, EU, and few Middle Eastern actors interested to restore or increase their regional influence. The latest higher level engagements of Armenia and Azerbaijan have sent encouraging signals for the future of peace, while Georgia's Peaceful Neighborhood Initiative needs to be developed and implemented. Although the latest RSSC SG workshops have generated actionable Policy Recommendations in support of conflict management and peace building, many questions remain as to how to move forward constructively.

ISBN: 978-3-903359-46-8

Compendium of the 2021 "Regional Stability in the South Caucasus" Study Group Workshops