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## THE REGIONAL SECURITY DYNAMICS OF THE SOUTH CAUCASUS AFTER THE 2020 KARABAKH WAR

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# 157

EXPERT OPINION





საქართველოს სტრატეგიისა და საერთაშორისო ურთიერთობათა კვლევის ფონდი  
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## **EXPERT OPINION**

**BENYAMIN POGHOSYAN**

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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 (Republic of 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.<sup>1</sup> 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 are mostly united around the second President of Armenia – Robert Kocharyan, who was arrested immediately after Pashinyan’s ascent to power as a result of the 2018 Velvet Revolution. Prime Minister Pashinyan resigned on April 25, 2021 to hold snap parliamentary elections on June 20, 2021, but they will not solve the political crisis and will not stabilize the situation.<sup>2</sup>

Pashinyan will be acting Prime Minister until the elections and probably will be again elected as Prime Minister by the new Parliament after them but will lose the current constitutional majority. At the same time, the struggle will continue to force him out of power. The COVID – 19 pandemic and the war has significantly damaged the Armenian economy.<sup>3</sup> Armenia faces a GDP decline, the depreciation of the national currency and a significant rise in food prices. There are no straightforward ways to swiftly overcome the political and economic crisis which may trigger a new wave of emigration from the country. Besides 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 favor in 10-15 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.

## **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 Karabakh through the legally binding expression of will.<sup>4</sup> 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.<sup>5</sup> 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.<sup>6</sup> 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.

## **Georgia**

Georgia sought to keep neutrality during the 2020 Karabakh war, officially closing its land and airspace for military transit to Armenia and Azerbaijan. However, some argued in Armenia that civilian cargo planes conducted almost daily flights full of weapons from Israel and Turkey to Azerbaijan via Georgian airspace during the war.<sup>7</sup> There are no independent verifications of these reports but they created a negative perception of Georgia in Armenia. Meanwhile, Georgia has always had deeper economic and political relations with Turkey and Azerbaijan than with Armenia. All major transit projects connecting Azerbaijan with Turkey are passing through the territory of Georgia – the Baku-Tbilisi-Ceyhan oil and the Baku-Tbilisi-Erzurum gas pipelines and the Baku-Tbilisi-Kars railway – and Tbilisi has no reasons to jeopardize its strategic partnership with either Azerbaijan or Turkey.

The deployment of Russian peacekeepers in Karabakh raised some concerns in Georgia as a sign of the growing Russian influence in the region. The possible opening up of communications between Azerbaijan, Armenia and Turkey may decrease Georgia's role as the only transit country to connect Armenia with Russia and Azerbaijan with Turkey. However, these projects will be completed in three years and their realization is not guaranteed given the growing regional instability.

## **Russia**

The key goal of Russia in the Karabakh conflict resolution process was Russia's desire 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 peacekeepers force. However, in 2015, Russia put forward its idea, the so-called Lavrov plan, which was a slightly revised version of the Madrid Document.<sup>8</sup> 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.<sup>9</sup> 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.<sup>10</sup> 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 equal relations with Russia.<sup>11</sup> 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.<sup>12</sup> After the war, Russian border troops have been deployed along the Armenia-Nakhichevan Autonomous Republic borders.

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 Kremlin is keen to prevent the further growth of Turkish influence in the South Caucasus. Even before the 2020 Karabakh war, Turkey had strong positions both in Georgia and Azerbaijan. The war has only strengthened Turkish influence, making Ankara a potential key competitor with Russia. In this context, control over Armenia and Nagorno Karabakh remains critical leverage for Russia to stop Turkish ascent in the region. Not surprisingly, Russian border troops will control the routes connecting Azerbaijan with Nakhichevan through Syunik. The establishment of a de facto second Russian military base in Syunik fits well within Russia's regional strategy.

## The US

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 key 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; namely, to facilitate the flow of Caspian energy resources to the world markets circumventing Russia and to prevent Iran from using the South Caucasus as a channel to escape the US imposed sanctions.

Thus, the US was actively supporting 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.<sup>13</sup> 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 it 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.<sup>14</sup> The US supports Georgia's Euro-Atlantic aspirations and 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 the 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 second 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.<sup>15</sup> The US will 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 neighborhood 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.<sup>16</sup>

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 change of the status quo in the post-Soviet space which was perceived as the Russian backyard. The establishment of the joint Russia-Turkey monitoring center in Aghdam, close to the new line of control, replicates the Russia-Turkey cooperation model implemented in Syria.<sup>17</sup>

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 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 of 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.<sup>18</sup> 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.<sup>19</sup> 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.<sup>20</sup> 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 the use of the South Caucasus as a launching pad for anti-Iranian activities carried out by Israel or other states. Being not able 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.

## **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 line between the East and the West. If Russia and the US are able to come to terms with each other, the regional security dynamics

will be evolved 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.

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