

Discussing a South Caucasus Short of Russian Dominance

Frederic Labarre and George Niculescu (Eds.)

Study Group Information



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**25th Workshop of the PFP Consortium Study Group
“Regional Stability in the South Caucasus”**

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Table of Contents

Acknowledgments 5

Abstract..... 7

Introduction
Frederic Labarre and George Niculescu..... 9

PART I: The Likeliest Scenario(s) for Tomorrow’s Russia 13

The Likeliest Scenario(s) for Tomorrow’s Russia
Marat Terterov 15

How the Ukraine War Has Become a Milestone for
Azerbaijan-Russia Relations?
Fuad Shabbazov..... 31

Projecting Russia’s Post-War Influence in the South Caucasus by
Analysing the Russian-Turkish “Co-opetition” in Syria
Yeghia Tashjian..... 41

Tomorrow’s Geography in the Black Sea Region
Daria Isachenko 55

How the Russia-Ukraine War Changed the Prospects of
Georgia and the South Caucasus Region
Nika Chitadze..... 65

PART II: The Role of Multilateralism in a
Changing Geopolitical Environment 87

Harsh Realities and Effectual Truths: Karabakh and the
Armenia-Azerbaijan Peace Process
Damjan Krnjević Mišković..... 89

The War in Ukraine as a Pandora Box for the
South Caucasus Geopolitics
Fuad Chiragov..... 105

Multilateralism vs. Regionalism in the South Caucasus
Vakhtang Maisaia..... 119

PART III: South Caucasus Survival and Tomorrow’s Russia.....	125
The Geopolitical Choices of Armenia amidst the Transformation of the Post-Cold War Global Order <i>Benyamin Poghosyan</i>	127
Russian-Iranian Rapprochement in the Context of a New Geopolitical Reality <i>Boris Kuznetsov</i>	143
Domestic Challenges of Georgia in the Light of the Russian-Ukrainian War (2022) <i>David Matsaberidze</i>	149
Epilogue <i>Frederic Labarre</i>	159
PART V: Policy Recommendations.....	163
Policy Recommendations <i>Regional Stability in the South Caucasus Study Group</i>	165
List of Abbreviations.....	173
List of Authors and Editors	175

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Abstract

This Study Group Information booklet gathers the papers and the policy recommendations from the 25th workshop of the Partnership for Peace Consortium Study Group on “Regional Stability in the South Caucasus” (RSSC SG), held in Tbilisi (Georgia), from 30 March to 2 April 2023. This workshop intended on “Discussing a South Caucasus short of Russian Dominance”. The workshop answered a need to address the potential risks associated with the outcomes of Russian political and military failures as they pertain to Russia’s role and presence in the South Caucasus, and beyond. The workshop therefore addressed a number of questions pertaining to Russian domestic stability, and how a political vacuum created by instability might affect South Caucasus political and military developments.

Moving beyond the region, but still pertinent to it, is the question of the reputational health of the multilateral edifice designed to keep the peace and ensure stability in the South Caucasus and other regions. The workshop therefore attempted to foresee what changes might befall the more important multilateral organizations, and how it might impact the South Caucasus. Finally, the workshop discussed possible scenarios likely to affect the survival of South Caucasus States.

Speculation is always hazardous in academia and in policy-making. However, the current emergencies spanning from Ukraine to the South Caucasus reflect a sea-change in international and regional relations, and scenario-building, in this case, is the better way to generate valid policy recommendations to guide decision-making.

Introduction

Frederic Labarre and George Niculescu

August 2023

The 25th workshop of the Regional Stability in the South Caucasus Study Group (RSSC SG) hoped to produce a prospective outlook on the role of large powers – and Russia in particular – in the South Caucasus in the context of the on-going war in Ukraine. As usual, the RSSC SG has produced prescriptive recommendations in conclusion to the workshop. We have noticed a significant unease at the Study Group’s ability to achieve clarity as to what the region might look like in the wake of the erosion of Russian power in the region and over the Black Sea.

History has provided some clues, but as the war rages on for nearly a second year, it is doubtful that the outcomes for Russia will resemble what history teaches. Readers will recall that Russia’s stability is heavily dependent upon perceptions of success. As such, upheavals – sometimes violent – follow political or military misfortune in Russia. Over the last 200 years, the pattern has been repeating itself; the failure of the 1854–1856 Crimean war has ushered in important socio-political changes in Russia (the abolition of serfdom), and those changes have also opened the door to the emancipation of the masses. Russian ineptitude against the Japanese in Port-Arthur in 1904 opened the door to the Decembrist revolutionaries. The capitulation of the Russian Empire in the First World War was met with the 1917 Bolshevik Revolution. It is worth noting that the way the Russian soldiers were treated during World War I – among the motives for the Revolution – bears striking similarities with the way the Russian soldiers are treated in Ukraine. The Bolsheviks and Communists have not fared any better than their imperial predecessors; the 1989 Soviet withdrawal from Afghanistan eventually meant the end of the Soviet Union, and even in its national reincarnation, Russia had had trouble meeting with success on the battlefield. Failure in Chechnya has cost Boris Yeltsin his presidency, eventually.

The same fate would await President Putin and his cronies, for all the waste and inconclusion of the “special military operation” in Ukraine. At time of

writing, credible estimates put the Russian losses at some 200 000 dead and wounded, while Ukraine is able to conduct a grinding counter-attack which is slowly but steadily gaining ground. Ukraine has also demonstrated its ability to conduct long-range counter-strikes deep in the Russian rear, and as far afield as Moscow. In addition, saboteurs and provocateurs – either Russian nationals or else – are seemingly hampering the Russian war effort through arson and sabotage of factories. The number of such instances has also steadily been increasing, which gives credence to the idea that Russian society is slowly making an about face against the government. As a consequence, the Russian Duma has passed restrictive new laws and regulations designed to reduce the discredit to the State, its policies and officials.

Russia's travails have significant implications for the stability of the South Caucasus. As President Sarkozy of France expressed at the conclusion of Russia's previous invasion of Georgia, "Russia is an essential country". It is an essential country for the global power equilibrium; what would be the situation if Russia were to experience the sort of breakup that Yugoslavia endured? Where would that leave Europe and China? Apart from a nod to the realist theory of international relations, Russia is essential for other reasons. Russia remains an important actor among the major multilateral organizations dedicated to global security. The way she has behaved at the United Nations, blocking discussions at the Security Council about the invasion of Ukraine has brought further disrepute to the UN system. The situation is the same at the OSCE, where her veto power can make or unmake observer missions, just like the one that was securing the border between Russia and Ukraine, and between the renegade republics of Donetsk and Luhansk and Ukraine proper. Not surprisingly, this workshop has investigated the future of multilateralism in the wake of the Ukraine war. Should the current international system become irrelevant, the danger to the canon of international law would be acute. In effect, the repository of all international law is the UN. As imperfect as it is, international law remains the better tool on offer to prevent a return to international anarchy and the rule of the strongest – which no country in the South Caucasus (including Russia) is.

As Russia's dominance ebbs, so may the stability of the South Caucasus. Armenia and some non-recognized territories in Georgia still cling to the Russian Federation as a guarantor of security. Indeed, the stability between Armenia and Azerbaijan is secured by Russian "peacekeeping" forces. Should

Russia abdicate its role, or withdraw its troops from the contact line to fight in Ukraine, a vacuum of sorts would be formed at a moment where there is no workable peace deal between Armenia and Azerbaijan. One solution could be to implement the recommendations made at the latest RSSC SG workshops in Naples and Reichenau and establish a truly neutral peacekeeping operation in Nagorno-Karabakh, but there seems to be no appetite to do this. The current political regime in Georgia seems in no hurry to take advantage of this potential vacuum, and instead, lends a sympathetic ear to Russian wishes. The arrival of dozens of thousands of Russian draft-dodgers in Georgia poses its own challenges, but indicate the sorry state of Russia's internal stability.

The alternatives for lasting South Caucasus stability – and opportunities for genuine socio-political development – are few and far between. Armenia still clutches at possible hegemonies, turning towards China, sometimes India, and sometimes Iran, while hoping that the Russian linkages it has will produce better results at the negotiating table. This is a calculus that Georgia has entertained to no avail in the past. Very early on, Georgia realized that Russia was more interested in maintaining the uneasy status quo, leveraging the separatist threat, than facilitate Georgia's territorial integration, even if Georgia demonstrated some loyalty to Moscow. As a non-aligned country, we have seen how Azerbaijan has taken matters into its own hands, and regrettably chose force to produce the results that a quarter of a century of negotiation could not produce. The use of force cannot produce more stability in the South Caucasus. However, neither can the commitment to international law and multilateralism, nor can loyalty to a local hegemon.

We are forced to reiterate that the solution of wisdom would be for the South Caucasus to produce a sort of regional strategic union which would enable it to stand on its own in the region. This is a wish that the co-chairs have voiced repeatedly since the re-opening of this Study Group in 2012. Indeed, to facilitate the creation of such a structure is the *raison-d'être* of the Study Group. In a way the 25th workshop provides an oblique way to urge the RSSC SG to come up with such a solution, because no one can accurately predict what sort of Russia will emerge of the failed Ukraine invasion, whether the current multilateral tools will still exist, or be used, or be replaced, and what kind of impact the outcome of Russia's invasion of Ukraine will have on the South Caucasus.

While the myth of the Russian “superpower” is in tatters, other challengers aiming to benefit from the dwindling Russian influence in the Eurasian space. Some sort of multilateralism might be necessary for a peaceful transition towards the post-Russian dominance era across its Southern neighbourhoods. For example, in the wake of Western withdrawal from Afghanistan, the Shanghai Cooperation Organization (SCO) might be taking the relay of multilateralism in Central Asia. The fate of the South Caucasus multilateralism is not clear with the unfulfilled promises of the “3+” regional cooperation initiatives.

This workshop was designed to address all these questions. The recommendations that have come out may seem tentative, but they have been based on what are essentially scenarios for the future. The contributions which follow have been made with an eye to inform policy-makers on the likely shape of the regional security landscape that may arise in the near future. It takes into account the context of a weakened Russia, and a multilateral system whose legitimacy may not be reliable. Finally, it seeks to raise awareness of the fact that the survival of the South Caucasus as a strategic entity depends more on regional goodwill than the capacity of external powers.

October 2023

The articles in this publication were written before the Azerbaijani offensive in Nagorno-Karabakh on 19 September 2023. They therefore do not address the current situation. However, this does not diminish the relevance of the articles dealing with Armenia-Azerbaijan relations, as their reflections are also of interest in the context of the recent events.

PART I: The Likeliest Scenario(s) for Tomorrow's Russia

The Likeliest Scenario(s) for Tomorrow's Russia

Marat Terterov

The Folly of Predicting Russia's Future

When undertaking the task of seeking to forecast a 'likely scenario' for tomorrow's Russia, one has to start with a caveat – predicting Russia's future and what fate awaits the country in light of its continued "military excursion" in Ukraine is like trying to find a needle in a haystack. In other words, it is almost impossible to predict future political developments in Russia with any real certainty. This includes any efforts to predict whether Russia will continue to remain the arch belligerent in Ukraine, or whether it will be prepared to make concessions, or to forecast what impact either (or other) of these developments in the current conflict in Ukraine will have on the Russian regime of Vladimir Putin.

We have already seen since the start of last year's war in Ukraine how many notable analysts of Russian politics in the West have made bold predictions about what will happen to Russia. The Russian economy would collapse, many thought, in light of the West's layers of sanction after sanction against Moscow, as well as the exodus of international business from the country which seemingly took place throughout 2022. Similar forecasts were made about the Russian military, particularly after early gains made by the Russian army in Ukraine were repelled by Ukraine's defenders and Kiev went on to liberate territory previously held by Moscow as the war continued. None of these predictions actually happened, however. Neither Russia's economy nor its military have shown any sign of imminent collapse, despite the undeniable challenge that the protracted conflict in Ukraine is throwing at both Russia's economy and its military.

We should also remind ourselves that, despite US intelligence warnings about Russia's imminent plans to invade Ukraine having turned into 'public broadcasts' in the weeks leading up to the Russian invasion on February 24, 2022, very few analysts can claim that they predicted the outbreak of the war with any accuracy. It does appear to be the case that the Kremlin, and

Russia's President, Vladimir Putin, in particular, like to keep their opponents in the West guessing as to what may happen next. It may be the case that Putin revels (and perhaps derives personal pleasure) in the manner in which the former and late British Prime Minister, Winston Churchill, once described Russia: a riddle wrapped in a mystery inside an enigma. Or it may be the fact that top level decision making within Russia, which is likely dominated by an extremely tight inner circle, has become so opaque that it is almost impossible to predict future political developments in the country with any reliable accuracy.

Imagining Russia without Putin (in a Historical Context)

In line with this opacity, it is also worth reminding ourselves that back in August 1999, a fresh-faced Vladimir Putin appeared almost out of nowhere, and was appointed by then Russian President, Boris Yeltsin, as his Prime Minister. Yeltsin developed a habit of rotating his Prime Ministers rather frequently during the late 1990s. Putin's appointment was the sixth change in the position since the appointment of Victor Chernomyrdin to Yeltsin's Premiership in August 1996. He was a little-known commodity outside of the government of St. Petersburg, or outside of Yeltsin's narrow group of presidential acolytes at the time. While it may seem to be almost unimaginable today that Putin could disappear from the Russian (and for that matter international) political arena as mysteriously as when he first appeared on it, it is worthwhile contemplating – in terms of our bigger question of likely scenarios for Russia's future – the impact that Putin's departure may have on Russia's relations with the West, if not the future of Russia itself.

And at this point, the task of forecasting likely scenarios for Russia's future might become somewhat simpler, particularly if one is to refer to some lessons from the history of Russia's (or the Soviet Union's) relations with the West, or with European powers more broadly. Let us allow ourselves for a moment to imagine a future Russia without Putin and to ask ourselves how such a scenario would play out in terms of Russia's relations with the West by posing the following questions:

- Would a Russia without Putin lead to a rapid *rapprochement* in relations between Moscow and the Western powers? One would assume that any affirmative response to this question would also lead to, if not

require that, Russia's domestic political culture, norms, and values become more closely aligned to those of the countries of the West.

- Would a Russia without Putin subsequently abide by the rules of the post-Cold War European security order, which was largely perpetuated if not created by the US-led Euro-Atlantic bloc?
- Or would Russia's new leadership continue with a truculent, if not revisionist, international position towards the West, refuting NATO expansion into its neighbourhood, advocating Russia's national interest first and further defending Moscow's strategic interest in the former-Soviet spaces of inner and outer Eurasia?

Reflecting back on history informs us that seminal events in Russia's (and the Soviet Union's) history such as the death of Stalin hardly changed the overall course of relations between Moscow and the West. While the assumption of power in Moscow by Nikita Khrushchev in 1953 may have initially led to a form of reset in relations, as well as a degree of political liberalisation within the Soviet Union, rivalry and competition between the superpowers brought the world to the brink of nuclear war during the Cuban Missile Crisis in late 1962. Similarly, when Leonid Brezhnev replaced Khrushchev as the Soviet leader in 1964, some level of re-set again took place between Moscow and the West, particularly during the early 1970s. However, Soviet-American rivalry in many international arenas remained, leading to a new low point in relations between East and West following the Soviet invasion of Afghanistan in December 1979.

Gorbachev's era of *glasnost* and *perestroika* in the Soviet Union is widely associated with an improvement in relations between Moscow and the West, as well as with the end of the Cold War. However, these emergent trends were more the result of Soviet weakness at home, external market factors which impacted poorly on the Soviet economy and ultimately the implosion of the Soviet state rather than a structural convergence between Moscow and the West. This brief historical insight provides us with some perspective on contemplating the type of relationship that might evolve between Russia and the West in the event that Vladimir Putin, in power now for over two decades, would no longer rule Russia.

Post-Soviet Russia – The ‘Compliant Power’: 1992–2008

When it comes to the current, post-Soviet relationship between Russia and the West, we can speak of roughly two broad and sometimes overlapping eras (periods). During the first era, spanning from the collapse of the Soviet Union in December 1991 and lasting until the Russia-Georgia war in August 2008, Russia can be seen as largely accepting the Western-led post-Cold War international order, particularly the evolving European security architecture, which was realigned after the Cold War to incorporate one-time Soviet allied states and former-Soviet Baltic States into the NATO Alliance. During this period of nearly two decades, Russia, in a state of internal disarray and marred by substantial domestic political and economic instability during the 1990s, largely adapted to the Western-led international order and was a compliant power.

This was an era of relatively harmonious relations between Russia on the one hand, and Europe and the United States on the other, underscored by growing international trade and massive foreign investment into the Russian economy, particularly when the Russian political landscape and economic environment started to stabilise during the early Putin years post-Year 2000. With the Cold War over, the Soviet Union fading into the sunset and the Warsaw Pact disbanded, there was now a feeling (at least in the West) that Russia had embarked upon an inexorable journey of democratisation and transition to a market economy. A unique moment in history had arrived. There was no more talk of *Iron Curtains* or East Vs West, but rather of one integrated economic space spanning all the way from Lisbon to Vladivostok, and of like-minded value sets between Russia and the West. Despite the economic and political turmoil ongoing inside the country, particularly during the liberal yet chaotic Yeltsin years, Russia would become ‘like us’, some of us perhaps thought at the time.

While the sense of rivalry and competition that had characterised the Soviet Union’s relations with the West appeared to subside during this period, Russia’s own sense of self identification as a great power, if no longer a superpower, remained deeply entrenched in the country’s national character. Moscow’s foreign policy doctrine changed substantially in the 1990s and into the early 2000s, from the superpower of yesterday, to a Eurasian power and eventually an energy superpower under Putin, with a focus on spheres of

influence in the countries of the former-Soviet Union, or near-abroad, as they were often referred to in Russia.

Yet while Moscow perceived itself as the definitive geopolitical actor in its near-abroad, Russia was treated (at best) as a junior partner and (at worst) a second-rate power by Washington if not Europe during this time, particularly during the Clinton and (George W) Bush presidencies. NATO expanded inexorably towards Russia's borders during this period, generating a sense of bewilderment if not betrayal within Russian elite circles given that Moscow was in a mood of geopolitical retreat in Europe and many of its other former satellites across the developing world. There were tensions over what Moscow perceived as Western double standards over recognition of statelets such as Kosovo at the expense of Russian ally, Serbia, which was bombed by NATO in 1999, precipitating the fall of the regime of Slobodan Milosevic in Belgrade in 2000.

Moreover, there was substantial resentment in Moscow over perceived Western meddling in the domestic politics of former-Soviet countries, Georgia, Kyrgyzstan and more notably Ukraine. All three countries became embroiled in (what became dubbed as) 'Coloured Revolutions' which led to the toppling of increasingly unpopular regimes in the case of Georgia (2003) and Kyrgyzstan (2004), and the rise to power of a seemingly pro-European president in Ukraine following a disputed election in which a 'pro-Moscow' candidate was defeated (2004–05). Ukraine's Orange Revolution, a much more complex phenomenon than the pro-European political tack which emerged around it in the Western media, was merely a sign of post-Cold War, East-West rivalries which were simmering under the surface.

Post-Soviet Russia – The 'Revisionist Power': 2008–2023

In 2008, Russia stopped being a compliant power adapting to the Western-led post-Cold War European security architecture and commenced a new foreign policy doctrine giving rise to the second era of its relations with the West. In August 2008 Russia invaded Georgia, precipitating a short war between the two countries and severely shaking up the pro-Western regime of Mikheyil Saakashvili, who came to power through Georgia's Rose Revolution in 2003. This game changing event marked the end of Russia's post-Cold War trajectory of a compliant actor adapting to Western geopolitical

power-plays, and assuming the role of what British House of Lords Member, Lord Robert Skidelski referred to as a revisionist power. In fact, Skidelski, a prolific Russia commentator who is also Professor Emeritus at Warwick University, referred to Russia as the pre-eminent revisionist power – both in Eurasia and farther afield internationally.

Russia's invasion of Georgia and the retrenchment of its previous position as a compliant power did not come without warning. In fact, some analysts refer to Putin's truculent speech at the Munich Security Conference in February 2007 as a clear message delivered to the West that Russia will no longer tolerate its geopolitical double standards, payment of lip service to Moscow's national security concerns with respect to NATO expansion, and, in particular, meddling in its near abroad with a view to pursue regime change through civil society groups and pro-democracy NGOs. There was also the question of crossing Moscow's red lines – NATO's Bucharest Summit in April 2008 was interpreted by some in Russia as offering a (NATO) membership roadmap to Georgia. Ukraine could follow suite.

The West seemed to be going out of its way to make Moscow feel uncomfortable and there was little sign that it would reduce the tempo. It is widely perceived that Russia's decision to invade Georgia and to overthrow its (in Moscow's opinion) troublesome, pro-Western regime, was at least partially (if not fully) motivated by the desire of preventing Tbilisi from becoming the first post-Soviet state outside of the Baltics to join the NATO Alliance. The war, however, resulted in the first full scale crisis in relations between Russia and the West since the end of the Cold War. During the period of Russia as a revisionist power in the post-Cold War era, the Georgia crisis would merely prove to be a sign of things to come.

Following the crisis in Georgia, Barack Obama became President of the United States and there was some effort made on the part of Washington to carry out a reset in relations with Russia. Moscow also had its sympathisers amongst the more powerful states of Europe, namely France and Germany, with whom Russia had cultivated deep economic (particularly energy) ties. In fact, quite bizarrely, a Summit was held in the resort of Deauville (Normandy, France) in October 2010 where the French president of the time, Nicolas Sarkozy, hosted German Chancellor, Angela Merkel, and Russian

president of the time, Dimitry Medvedev, to discuss prospects for closer ties between Russia and NATO.

Some analysts even dubbed the Summit as a platform to discuss possible Russian membership of the Alliance, which Putin himself raised as a possibility whilst interviewed on a British TV show some years earlier, during his first presidential term. However, relations between Russia and the West again turned tense following the eruption of the Arab uprisings (popularly dubbed as the Arab Spring in 2011), and particularly as a result of Moscow's unwavering support for the regime of Bashar al-Assad in Syria, whom the West was targeting as another candidate for regime change.

Despite the war in Georgia and subsequent crises in the Middle East, the ups and downs in Moscow's relations with the West in the several years which followed did not lead to a cessation of relations between Russia and the West. In fact, Russian revisionism in foreign policy and consolidation of security interests in its near abroad was predominantly limited to Moscow's non-acceptance of the Western-led post-Cold War European security architecture. Russia continued to recognise the Western-led international economic order and the post-Cold War phenomenon of globalisation, from which it benefited greatly. It continued to engage in deep economic cooperation with the West, particularly Europe, since Russia was a major exporter of energy and other raw materials to the continent. Russia's economy recovered substantially from the shocks and overall downturn of the 1990s, leading to substantial domestic transformation and helping Vladimir Putin consolidate power following his assumption of the Russian presidency in March 2000.

In fact, Putin's arrival as president came in parallel to the commencement of a substantial increase in Russian oil production and export of oil to international markets. Following a partial collapse during the 1990s, Russian oil production had recovered by the early 2000s and rivalled Saudi Arabia as the world's largest oil producer. Both countries were producing around 10 million barrels of oil per day by the time Putin became president, although Saudi Arabia exported substantially higher volumes due to Russia's large domestic consumption of its own (oil) production. Russia also supplied roughly one third of the gas consumed in the EU, as well as a large share of the bloc's oil, which created substantial economic interdependence between Russia and Europe. This interdependence became stronger following the 9/11 terror

attacks on New York by Saudi terrorist, Osama bin-Laden's group, Al Qaeda, which led to decision makers in Europe eyeing Russia as an alternative oil supplier to Saudi Arabia. A formal track EU-Russia energy dialogue was opened in the early 2000s and remained active despite geopolitical crises between Russia and the West over Georgia and the Middle East.

Additionally, the price of oil started to increase noticeably following the US invasion of Iraq in 2003, catering to a substantial revenue boost for the Russian state. By the time Russia invaded Georgia in August 2008, the price of oil had reached record levels (\$US144 per barrel in July 2008), fuelling resource nationalism and state-driven economic preponderance. The high oil price, as well as the robust state of the Russian economy, which was now under far better management than it was during the 1990s, allowed for Moscow's greater confidence in the exercise of foreign policy adventurism in its near abroad and taking a tougher stance towards the West in defence of its national interests. Russia was well placed to embark upon its new path of geopolitical revisionism in the post-Cold War Euro-Atlantic security and foreign policy architecture.

Ukraine – The Straw that Broke the Camel's Back between Russia and the West

It was Ukraine, however, not Georgia, nor Syria, which ultimately became the straw that broke the camel's back when it came to Russia's relations with the West. Russia's invasion of Ukraine on 24 February 2022 can be viewed as an ultimate expression of revisionism – or rejection – of the Western-led, post-Cold War European security architecture. Russia's invasion was a game changing event in post-Cold War European geopolitics which will have lasting effects for years, if not decades to follow, leading many of us to ponder the future of Russia, as well as to pose the question of whether Russian relations with the West are gone forever.

Indeed, perhaps the most profound impact of the war in Ukraine is not so much the deepening standoff between Russian and the West in the military-security-geopolitical sphere. It is rather that the war, and multiple sanctions packages hurled at Russia by the West in response to the invasion, has led to a near complete rupturing of economic and social ties between Russia and the countries of the West. This has also led to Russia realigning its own

economic and social ties with much of the rest of the world – China, India, the Gulf States and the Middle East, the BRICS countries and Africa, perhaps to a lesser degree. Post-Cold War processes of globalisation involving Russia have not ended. They have merely taken on a new form of diversification as a result of the war and have greatly accelerated trends which were already forming before the invasion.

We should also note that the crisis in Ukraine did not begin purely and solely on 24 February 2022. Its roots are firmly entrenched in an earlier crisis, widely dubbed as *Euro-Maidan*, running from November 2013 to at least mid-2014, if not in Ukraine's Orange Revolution of 2004–05. Most Russian political scientists (as well as historians) will argue that Russia and Ukraine, as countries and as people, are highly intertwined, if not inseparable. While the two countries are both sovereign states, whose borders and territory are articulated through legally binding treaties to which both countries are parties, the realities of post-Soviet development of both states has resulted in a form of social and economic integration which is almost impossible to decouple.

Further, by the time Putin became president of Russia, in 2000, Russia was also by far the largest foreign investor in Ukraine and the nature of economic (ie, business) ties between key stakeholders in both countries created a highly integrated if not unified economic space. The situation was not dissimilar between Russia and other post-Soviet successor states, although in the case of Ukraine it was likely deeper both in terms of volume (of trade and investment) and strategic in the nature of assets under commercial exploitation.

Thus, it should hardly have come as a surprise that when the EU pushed (overly hard) to have Kiev sign a Deep and Comprehensive Free Trade Agreement with Brussels in late 2013, a response from Moscow followed. It is more than likely that the decision of Ukraine's then president, Viktor Yanukovich, not to sign up to the agreement on behalf of his country was a decision deeply consulted with (if not made in) Moscow. At the same time, Moscow promised billions in soft economic aid to Ukraine, effectively in return for Kiev not signing up to the EU offering. The refusal of Yanukovich to sign the agreement with the EU, however, was perceived by a large part of the Ukrainian population as the government's rejection of the country's European aspirations and sparked widespread political unrest across Ukraine, particularly in Kiev.

Political unrest in Ukraine continued unabated, despite multiple efforts by Yanukovich to appease and placate the protestors, including compromise offerings such as holding presidential elections. Following the eruption of violence, Yanukovich's position as president became untenable and he ultimately had little choice but to flee Ukraine to take up sanctuary in Russia. Thus, in early 2014 Ukraine's *Euro-Maidan* movement toppled the pro-Russian Yanukovich regime, leading to the formation of a national governance structure comprised of a broad coalition, with a pro-Western, anti-Russian orientation. But instability in Ukraine only deepened, following the rejection of the new government's policies, including various measures promoting *Ukrainification*, in the pre-dominantly Russian populated regions of Eastern Ukraine, namely Donetsk and Luhansk. This opened the door for Moscow's intervention in Ukraine in order to 'protect' Ukraine's millions of ethnic Russians, as well as Russia's invasion of the Crimean Peninsula, where the Russian Black Sea fleet was based in the strategically important city of Sebastopol. A plebiscite in the now Russian controlled Crimea followed, with the population voting in a popular referendum to unite with the Russian Federation. The West denounced the move as nothing short of an annexation endorsed by sham vote.

As it was the case when Russia invaded Georgia in 2008, the West condemned the Russian invasion of the Crimea, whilst Russia was also accused of inciting the uprisings against Kiev in Ukraine's eastern Donetsk and Luhansk regions. The violence in Ukraine's East rapidly spiralled into a civil war, where Russia backed the self-proclaimed Donetsk and Luhansk People's Republics as legitimate sovereign entities. The EU and US responded by slapping sanctions against Moscow and relations between Moscow and the West further plummeted to a post-Cold War low when pro-Russia separatists in Ukraine's east shot down a Malaysian Airlines flight MH17 leading to the deaths of all 298 persons on board in July 2014. This tragic episode was particularly heartfelt in Australia and the Netherlands, since the flight was reportedly bound from Amsterdam to Kuala Lumpur and onto Australia, with many nationals of the two countries becoming victims of the disaster.

Nevertheless, despite the tensions that erupted between revisionist Russia and the West over the *Euro-Maidan* crisis in Ukraine during 2013 and 2014, Russia continued to work closely with Europe in multiple areas of economic cooperation, particularly energy. Russia's Gazprom announced a major gas

pipeline initiative with several European energy majors in 2015 – the Nord Stream II gas pipeline – while German, French and American oil companies developed large scale projects in the Russian oil and gas sector. Numerous foreign investors remained highly active in the Russian retail, banking, telecoms and many other sectors of the country's economy. Russians flocked to Europe as well as America for tourism, whilst social cultural and scientific exchange flourished between Russia and the West. All of this took place despite the ongoing civil war in Ukraine's east, Russia's unequivocal backing of Ukraine's separatists and its control of Crimea. All of this would change drastically come 24 February 2022.

Future Scenarios for Russia – And for Russian Relations with the West

So what of future scenarios for Russia, both domestically, as well as in terms of its foreign policy trajectory as a revisionist power, in light of the ongoing conflict in Ukraine? The answer to this question, to some degree at least, depends on the manner in which the conflict may end, whether it ends at all, or whether it continues to lumber on endlessly as a regional yet contained conflict, similar to other unresolved conflicts in the former-Soviet space, including Nagorno-Karabakh (Armenia and Azerbaijan), Transnistria (Moldova) or Georgia's unresolved conflicts in Abkhazia and South Ossetia. Comparison could also be drawn to many other unresolved international conflict hotspots, ranging from Yemen (Iran Vs the Gulf Arabs) to Northern Cyprus (Greece Vs Turkey), to Western Sahara (Morocco Vs Algeria) and of course the question of Taiwan (China Vs Taipei). Although none of these (occasionally un-) frozen conflicts have yet been resolved to the satisfaction of the parties to the respective disputes, all countries involved in the aforementioned conflicts continue with their daily lives, as best they can.

When it comes to Russia's current war with Ukraine, which in essence began (albeit by proxy and in regional format) in 2014 rather than on 24 February last year, it is clear that the West has underestimated the resilience of Russian economy and society, particularly the latter's capacity to come together and rally around its leadership in the face of what many Russians perceive to be a proxy war waged against the country by the (far from benign) West. In the wake of a large part of the Russian population buying into the Kremlin's narrative that Russia is defending its national interest in its near abroad in

light of NATO expansion to its borders, or even the very sovereignty of the Russian state, it is unlikely that Russians will oppose the war *en masse* at any time soon.

Those Russians who opposed the invasion and the subsequent destruction which followed during the initial part of the conflict, expressed their protest by rapidly leaving the country. Another wave of Russians fled the country during the autumn of 2022, when the Putin regime announced partial mobilisation of the male population. There is little present-day sign that the Russian political establishment is under any threat of imminent collapse and large segments of the Russian population exhibit patriotism and continue to rally around the regime. The situation is perhaps similar to large segments of European, British, or American populations expressing gestures of solidarity with Ukraine in their own countries.

Similarly, there is little sign of any imminent Russian economic collapse. Despite wave after wave of US and EU sanctions against Russia, as well as what appeared to be an exodus of foreign business from the country during 2022, the Russian economy continues to show no less resilience than Russia's society. We have already mentioned earlier in this essay that much of Russia's foreign trade and investment flows were already becoming diversified towards new partners in Asia and the Middle East prior to the 24 February invasion. The conflict merely accelerated this process, taking it to new levels of realignment. Russia has important commodities to sell on the international markets and will always likely find buyers, although perhaps at reduced prices. Oil, gas and other Russian commodities (including grain) have remained in high demand throughout the heightened periods of fighting in Ukraine. Russia's blockade of Ukrainian grain exports last year only served to heighten demand (as well as the price) for Russian grain.

Furthermore, the war has had the impact of further spiking up the price of oil, gas, and other commodities, causing far more pain for industrial and household consumers in Europe rather than for the Russian population, which benefits from subsidized domestic energy and is largely shielded from price shocks on the international markets. Russia has found ample buyers for its oil and gas commodities following the West's partial ban on Russian energy imports, causing little dent in the Russia state budget. To the contrary, Russian oil and gas companies, as well as its oil and gas commodity traders,

have reaped massive rewards from the soaring energy prices in 2022 – similar to oil companies in the West and national champions in the OPEC countries. Russia's domestic market is also showing little sign of downturn. Restaurants and the service industry in the big Russian cities remain busy, Russian retail chains continue to expand and continue to cater to growing domestic demand, while e-commerce and online trading continues to thrive, according to multiple personal accounts from visitors to and from the country.

So too has the Russian military shown substantially more resilience than many Western military analysts may have given it credit, particularly those who regularly reported massive Russian casualties and reversal of territorial gains made by the Russian army earlier in the conflict. Many Western military analysts predicted that 'the clock had passed midnight' for Ukraine shortly after 24 February 2022, implying that the country's collapse in wake of the Russian invasion was imminent. Similarly, many such commentators wrote off the Russian military as a bunch of hacks, following stubborn Ukrainian resistance early in the conflict and once it was becoming clear that Russian initial military objectives in Ukraine would not be attained.

At the start of 2023, other analysts predicted a large-scale Ukrainian counter offensive which would result in driving the Russian military back to its lines of pre-24 February 2022. None of these assessments proved correct. The war grinds on. It has become largely regionalised in the east of Ukraine and now appears to resemble the sort of attrition warfare which characterised the conflict prior to Russia's full-scale invasion on 24 February 2022.

Predicting an end game in Ukraine against this backdrop, and indeed for Russia's future, is far from simple – as we already alluded to at the outset of this essay. With no Russian political, economic, or military collapse anywhere in sight, it is likely that the war will continue to grind on into the foreseeable future. Furthermore, assuming that Russia's economic realignment towards Asia and the Gulf continues to generate revenues for the Russian state and that the 'rest of the world' countries do not yield to Western pressure and do not turn against Moscow, it is unlikely that Russia will lose the war on the battlefield. That said, with the West doing just enough to prop up Ukraine militarily rather than entering into the conflict unilaterally, it is also unlikely that Russia will come out of the war as a clear winner.

The likely scenario resulting is that Ukraine becomes Russia's new Afghanistan – a protracted conflict which will continue to absorb the nation's abundant human and other resources in the name of national pride, defence of its sovereignty and rejection of Western meddling in countries it considers to be vital to its national interest. That said, Vladimir Putin is not Leonid Brezhnev, success in Ukraine has become closely tied to Putin's own political legitimacy (regime survival) inside Russia, and there is very little sign that a Mikhail Gorbachev style personality is anywhere on the Kremlin horizons. In fact, if one takes into account the underlying power structure of the Russian regime, it cannot be discounted entirely that Putin's successors will not take Russian relations with the West to an even more brazen path in the event that the current Russian president disappears from the scene.

An Afterthought – Did the United States Create Vladimir Putin?

Finally, it should be said that any scenarios about Russia's future are not only predicated on developments taking place in Russia itself, whether this would be economic or political collapse of the system or not, or due to what might eventuate on the battlefields in Ukraine. Russia's future, and particularly the question of whether it will remain a revisionist power staunchly rejecting Western meddling in its 'backyard', if not the post-Cold War European security order more broadly, will greatly depend on how the West will treat Russia itself.

As mentioned earlier, Russia largely played the role of a compliant power during the 1990s and part of the 2000s, for the most part accepting the Western-led post-Cold War European security order. Moscow adapted to evolving realignments in European geopolitics, particularly in Central Eastern Europe and the Baltics during this period. It also allowed for the opening up of its markets, including strategic sectors such as the oil industry, to foreign investment. It may have been the case that Russia expected more from the West (namely the US and Europe) in terms of geopolitical convergence as well as support for the country's transition towards a market economy, if not democratic governance, in return for its compliance.

However, instead of working towards any 'grand bargains' with Moscow, or developing a road map for strategic cooperation, both Brussels and Washington pursued active policies of integrating former-Soviet successor states

into Euro-Atlantic supra-national institutions, namely NATO and the EU. This form of policy making did not only place great emphasis on countries such as Georgia and Ukraine, which we have discussed already at some length above, but also Kazakhstan and Azerbaijan, which the US State Department supported strongly during the 1990s and early 2000s by backing oil and gas pipelines from the Caspian which circumvented Russia. Pipeline projects such as the Caspian Pipeline Consortium (CPC), the Baku-Tbilisi-Ceyhan (BTC) oil pipeline and the Baku-Tbilisi-Erzurum (BTE) gas pipeline, through which substantial volumes of oil and gas are currently supplied to international markets, were all backed politically by Washington in order to provide Kazakh and Azeri hydrocarbons alternative export routes in circumvention of Russian territory. As one former-top level US decision maker recently stated reflecting on the time, ‘happiness comes in multiple pipelines’.

The ‘happiness’ within the US State Department was not equally shared in Moscow, however. New export routes for Kazakh oil and Azeri oil and gas would result in loss of revenue for Transneft, the Russian state oil pipeline monopoly, which charged tariffs to transit Caspian oil through Russian territory, as well as loss of political leverage for Moscow over its near abroad. Moreover, intensive activity on the part of both the EU and NATO to integrate post-Soviet successor states into Euro-Atlantic institutions was also seen in Moscow (at best) as the West pulling these countries out of the Russian orbit and possibly even (at worst) as an effort to partially isolate Russia internationally. A paranoid or firebrand Russian politician, nationalist or patriotic at heart, may have been forgiven for thinking that the West ultimately set the bar at the disintegration of the Russian state – the settlement of old scores and unfinished business from the Cold War era (although it is highly unlikely that such scenarios were being played out in Western capitals to any serious degree).

Vladimir Pozner, a well-known Russian media personality, argued in a public lecture delivered in 2018 in the US that it was in essence the United States that ‘created’ Vladimir Putin. Pozner argued that Putin’s speech in February 2007 at the Munich Security Conference was a pivotal moment in Russian relations with the West in the post-Cold War era, where Putin de facto announced Russia’s policy of revisionism, as referred to by Lord Skidelski earlier in this essay. While the core arguments of Pozner’s lecture may have been somewhat exaggerated in view of his target audience, it is worthwhile reflecting

on the content of his talk. In particular, one can contemplate as to whether we would have arrived at the current abyss in Russian relations with the West had the latter developed a different, perhaps less outwardly expansionist, track in its policy towards the Eastern neighbourhood, or Russia's near abroad.

Diplomacy and foreign policy are a long game – as long as the history of Russia's relations with the West, the Soviet Union's relations with the Americans, and the Russian Empire's relations with the European powers prior to that. National pride and domestic politics play a big part in relations both within and between rival powers. Domestic economic health, or conversely the lack of it, also plays no small part in future outlooks and impact scenarios. The Russian economy was to a good part transformed by the time it invaded Georgia in August 2008 and the country's leadership, for better or worse, felt that it was both ready and that it was time to stand up to the West more firmly than before. Similarly, when it came to the decision to invade Ukraine in February last year, its leadership took a calculated gamble – perhaps its most brazen ever since the end of the Cold War – in conducting a geopolitical power-play which it knew would lead to a stiff reaction from the West. On both occasions, Putin's regime in Russia was far readier to bear the brunt of the consequences of its actions much more than would have been the case had such geopolitical brinksmanship been exercised in the 1990s by Boris Yeltsin.

As it stands at the moment, it is quite possible that both Russia and the West are looking for an exit out of Ukraine, despite regular public reference to further escalation, where both sides need to save face in view of the crisis that has been created. Time will tell whether an exit acceptable to all parties, including Ukraine, can be found. In the meantime, continued Western sanctions and the West's arming of Ukraine to prop up Kiev without being able to penultimately defeat Moscow on the battlefield will only continue to induce commensurate Russian countermeasures, perpetuating the conflict and aggravating continued Russian revisionism as well as rejection of the prevailing Western-led, post-Cold War European security order.

How the Ukraine War Has Become a Milestone for Azerbaijan-Russia Relations?

Fuad Shabbazov

Introduction

Russia's unprovoked invasion of Ukraine in 2022 became a severe challenge for nearly all post-Soviet states, including for the three regional states of the South Caucasus – Azerbaijan, Georgia, and Armenia. The military intervention has been both a challenge for their national security and a test for the resilience of their foreign policies. Armenia, as a long-term ally of Russia within several regional cooperation platforms such as the Collective Security Treaty Organization (CSTO) and the Eurasian Economic Union, and Georgia, a country with traditionally strong pro-Western aspirations, sought to remain cautiously neutral and supportive from the distance, respectively, without unequivocally allying with one side against the other.¹ Even though Azerbaijan also abstained from vocal anti-Russian rhetoric and internationally imposed economic sanctions, it dispatched numerous humanitarian aids to Ukraine while providing the country with free fuel through its fuel stations based in this country.²

Indeed, Russia's military intervention in Ukraine has caused a geopolitical shock effect in international relations and exposed the ineffectiveness of the UN-based global security architecture. Hence, the countries in Russia's immediate neighbourhood are among those who are the most concerned about the existing dangerous security situation in the region and its possible future consequences. In this regard, the South Caucasus states understood that a lot is at stake, as the new geopolitical realities and global security cataclysms

¹ Kuzio, T (2022). Azerbaijan Support for Ukraine. URL: <https://hurriyetdailynews.com/azerbaijan-support-for-Ukraine-op-ed-179693>.

² Caspian News (2022). Azerbaijan Sends Humanitarian Aid to War-Hit Ukraine, Vows to Supply Ambulances with Fuel Free of Charge. URL: <https://caspiannews.com/news-detail/azerbaijan-sends-humanitarian-aid-to-war-hit-ukraine-vows-to-supply-ambulances-with-fuel-free-of-charge-2022-2-28-0/>.

will require them to adjust their foreign policy priorities to preserve neutrality and to appear at the centre of the recent Western standoff with Russia.

Azerbaijan has strived to maintain positive relations with Ukraine and Russia simultaneously, which aligned with Baku's balanced and independent foreign policy. Growing political dialogue and bilateral trade reinforced the bilateral partnership, as Azerbaijan has become Russia's number one partner in the South Caucasus. Russia is still one of Baku's biggest trade partners, whereas enjoying a long-term partnership with Ukraine in vitally important fields like energy, agriculture, and defence. Therefore, it should not be surprising that Baku is still facing pressure from Moscow to join the Russia-led Eurasian Economic Union and the Collective Security Treaty Organization.³

Nevertheless, to outweigh Russia's influence in the region, Azerbaijan distanced itself from Russia by deepening its energy partnership with the European Union (EU), its top energy partner. Hence, the energy partnership with the EU gained a new impetus shortly after the Ukraine war unfolded since the energy deficit boosted Azerbaijan's role as one of the most reliable fossil fuel exporters to Europe.

Nevertheless, Azerbaijan's engagement with Russia has gradually become more complex due to the stalled peace process with neighbouring Armenia over Karabakh following the result of the 44-day-long full-scale war concluded with a Russia-brokered ceasefire agreement in November 2020. Moreover, the new Declaration of Allied Interaction signed between Baku and Moscow in February 2022, days before the invasion campaign, triggered debates regarding Azerbaijan's pivot towards Russia. However, from Azerbaijan's point of view, the new declaration was a goodwill gesture to Russia, given its mediator role in the Azerbaijan-Armenia peace process.

This paper discusses the nature of Azerbaijan-Russia relations in the context of the Ukraine war. It will assess Azerbaijan's foreign policy since the start of the Russia-Ukraine war on 24 February 2022 and it will make relevant conclusions by answering the main question: how has this war increased the relevance of Azerbaijan's delicate balancing act?

³ Ismayilov, K (2018). Rethinking Azerbaijan's Foreign Policy Strategies vis-à-vis Hegemony seeking Russia, p.40.

Reshaping Azerbaijan's Foreign Policy

At the beginning of February 2022, before Russia launched its invasion campaign of Ukraine, Azerbaijani president Ilham Aliyev paid an official visit to Ukraine to meet his counterpart, president Volodymyr Zelensky. The official visit was concluded with the signing of six bilateral documents of cooperation on agriculture, energy, and trade, including a Joint Declaration, which emphasized Baku's importance for Ukraine in the matters mentioned above, which was crucial for Kyiv as it was about to face the threat of invasion.⁴ Notwithstanding this, many criticized the signing of the Declaration on Allied Cooperation with Russia, signed at the end of February 2022, although Baku did not ratify this document as of March 2023. The halt of the document's ratification and Azerbaijan's cautious approach toward Russia in the aftermath of the Ukraine war might be explained by its long-term pursuit of a balanced foreign policy, which became an imperative since regaining independence in 1991.⁵ As such, Azerbaijan has purposefully remained on the sidelines of the Russia-Ukraine conflict to avoid antagonizing Kyiv or Moscow and assess its policy objectives while the world was preoccupied with Russian aggression.

Although at the beginning of the war Azerbaijani authorities did not issue any statement against the Russian invasion, the public opinion appeared to be predominantly anti-Russian, with Azerbaijani citizens gathering outside the Ukrainian embassy in a mass rally to show solidarity with the Ukrainian people.⁶ The fact that police forces did not disperse the spontaneous mass rally in front of the embassy could have been a signal to Moscow regarding the importance of the territorial integrity issue, given the territorial conflict with neighbouring Armenia that lasted nearly three decades.

With a balanced approach to complex situations in the post-Soviet region, Azerbaijan has sought to avoid allying with one geopolitical pole at the

⁴ President.az (2022). The Presidents of Azerbaijan and Ukraine made press statements. URL: <https://president.az/en/articles/view/55259>.

⁵ Shahbazov, F (2022). Putin's War in Ukraine Is Putting Azerbaijan in a Bind. URL: <https://www.worldpoliticsreview.com/the-ukraine-war-is-a-test-for-azerbaijan-russia-relations/>.

⁶ OC Media (2022). Azerbaijanis take to the streets against Russian invasion. URL: <https://oc-media.org/azerbaijanis-take-to-the-streets-against-russian-invasion/>.

expense of the country's relations with other actors. Instead, Azerbaijan opted for a strengthening partnership with regional actors like Turkey, Russia, and Iran. In the post-Karabakh war in 2020, Azerbaijan signed a critically important Shusha Declaration on allied relations with Turkey, its natural ally and partner. The document envisions the mutual support of both states if another state or group of states attacks either side.⁷ Indeed, the Shusha declaration has had strategic importance for Azerbaijan, as it has been swiftly ratified by the two nations' parliaments, unlike the document on allied cooperation signed with Russia in 2022.

Undoubtedly, Azerbaijan's willingness to boost its regional partnership with Turkey in recent years was linked to the main concern regarding its Karabakh region and the significant military presence of Russia on the ground in the aftermath of the 2020 war. That is to say that the previous dangerous precedents (Georgia, 2008; Ukraine; 2014/2022) of vociferous anti-Russian governments in the post-Soviet region put Azerbaijan in a serious security dilemma.⁸ In this context, Baku's lack of criticism of Russia has been a viable way for the Azerbaijani authorities to avoid Moscow's anger which might have triggered further provocations against it. For example, given the physical presence of 2,000 Russian military personnel in Karabakh and Moscow's stake in the peace process, Baku has been cautious that Moscow could quickly start supporting Armenia in the current standoff between the two countries. From the Azerbaijani perspective, the Karabakh issue is the top priority and close cooperation with Russia on this issue has been inevitable. Consequently, Azerbaijan managed to maintain full control on the ground in Karabakh, gradually increasing pressure on the de-facto regime in exchange for its neutrality over Ukraine. From the Russian point of view, however, such neutrality was arguable, as Azerbaijan kept providing Ukraine with a significant volume of humanitarian aid, making Moscow feel nervous about it.⁹ Notwithstanding, Russia preferred to turn a blind eye to this nuance as long as Azerbaijan did not join anti-Russian sanctions.

⁷ President.az (2021). Azerbaijan, and Turkey signed Shusha Declaration on allied relations. URL: <https://president.az/en/articles/view/52115>.

⁸ Sanchez, A (2022). Azerbaijan's Delicate Balancing Act amid the Ukraine War. URL: <https://www.geopoliticalmonitor.com/azerbajians-delicate-balancing-act-amid-the-ukraine-war/>.

⁹ JAM News (2022). Are Azerbaijan and Russia allies? URL: <https://jam-news.net/are-azerbaijan-and-russia-allies-opinion-from-baku/>.

Whereas Azerbaijan kept a certain level of partnership with Russia, its partnership with the European Union (EU), namely in the energy field, has recently deepened. The Russia-Ukraine conflict has expanded in three directions with serious socio-economic implications: financial sanctions, growing commodity prices and supply-chain disruptions. In the case of food security, it is fair to mention that Russia, as well as Ukraine, are massive global producers in agriculture and food, including fertilizers, grain, and wheat and the cross-border trade of agricultural commodities between Azerbaijan and them is one of the critical components in bilateral trade relations.

Notwithstanding the looming crisis, Azerbaijan managed to make additional inroads into the European energy market. In this vein, Azerbaijan signed a Memorandum of Understanding on a Strategic Partnership in the Field of Energy with the EU during the European Commission President Ursula von der Leyen's visit to Baku in July 2022.¹⁰ Indeed, the new document opened up new prospects for Azerbaijan to continue contributing to Europe's energy supply by increasing its natural gas exports.

The European continent is lacking sufficient natural gas resources, as Europe's gas demand in 2021 totalled 604 bcm of gas, of which the EU's demand made up 412 bcm.¹¹ The new energy agreement with the EU enabled Baku to play a greater role in Western energy security in the aftermath of Russia's invasion of Ukraine. Moreover, it did not take so long for Azerbaijan to acknowledge the leverage it obtained over the European gas market due to the Russia-launched war. In line with this, the Azerbaijani authorities expressed readiness to double gas exports by 2027.¹² Overall, Azerbaijan's energy exports to Europe steadily increased from 19 to 22.6 bcm in just a year and are estimated to reach 24.5 bcm by 2023.¹³ As a result, in the first four months of 2022, Azerbaijan's revenues from gas exports increased about 3.7

¹⁰ President.az (2022). Azerbaijan European Union signed MoU on Strategic Partnership in the field of energy. URL: <https://president.az/en/articles/view/56689>.

¹¹ Gas Market Report (2022). URL: <https://iea.blob.core.windows.net/assets/318af78e-37c8-425a-b09e-ff89816ffeca/GasMarketReportQ42022-CCBY4.0.pdf>.

¹² Balkan Green (2023). Azerbaijan on track to double gas exports to EU, start green energy supply. URL: <https://balkangreenenergynews.com/azerbaijan-on-track-to-double-gas-exports-to-eu-start-green-energy-supply>.

¹³ Balkan Green (2023).

times and reached \$4.18 billion. On the other hand, revenues from oil exports rose 50.3 per cent in the same period.¹⁴

The EU did not hide its intention to keep its engagement with Azerbaijan in the energy sphere, referring to president Aliyev's earlier remarks that the country possessed sufficient natural gas reserves for its partners for at least another hundred years.¹⁵ Given the increasing vulnerability of Europe, and its desire to reach to the strategically important Central Asian region and to isolate Russia from the Western markets, Azerbaijan has openly begun promoting the idea of the Trans-Caspian Transit Route, widely known as the Middle Corridor. The corridor will link landlocked Central Asia with Europe through the Caspian Sea, thus enabling cargo deliveries to bypass Russia. Hence, by pushing forward energy-related projects, Azerbaijan intends to promote itself as a reliable friend of Europe in terms of fossil fuel exports.¹⁶

The growing contacts of Azerbaijan with Western European partners, on the one hand, and with partners from Central Asia, on the other hand, to strengthen new regional partnership platforms at a time when Russia has become an outsider demonstrated that Azerbaijan, unlike other former Soviet states, has had much more space for diplomatic manoeuvre amid the current global uncertainty. Being economically and politically more independent thanks to its rich natural resources, a growing non-energy economic sector, and a solid strategic alliance with Turkey, combined with Azerbaijan's authority in multilateral diplomacy, official Baku felt more confident in pursuing multi-vector foreign policy based on its national interests. Indeed, the Ukraine war has been another test for the balanced approach of the country's foreign policy, while it opened new horizons for Azerbaijan.

As such, Azerbaijan sought to boost its soft power by creating its own sphere of influence, simultaneously avoiding challenging Russia in its geopolitical

¹⁴ Marja.az (2022). Azərbaycanın qaz ixracından gəlirində böyük artım. URL: <https://marja.az/87799/azerbaycanin-qaz-ixracindan-gelirinde-boyuk-artim>.

¹⁵ S&P Global (2022). Azerbaijan is discussing gas supplies to new European buyers as war rages in Ukraine. URL: <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/electric-power/060622-azerbaijan-discussing-gas-supplies-to-new-european-buyers-as-war-rages-in-ukraine>.

¹⁶ Shahbazov, F (2022). Geopolitical Changes and the Re-Emergence of the Middle Corridor. URL: https://idd.az/media/2022/11/15/idd_policy_brief_shahbazov26102022.pdf.

backyard. In addition to the new energy agreement with the EU, individual agreements with other non-EU countries, and the Middle Corridor project, Azerbaijan has put enormous efforts into strengthening new regional platforms, namely the Organization of Turkic states, which, as an independent platform of former-Soviet states, would help constrain Russia's influence. The intensifying contacts and new initiatives between the sides are a manifestation of these new dynamics. Azerbaijan, aligned with Turkey, engaged with the Central Asian states in bilateral, trilateral, and multilateral formats.

Simply put, Russia's invasion of Ukraine and distraction from the former-Soviet space created a gap prompting regional states in the Caucasus and Central Asia to diversify their partnerships portfolios and actively engage in non-Russia economic projects. In this context, Azerbaijan strengthened its status as a small power that emerged in the post-Karabakh war in 2020. Moreover, with Russia's shifting attention from the region, as the Ukrainian front did not turn out as easy to deal with as initially planned, Azerbaijan felt very comfortable in adjusting the situation on the ground in Karabakh according to its interests. For example, after brief clashes with Armenian armed groups in Karabakh in March 2022, Azerbaijan retook control over the Farrukh village and over other strategic heights, ignoring the calls of the Russian peace keeping mission to retreat to initial positions.¹⁷

Consequently, Karabakh's Armenian population started openly expressing dissatisfaction with the Russian mission, claiming that it could not maintain peace, while the Azerbaijani side blamed it for having a pro-Armenian stand.¹⁸ Russia's fluctuating influence over regional affairs, including the Karabakh issue, created more space for Azerbaijan's assertive foreign policy while maintaining positive relations with Moscow.

However, it would be unrealistic to claim that Baku-Moscow relations are developing smoothly, particularly since 2020. Bilateral relations with the Kremlin have had several ups and downs due to its failed efforts for

¹⁷ Turan Agency (2022). Farrukh village passed under the control of Azerbaijan. URL: https://www.turan.az/ext/news/2022/3/free/politics_news/en/2932.htm.

¹⁸ Eurasianet (2022). In renewed fighting, Azerbaijan captured additional territory in Karabakh. URL: <https://eurasianet.org/in-renewed-fighting-azerbaijan-captures-additional-territory-in-karabakh>.

mediation in the peace process with Armenia. Such diplomatic rifts and wars of words increased Baku's and Yerevan's optimism regarding the mediation role of the EU in the peace process. In 2021 and 2022, several meetings of President Ilham Aliyev and Prime Minister Nikol Pashinyan occurred in Brussels and Prague with minor positive results. Although, theoretically, Moscow has had the largest influence on the peace process, the populations of both Armenia and Azerbaijan have signalled their discomfort with Russia's brutality in Ukraine and have been supportive to the Ukrainian people.¹⁹

Although Armenia's interest in stronger EU involvement has been attributed strictly to security concerns, Azerbaijan's willingness has been linked to a more pragmatic vision: unblocking regional communication lines and establishing the long-awaited transit corridor, dubbed Zangazur Corridor. The new transit corridor linking Azerbaijan to its exclave Nakhchivan through Armenia's Syunik province was one of the main conditions for signing the November ceasefire agreement in 2020. While Azerbaijan has seen the corridor projects as part of its global ambitions to become a regional transit hub and connect with Turkey via Nakhchivan, Armenia defined this project as a real threat to its sovereignty. According to the general narrative in Armenia, the Zangazur Corridor would strengthen the Baku-Ankara axis at the expense of Armenia's sovereignty and territorial integrity.

Ironically, the EU and Russia are not against the idea of the transit corridor as it suits the interests of both. For Russia, the corridor would grant new and viable passage to Armenia, its main regional ally, while the EU could use this corridor to reach the Caspian basin and farther to Central Asia as an extension of the Middle Corridor. Notwithstanding, given the EU's deep economic engagement with Azerbaijan, Armenia's ruling government has had no other option but to reiterate Yerevan's "willingness" to boost its alliance with Moscow, which still maintains the role of security guarantor of the country. Russia's pro-governmental media frequently referred to Armenia's membership in joint blocs with Russia in an attempt to signal to Yerevan and boost Moscow's image as the main security patron of it, albeit unsuccessfully. Russia's and its Collective Security Treaty Organization's (CSTO) influence

¹⁹ Stronski, P (2022). The Ukraine War is reshaping the Azerbaijan-Armenia Conflict. URL: <https://carnegieendowment.org/2022/04/25/ukraine-war-is-reshaping-armenia-azerbaijan-conflict-pub-86994>.

within Armenian society has diminished dramatically following the deadly incidents with Azerbaijan in September 2022.

With the devastating Russo-Ukraine war getting more brutal, Azerbaijan seems to remain on the sidelines in order to abstain from antagonizing Kyiv and Moscow. As mentioned in this paper, since the war's inception, Azerbaijan has provided Ukraine with necessary aid, including fuel and, most recently, power transformers and generators being sent to Kyiv in December 2022.²⁰ Although the latest humanitarian aid caused criticism echoed via the statement of the Russian Foreign Ministry, citing that "Such a step on the part of Baku is puzzling. Azerbaijani recent supplies, which are unlikely to change the situation fundamentally, do not amount to humanitarian aid."²¹ Despite criticism from Moscow, Baku passed it silently without further comments or counter-statements.

Many in Azerbaijan argued that the support of Ukraine in its war against Russia should not come as a surprise, as Baku's moves toward Ukraine are reciprocal, though not vocal. Ukraine was one of the few countries supporting Azerbaijan during the second Karabakh war in 2020 and maintaining a long-term fruitful partnership in the defence industry.²²

Conclusion

Until 2022, Russia retained an enormous influence and leveraged regional stakeholders in the post-Soviet region with political and economic dividends. However, the tactical and strategical losses in Ukraine "paralyzed" Russia followed by grave repercussions on its socio-economic situation and mass protests in far-away provinces. The Ukraine war has also become very challenging for Russia's relations with its immediate neighbourhood, including with Azerbaijan.

²⁰ APA (2022). Azerbaijan sends 45 power transformers and 50 generators to Ukraine. URL: <https://apa.az/en/foreign-policy/azerbaijan-sends-45-power-transformers-and-50-generators-to-ukraine-391390>.

²¹ Anadolu Agency (2022). Transfer of Azerbaijani equipment to Ukraine as humanitarian aid 'puzzling': Russia. URL: <https://www.aa.com.tr/en/russia-ukraine-war/transfer-of-azerbaijani-equipment-to-ukraine-as-humanitarian-aid-puzzling-russia/2764930>.

²² Anadolu Agency (2020). Ukraine supports Azerbaijan's territorial integrity. URL: <https://aa.com.tr/en/europe/ukraine-supports-azerbaijans-territorial-integrity/1993930>.

Amid new geopolitical realities and security cataclysms, Azerbaijan sought to balance delicately between Russia and the West without falling under the total influence of any. Azerbaijan's approach is based on pragmatic calculations focusing on national interests, namely the Karabakh issue. Given its historical role in the long-term Azerbaijan-Armenia conflict, Baku needs Russian mediation, though it deepens engagement with the West as an additional leverage and sphere for its soft power. As for now, the balanced approach toward Kyiv and Moscow paid well off for Baku; therefore, further continuing of this policy should not be ruled out.

Projecting Russia’s Post-War Influence in the South Caucasus by Analysing the Russian-Turkish “Co-opetition” in Syria

Yeghia Tashjian

Introduction



INSTC – Meridional corridor of the Eurasian transport backbone¹

At a time when conflicts are increasingly interconnected, and provide tactical levers to assert pressure elsewhere, the competition between Russia, Iran,

¹ Part of: Vinokurov EY, Ahunbaev A, Zaboiev AI (2022): International North-South Transport Corridor: Boosting Russia’s “pivot to the South” and Trans-Eurasian connectivity. *Russian Journal of Economics* 8(2): 159–173. Source: Eurasian Development Bank.

and Turkey in the Middle East and the South Caucasus are destined to overlap. Despite their robust diplomatic relations, Turkey has been in direct competition with Russia and Iran in two major Asian conflict zones, Syria and Nagorno-Karabakh, tying together the fates of the regions in any future resolution.² While Ankara seeks to establish its authority over northern Syria and advance pan-Turkic hegemony in key Caucasian states like Azerbaijan for geopolitical advantage, Moscow and Tehran's goals in these two theatres are to reduce US influence and promote long-term economic interdependence between regional and local states.³

It does not take much of an effort to understand that the South Caucasus largely resembles Syria in terms of deep political fragmentation and sometimes opposite orientation of states of the region and local political forces toward foreign actors. Those realities imply high degrees of internalization of the Syrian and Nagorno-Karabakh conflicts.⁴ Almost all of the main regional stakeholders in the Syrian crisis such as Russia, Turkey, and Iran are present in South Caucasus on different levels. All these three actors have their boots on the ground in Syria. The Iranians have their local militias and have penetrated the Syrian intelligence, the Russians have their soldiers and are controlling the Syrian army, and Turkey has its army and loyal Islamist groups in the north. In addition, the US has its contractors and the Kurdish-led "Syrian Democratic Forces".

Almost a similar mosaic of presence and influence could be found in the South Caucasus. Thus, it is noteworthy that Georgia is committed to partnering with the Euro-Atlantic and European institutions, while Armenia is part of the Russian-led CSTO military alliance. Meanwhile, Azerbaijan and Turkey – a NATO member – are military allies. Geopolitical and geo-economic fault lines in South Caucasus may create challenges that will impact the economic and political relations between the Caucasian countries and

² Igor Matveev and Yeghia Tashjian, "From Syria to Nagorno-Karabakh: Assessing Russian-Turkish 'Co-opetition'", March 13, 2023, *Valdai*, <https://valdaiclub.com/a/highlights/from-syria-to-nagorno-karabakh-assessing-russian/>, last accessed 22/3/2023.

³ Igor Matveev and Yeghia Tashjian, "Russia and Iran in Syria: A Competitive Partnership?", *Russian International Affairs Council*, June 19, 2022, <https://russiancouncil.ru/en/analytics-and-comments/analytics/russia-and-iran-in-syria-a-competitive-partnership/>, last accessed 23/3/2023.

⁴ Ibid.

their neighbours. The recent developments showed that for Moscow, the Russian troops in Nagorno-Karabakh are sufficient (despite constantly being challenged) to secure Russia's interests in Baku in the long-run and contain Turkey's interests in the region,⁵ in particular after the Shushi Declaration of June 2021 that was signed between Baku and Ankara aiming to strengthen the military, security and diplomatic ties between the two Turkic countries.⁶

To understand Russia's position in the region and to forecast its policy orientation toward the South Caucasus we shall examine how the developments in Syria are interconnected to those in the South Caucasus. First, it is essential to understand Russia's perspective on the world order; second, I shall highlight and explain the dynamics of the Russian-Turkish "co-opetition" in Syria and its impact on South Caucasus; and finally, I shall analyse the recent diplomatic developments in the Middle East, and Russia's increasing leverage on conflicting actors (Israel, Iran...) which has strengthened Russia's influence despite Moscow's military setbacks in Ukraine so far.

Russia's View of the World and the Regional System

Many Russian scholars argue that although the US continues to be the most powerful country, the unipolar system is becoming more and more difficult to sustain, and a new bipolar structure is emerging. As Zhao Huasheng described

The present-day international system is in transition, and international politics is marked by great contradictions and the coexistence of multipolar, bipolar, and unipolar components. [...] In this grand pattern, multipolarity is the macro framework, bipolarity is rising rapidly, and unipolarity tends to decline.⁷

Hence, we are heading towards a prominent bipolar structure within a multipolar framework.⁸

⁵ Matveev, Tashjian, Op. cit.

⁶ Yeghia Tashjian, "'Shushi Declaration' and its Implications on the South Caucasus and Beyond", *Armenian Weekly*, June 29, 2021, <https://armenianweekly.com/2021/06/29/shushi-declaration-and-its-implications-on-the-south-caucasus-and-beyond/>, last accessed 22/3/2023.

⁷ Zhao Huasheng, "The Pendulum of History: Thirty Years after the Soviet Union", *Russia in Global Affairs*, Volume 20, No. 1 (77), January-March 2022, p. 16.

⁸ Ibid.

To achieve multipolarity, many Russian military and political experts suggested the following strategies:

Russia must maximize its economic and military capability, improve its geographical location, develop its economy, and finally find new partners and allies.⁹ The content of the November 10, 2020, trilateral statement reflects the geo-economic dimension of this aim, whereby Russia aimed to open trade communication lines and restore the transportation system in the South Caucasus that once existed during the Soviet times. Moreover, Russia emphasized the importance of the North-South corridor, connecting Northern Russia to the Indian Ocean via the South Caucasus railways and highways and the ports of the Persian Gulf.¹⁰ This factor is one of the key dynamics pushing Russia to consolidate its grip in the South Caucasus, and to strengthen its trade and diplomatic ties with the Gulf States.¹¹ We saw such reflections during the OPEC+ decision to cut oil production,¹² and the recent Russia-brokered diplomatic deal arranged between Syria and Saudi Arabia.¹³ By using hard power and diplomatic leverage Russia aims to connect to the Middle East and incorporate it into its Eurasian project.¹⁴

Russia must aim to weaken the world hegemon and divide its client network with the ultimate goal of depriving it of the superpower status,

⁹ Prokhor Yu. Tebin, “When Will This Zap End?”, *Russia in Global Affairs*, Volume 20, No. 2 (78), April-June 2022, p. 16.

¹⁰ Yeghia Tashjian, “Russia, INSTC and Regional Trade Interconnectivity”, *Armenian Weekly*, April 26, 2023, <https://armenianweekly.com/2023/04/26/russia-instc-and-regional-trade-interconnectivity/>, last accessed 27/4/2023.

¹¹ “The Gulf states: Beneficiaries of the Russia-Europe energy war?”, *Middle East Institute*, January 12, 2023, <https://www.mei.edu/publications/gulf-states-beneficiaries-russia-europe-energy-war>, last accessed 28/3/2023.

¹² Matthew Hedges, “The GCC Now Prefers Russia to the West”, *Fair Observer*, October 21, 2022, <https://www.fairobserver.com/politics/the-gcc-now-prefers-russia-to-the-west/>, last accessed 28/3/2023.

¹³ Summer Said, Benoit Faucon and Michael Amon, “Saudi Arabia, Syria Close to Resuming Ties in Russia-Brokered Talks”, *The Wall Street Journal*, March 23, 2023, <https://www.wsj.com/articles/saudi-arabia-syria-close-to-resuming-ties-in-russia-brokered-talks-a340b817>, last accessed 27/3/2022.

¹⁴ Irina Ahmed Zain Aidrous, “Future Maps of Syrian Transport Corridors”, *Russian International Affairs Council*, April 24, 2014, <https://russiancouncil.ru/en/analytics-and-comments/analytics/future-maps-of-syrian-transport-corridors/>, last accessed 24/3/2023/.

which will mean a transition to a multipolar world.¹⁵ This idea is reflected in Russia's relations with Turkey and in Moscow's diplomatic successes in the Middle East. Russia praises Turkey's independent foreign policy and is aware that Ankara is in no position to leave NATO.¹⁶ However, its experience in Syria, where Moscow and Ankara had isolated the West and its proxies on the ground, has shown that this strategy was replicable during and after the 2020 Nagorno-Karabakh war, where both countries isolated the OSCE Minsk Group, just as they had isolated the Geneva Process in Syria and replaced it with the Astana Process. It is worth mentioning that also during the second Nagorno-Karabakh war, Turkey tried to launch an "Astana style" diplomatic track. However, given the fact that, unlike in Syria, the conflict over Nagorno-Karabakh was taking place in the post-Soviet space, Russia was not very keen to engage on a bilateral track with Turkey on which Turkey and Russia would be equal partners in settling a conflict in Russia's "backyard." Such a scenario would have legitimized Turkey's intervention and presence in the region, in the long run.¹⁷ For this reason, Maxim Suchkov, a Moscow-based expert in the Russian International Affairs Council (RIAC), explains that Russia did not want to directly intervene in the course of the war taking a "watch and see approach".¹⁸ Suchkov later argued that if Azerbaijan continued war operations and occupied Stepanakert, the capital of Nagorno-Karabakh, Turkey's gambit would have paid off as Baku would be forever grateful to Ankara, and Turkey's influence in the region would grow. Yet, this would have caused an ethnic cleansing and Yerevan's blaming of Moscow.¹⁹ By losing its only regional military ally, Russia would have lost the whole region. Hence, Moscow tried its best to satisfy Baku

¹⁵ Tebin, Op.cit.

¹⁶ Hasan Ünal, "Turkish-Russian Rapprochement in a Multipolar World", *Valdai*, March 1, 2023, <https://valdaiclub.com/a/highlights/turkish-russian-rapprochement-in-multipolar-world/>, last accessed 27/3/2023.

¹⁷ Matveev, Tashjian, Op. cit.

¹⁸ Maxim A. Suchkov, "Diplomacy of attrition: How will the Russia-Turkey stand-off in Nagorno-Karabakh play out", *Middle East Institute*, October 9, 2020, <https://www.mei.edu/publications/diplomacy-attrition-how-will-russia-turkey-stand-nagorno-karabakh-play-out>, last accessed 25/3/2023.

¹⁹ Yeghia Tashjian, "The Russian-Turkish 'Co-opetition' in Times of Regional Crisis", March 2022, *Issam Fares Institute for Public Policy and International Affairs, American University of Beirut*, https://www.aub.edu.lb/ifi/Documents/programs/arab_and_international_affairs/Publications/2021-2022/20220323_Yeghia_russia_turkey_en.pdf, last accessed 25/3/2023.

without completely alienating Yerevan.²⁰ By doing so, Moscow increased its leverage on both countries and positioned itself as the only arbiter in the region.

Russia must seek to recreate the bipolar system of international relations, which is more “stable” in general.²¹ When in 2005 Russia’s President Vladimir Putin during his annual televised national address said that the collapse of the Soviet empire “was the greatest geopolitical catastrophe of the century”, back then many world leaders ignored his statements.²² However, this statement was a turning point in Russia’s foreign policy. The regional initiatives that followed, such as the establishment of the Eurasian Economic Union, and improving Russia’s relations with the “Third World” countries fell into this category.

The post-2020 events in the South Caucasus have shown that despite the collective West’s attempts to contain Russia in the region such as sending EU observers to monitor the Armenian-Azerbaijan border and facilitating peace negotiations between Yerevan and Baku, “the West is in no position to replace [Russia], both for local geopolitical reasons”²³ and because neither the United States/NATO nor the EU have any will to deploy military forces that would ensure stability and prevent the ethnic cleansing of Armenians from Nagorno-Karabakh. Insofar that many Western analysts encouraged “hostility to Russia in the region while being unable to propose serious alternatives to Russian power”, such arguments were “highly irresponsible” and risked “contributing to a return of ethnic conflict to a region that has seen far too much of it”.²⁴ Hence, as Russia seeks to revise the international order, and the West is on the defensive, the South Caucasus may turn into a battleground of great powers’ conflicting interests. From the Russian perspective, consolidating its military presence is a necessity to check or even revise the

²⁰ Matveev, Tashjian, Op. cit.

²¹ Tebin, Op.cit.

²² “Putin: Soviet collapse a ‘genuine tragedy’”, *NBCNews*, April 25, 2005, <https://www.nbcnews.com/id/wbna7632057>, last accessed 21/3/2023.

²³ Artin DerSimonian and Anatol Lieven, “There are no good alternatives to Russian influence in the Caucasus”, *Responsible Statecraft*, February 2, 2023, https://responsibletatecraft.org/2023/02/02/there-are-no-good-alternatives-to-russian-influence-in-the-caucasus/?fbclid=IwAR2bYaSwgiD9MZKTcNG_naEDQsqbA4wl5Xxv57LNw97jEgBK2wxYzcTnQZw, last accessed 22/3/2023.

²⁴ Ibid.

unipolar world system. Therefore, just like the Ottoman Empire in the 19th century, it was wrong to portray Russia as the “sick man” of Europe. For this reason, Russia viewed the colour revolutions as a Western attempt to infiltrate Russia’s zone of influence. In this case, the South Caucasus region is Russia’s traditional zone of influence and the gate towards establishing a future world system.²⁵

What Russian-Turkish “Co-Opetition” in Syria Can Tell on Nagorno-Karabakh and Russia’s Future Status in the South Caucasus?

To forecast Russia’s future status in the South Caucasus, it is important to analyse its current rising status in Syria and the Middle East. To this end, I shall explain how “Co-opetition” with Turkey shaped this status and examine its implications on the wider region. “Co-opetition” is a term coined by Adam M. Brandenburger and Barry Nalebuff in 1996 to describe a paradoxical strategy of cooperation among competitors, enabling them to collectively achieve mutual gains. The term is used in business strategy that deploys insights gained from game theory to understand when competitors should work together.²⁶ It is a relatively new term in international relations and is used occasionally in international trade. Nevertheless, we will use this term to explain the current nature of Russian-Turkish relations in the MESC (Middle East and South Caucasus) region.²⁷

What makes the Turkish-Russian relationship so exceptional is that after the “jet crisis” in 2015, both sides continued to compartmentalize their economic relations and keep them separate from geopolitical incompatibility.²⁸

²⁵ Tebin, Op.cit., p. 17.

²⁶ Adam M. Brandenburger and Barry J. Nalebuff, “Co-Opetition”, *Currency Doubleday*, 1997.

²⁷ Yeghia Tashjian, “The Russian-Turkish ‘Co-opetition’ in Times of Regional Crisis”, March 2022, *Issam Fares Institute for Public Policy and International Affairs, American University of Beirut*, https://www.aub.edu.lb/ifi/Documents/programs/arab_and_international_affairs/Publications/2021-2022/20220323_Yeghia_russia_turkey_en.pdf, last accessed 25/3/2023.

²⁸ Jack Stubbs, Dmitry Solovyov, “Kremlin says Turkey apologized for shooting down Russian jet”, *Reuters*, June 27, 2016, <https://www.reuters.com/article/us-russia-turkey-jet-idUSKCN0ZD1PR>, last accessed 21/2/2023.

Additionally, Presidents Putin and Erdogan have agreed to ignore issues on which they diverged while striving to foster economic relations. According to Arif Asalioglu, general director of the International Institute of the Development of Science Cooperation (MIRNAS), Turkey and Russia have developed a creative cooperation model.

[That is both] countries have divided their relations into compartments. Thus, things that go wrong in one compartment should not adversely affect good relationships in the other compartment where the relationships are successfully occurring.²⁹

This model has been successful so far. The events in Nagorno-Karabakh, for example, have had little effect, if any, on the developments in Libya and Syria or on Russo-Turkish trade and energy relations. Thus, both sides have understood that compartmentalizing economic issues and geopolitical rivalries is necessary to avoid the negative spillover of certain disagreements into areas of bilateral cooperation.

Within this context, the freezing of the conflict around Idlib (Syria) in 2020 needs to be studied in depth.³⁰ The Russian-brokered ceasefire (March 2020) between the Turkish and Syrian forces paved the way for diplomatic “normalization” between Ankara and Damascus which was further extended to the intelligence and security levels. Despite their differences, there has been a flurry of meetings between senior Syrian and Turkish officials, with Russia hosting direct dialogues between their respective defence ministers and intelligence agency chiefs.³¹ Moreover, during the Tehran Summit (July 2022) between the heads of state of Iran, Turkey, and Russia, the leaders called for the US withdrawal from Syria.³² Hence, it is expected that the three sides would increase pressure on the Kurds in Syria to cut their relationship with Washington. Russia has also facilitated the restoration of diplomatic relations

²⁹ Interview with Mr. Arif Asalioglu. August 17, 2021.

³⁰ Bilal Abdul Kareem, “Who are the winners and losers in the Idlib ceasefire”, *Middle East Eye*, March 5, 2020, <https://www.middleeasteye.net/news/turkey-russia-syria-who-are-winners-and-losers-idlib-ceasefire>, last accessed 22/3/2023.

³¹ “Russian, Syrian, Turkish defence ministers meet in Moscow for first talks since 2011”, *France 24*, December 28, 2022, <https://www.france24.com/en/middle-east/20221228-russian-syrian-turkish-defence-ministers-meet-in-moscow-for-first-talks-since-2011>, last accessed 21/3/2023.

³² Ragip Soylu, “Turkish president tells US to remove forces from northern Syria”, *Middle East Eye*, July 20, 2023, <https://www.middleeasteye.net/news/turkey-erdogan-wants-us-out-northern-syria>, last accessed 23/3/2023.

between Syria and Saudi Arabia. Moscow has acted as a back channel to facilitate dialogue between UAE and Syria and also used its political leverage to prevent any direct clash or harsh Iranian retaliation against Israel's bombing of Iranian military facilities in Syria. Hence, Russia's deployment of troops in Syria after September 2015 and its backing of Syrian troops to recapture lost territories and key cities from the rebels, boosted Syria's President Bashar al-Assad's political position and Moscow's diplomatic and military influence in the region.³³ Russia, despite US' opposition, not only became the guarantor of the Syrian state's survival but it has also facilitated the normalization and the reintegration of Syria into the Arab world.

While Ankara and Moscow "understand" each other over Syria, Turkey's aspiration to play a greater role in the South Caucasus might put this relationship under strain. With the outbreak of the second Nagorno-Karabakh war (September 27–November 9, 2020), Turkey saw a historical opportunity to exert influence in its immediate neighbourhood, in the South Caucasus. Unlike Syria, this region has been Russia's centuries-old sphere of national interest since 1828.³⁴ To challenge Russia, Turkey threw its full active military and diplomatic support behind Azerbaijan in its war against the Armenians in Nagorno-Karabakh.

During the war, both Moscow and Ankara played tit-for-tat against each other. Many observers noticed that while Russia was rather defensive in its "backyard," in the South Caucasus, it was seemingly offensive in Syria with the Russian air force bombing Turkish and Turkey-backed rebel positions in Idlib.³⁵ By putting pressure on Ankara through Syria, Moscow was trying to balance its vulnerabilities with Turkey. Turkey has also had a plan to exert pressure on Russia in the South Caucasus. In November 2020, the Trans-

³³ Charles Lister, "Assad in the UAE: A Watershed Moment for the Syrian thaw?", *Italian Institute for International Political Studies*, March 24, 2022, <https://www.ispionline.it/en/publication/assad-uae-watershed-moment-syrian-thaw-34279>, last accessed 22/3/2023.

³⁴ In 1828, Russia and Iran signed the Treaty of Turkmenchay putting an end to the second Russian-Iranian (Russian-Persian) war of 1826–1828 where Tsarist Russia took control over the remaining segments of the South Caucasus.

³⁵ "Russian strike kills 78 Turkey-backed fighters in Syria's Idlib", *Alarabiya News*, October 26, 2020, <https://english.alarabiya.net/News/middle-east/2020/10/26/Russian-strike-kills-56-Turkey-backed-fighters-in-Syria-s-Idlib->, last accessed 21/2/2023.

Adriatic Pipeline (TAP) was inaugurated and connected to the Trans-Anatolian Pipeline (TANAP), which allowed bringing Caspian gas to Southern Europe through Turkey bypassing Russia.³⁶ This project is crucial for Turkey as it transformed the country from an importer to a transit route for gas. The geopolitical aim of this project has been to decrease Europe's gas dependence on Moscow.

Interestingly, eventually, Moscow outmanoeuvred Ankara. The Russian-brokered November 10, 2020, trilateral statement on the ceasefire in Nagorno Karabakh was not in favour of Turkey. Ankara was pushing for a complete Azerbaijani victory or at least asking for the deployment of Turkish peacekeepers in Nagorno-Karabakh alongside the Russian forces. Both options have failed even though Turkey had become an active player in shaping the new geopolitical landscape of the region. Hence, even though Russia has shown dissatisfaction with Turkish intervention in its traditional sphere of influence and drew "red lines", Moscow eventually recognized Turkey as a junior player in the region, although it was still not ready to share parity in the post-conflict regional order.

Reflection, Assessment, and Lessons to Learn

With the ongoing war in Ukraine, many Western analysts argue that Russia is becoming a declining or a defeated power. Irrespective of the outcome of the war in Ukraine, the above-mentioned analysis and comparison of Russia's status in the two regions show that Russia has still maintained its power-broker position due to the military, diplomatic, and economic leverages it possesses on local and regional actors. Despite the fact that the war in Ukraine has shaken the balance of power in the South Caucasus and pushed Russia to take a passive stance in front of the Azerbaijani provocations near the Armenian border and in Nagorno-Karabakh, Russia is still the only power that has certain leverage on the conflicting parties and is the only guarantor of the physical existence of the Armenians of Nagorno-Karabakh. Thus, any regional arrangement for peace cannot exclude Russia. The West

³⁶ Dimitar Bechev, "The Trans Adriatic Pipeline: Why it Matters and What Comes Next?", *Middle East Institute*, December 2, 2020, <https://www.mei.edu/publications/trans-adriatic-pipeline-why-it-matters-and-what-comes-next>, last accessed 24/3/3023.

has to cooperate with Russia to calm the tension in the region and facilitate negotiations between conflicting parties due to the following reasons:

- The Syrian case has shown that Russia during the Syrian war, through its backchannels and diplomatic skills has maintained open channels with conflicting parties. This was not an easy task. Throughout the last decade, Russia has gained skills in balancing these actors and engaging in horse trading to please certain actors at the expense of other weaker parties. This was the case when Russia provided the “green light” for Turkey to engage in military operations against the Kurdish cantons in Northern Syria. By containing the Kurds, Russia was decreasing the US influence in Syria. Hence, Moscow and Ankara engaged in “win-win” solutions. Eventually, it was Russia who brought Damascus and Ankara to the table to discuss the future of Idlib and the restoration of communication channels between both countries. By doing so, Russia gained additional leverage over both Syria and Turkey. It is from this angle that one should analyse Russia’s position on the Armenian-Turkish “normalization” process. Russia here as well wants to have the upper hand to remain the sole arbiter in the region and increase its leverage on Armenia and Turkey.
- Given the ongoing diplomatic crisis between Azerbaijan and Iran, Russia might also have a role in leveraging it. Russia has made sure that this clash will remain manageable and not have a spillover effect. Russia has good relations with both countries and this diplomatic leverage can be used in the future to defuse any potential military tension between Baku and Tehran. As Russia is the only country that has positive relations with both countries.
- From the Armenian national security perspective, it is clear that its military alliance with Russia, and the deployment of Russian military forces in Armenia have deterred Turkey from engaging in direct military action against Armenia, in support of Azerbaijan.³⁷ The memory

³⁷ Artin DerSimonian and Anatol Lieven “There are no good alternatives to Russian influence in the Caucasus”, *Responsible Statecraft*, <https://responsiblestatecraft.org/2023/02/02/there-are-no-good-alternatives-to-russian-influence-in-the-caucasus/?fbclid=Iw>

of the Genocide of the Armenians, the “betrayal” of the French and the British (1919–1920) plays an important role in collective memory, and Turkey’s continued denial and its support in favour of Baku have pushed Armenia to come closer to Russia mainly for security reasons.

This is why, despite worries about the decline of Russian power and Armenia’s anger at Moscow’s failure to forcefully intervene against Azerbaijan to defend Nagorno-Karabakh (which is not covered by the Russian-Armenian security treaty), Yerevan is not expected to leave the Moscow-led Collective Security Treaty Organization (CSTO) anytime soon [without any alternative guarantee from the West].³⁸

- Armenians would have, at worst, “found themselves ethnically cleansed”, if Russia had not intervened in the second Nagorno-Karabakh war, where it had introduced “a belated ceasefire that secured the deployment of Russian peacekeeping forces” to the remaining part of Nagorno-Karabakh.³⁹ This is something that everyone must take into consideration and given the fact that the collective West (either the EU or the US) is unable to replace Russian peacekeepers, then the West has two alternatives, either to deal with the *de facto* Russian dominance in the region or to offer a new security architecture that would address the concerns of the Armenians from Armenia and Nagorno-Karabakh.
- Moreover, the experience in Nagorno-Karabakh has shown that despite Turkey’s containment policy against Russia, Moscow had successfully preserved its influence in the region. However, the outcome of the crisis in Ukraine is still not clear and its impact has been already felt by the parties concerned in the region. In the long run, Azerbaijan and Armenia will have to make a strategic decision on which pole they would belong. A balancing act may not serve the vital interests of both parties in the future. Suppose that the West succeeds in persuading Turkey to make certain political concessions on the Russian track with the Turkish elites facing mounting domestic pressure over

AR2bYaSwgiD9MZKTcNG_naEDQsqbA4wl5Xxv57LNw97jEgBK2wxYzcTnQZw,
last accessed 24/3/2023.

³⁸ Ibid.

³⁹ Ibid.

the disastrous consequences of the recent earthquakes. In that case, Ankara's geopolitical choices will have a significant impact on Baku. Would Ankara and Baku be prepared to find themselves in opposite camps? Would President Aliyev take the risk and provoke Russia to please other states? It is worth mentioning that both the November 10, 2020 trilateral statement and the "alliance declaration" in February 2022 signed in Moscow between the heads of state of Russia and Azerbaijan, have increased Moscow's political leverage on Baku, hence limiting Aliyev's manoeuvring space against Russia.

- Finally, the implementation of the November 10, 2020, trilateral statement is another boost to Russia's geo-economic interests in the region. Both Yerevan and Baku continue interpreting the ninth article of the November 10 trilateral statement differently.⁴⁰ While Azerbaijan argues that Armenia should be providing a "corridor" to connect the Azerbaijani mainland to the Nakhichevan exclave through Syunik (southern Armenia), which Baku calls the "Zangezour corridor," Armenia refutes it while insisting that the clause mentions the restoration of communication channels (highways, railways...) with both sides using the roads. Moreover, Baku adds that if Yerevan does not provide any corridor in Syunik, Azerbaijan will continue blocking the Lachin corridor amid Yerevan's claim that the status of the Lachin corridor should not be linked to the opening of communication channels. Already on April 23, 2023, Baku installed a checkpoint in Lachin corridor, thus violating the trilateral statement. This has pushed Iran to make a "comeback" to the region warning that any territorial change of the Armenian-Iranian border is a red line for Tehran.⁴¹ Tehran believes that such changes could threaten its geopolitical interests including a Moscow-Tehran-New Delhi-backed North-South transport corridor. Hence, both conflicting countries and the regional actors need Russia to resolve the conflict and open

⁴⁰ "Statement by the Prime Minister of the Republic of Armenia, the President of the Republic of Azerbaijan and the President of the Russian Federation", *Primeminister.am*, November 11, 2020, <https://www.primeminister.am/en/press-release/item/2020/11/10/Announcement/>, last accessed 24/3/2023.

⁴¹ Yeghia Tashjian, "Is Iran making a comeback to the South Caucasus?", *Armenian Weekly*, October 20, 2021, <https://armenianweekly.com/2021/10/20/is-iran-making-a-comeback-to-the-south-caucasus/>, last accessed 26/3/2023.

up the trade networks in the region. Russia has a clear geo-economic objective in this field whereby establishing a railway connection to Iran, Moscow aims to link the South Caucasian to the Levent to have access to the Syrian ports and the Mediterranean Sea.

Tomorrow's Geography in the Black Sea Region

Daria Isachenko

Much of the analysis of Russia's war in Ukraine focuses on the centrality of history in Russian President Vladimir Putin's thinking. Inside Russia but also in the West, Putin is considered to have started the war in Ukraine on 24 February 2022 to have a place in history books.¹ What has received far less attention, but may be even more relevant in examining Kremlin's policies, is the role that Russia's geography plays in its strategic culture.² As a matter of fact, since 2009 Putin has been serving as the head of the Board of Trustees of the Russian Geographical Society (RGS) that was founded by the Russian Tsar Nikolai I in 1845. As Putin stated back in 2009 at the RGS extraordinary congress, "When we say great, a great country, a great state – certainly, size (or expanse, *mashtab*) matters".³

Russia's geographic reach is important not only for the Kremlin's sense of grandeur, but also for the question as to what impact the war in Ukraine is likely to have on the Black Sea region and the South Caucasus in particular. Two points deserve particular attention. First, at issue is Crimea. The Russian leadership has declared many goals in the current war in Ukraine, but statements by Russian and Ukrainian officials before and after the outbreak of war in February 2022 suggest that Crimea plays a central role as to how the developments are likely to unfold on the battlefield. Second, while looking at how Russia perceives its geographic location in the Black Sea region, it is also important to consider the role of Turkey. As complex as the relationship

¹ Ivan Krastev (2022): Putin Lives in Historic Analogies and Metaphors. In: *Spiegel International*, 17.03.2022. <https://www.spiegel.de/international/world/ivan-krastev-on-russia-s-invasion-of-ukraine-putin-lives-in-historic-analogies-and-metaphors-a-1d043090-1111-4829-be90-c20fd5786288>.

² David Lewis (2019): Strategic Culture and Geography: Russia's Southern Seas after Crimea. George C. Marshall European Center for Security Studies (Security Insights). <https://www.marshallcenter.org/en/publications/security-insights/strategic-culture-and-geography-russias-southern-seas-after-crimea-0>.

³ Cited in: Marlene Laruelle (2018): Putin the Geographer: Territory and Space as Part of Russia's Rebranding. In: *Riddle*, 31.10.2018. <https://ridl.io/putin-the-geographer/>.

between Russia and Turkey may be, Ankara has emerged as Moscow's partner with a shared view of regional order.

The Crimea Question

On 8 February 2022, during a press conference in Moscow following talks between Putin and his French counterpart Emmanuel Macron, a French journalist asked Putin, “do you intend to invade Ukraine?”⁴ In his reply, Putin first raised the issue of NATO expansion, addressed Ukraine's potential membership in the transatlantic alliance and the implications of the Article 5, elaborating as follows:

The problem does exist. For example, European countries, including France, believe that Crimea is part of Ukraine, but we think that it is part of the Russian Federation. And what happens if attempts are made to change this situation by military means? ... What are we supposed to do? Fight against the NATO bloc? But this question has a second part: “Do you want to fight against Russia?” Ask your readers, your audiences ... “Do you want France to fight against Russia?” Because this is how it will be.⁵

Russia's stance on potential NATO membership of post-Soviet states is well known, but Ukraine stands out in particular. The Euromaidan revolution in Ukraine 2013–2014 was linked in Moscow with the prospect of the US military presence in the Black Sea.⁶ For Putin that would mean challenging Russia as a naval power, its great power status and Russia's state preservation as all three aspects are closely interconnected. In 1999, when he became Russia's prime minister, Putin noted, “Russia became a great power only when it became a naval power.”⁷ In 2001, he explained why Russia needs to restore its great power status as follows: “The last 10 years have shown that the alternative for our country is very simple. Either Russia will be strong, or it will not be at all.”⁸ In this context, the Caspian Sea, the Sea of Azov and the

⁴ President of Russia (2022): News conference following Russian-French talks. 08.02.2022. <http://en.kremlin.ru/events/president/news/67735>.

⁵ Ibid.

⁶ Yevgeny M. Primakov (2014): Ukraina: tyazheloe segodnya i slozhnoe zavtra. In: *Russia in Global Affairs*, 09.09.2014. <https://globalaffairs.ru/articles/ukraina-tyazheloe-segodnya-i-slozhnoe-zavtra/>.

⁷ Cited in Russian state television channel Rossiya, “Moscow. Kremlin. Putin”, 07.11.2021. <https://smotrim.ru/video/2354999>.

⁸ Ibid.

Black Sea all form a *mare clausum* in Russia's strategic thinking, serving not only to project power in the Mediterranean, the Balkans and the Middle East, but also to protect its southern borders in the Caucasus.⁹

For Russia's first president, Boris Yeltsin, the Black Sea region has been also linked with Russia's territorial integrity and the North Caucasus. In 1996, he stated for instance:

Russia will not be Russia without the Black Sea.... This is not only a question of history, not only of national feelings and prestige. Russia needs a fleet in the Black Sea to reliably protect its Black Sea lands and the North Caucasus.¹⁰

The strategic connection of Crimea and the Black Sea with the North Caucasus in Kremlin's thinking is reflected in Russia's military exercises. These are tellingly named "Kavkaz" and cover the region that Moscow has been viewing as a strategic priority.¹¹ The "Kavkaz" military exercises have been conducted in the area of Russia's Southern Military District. This is an expanded version of Russia's North Caucasus Military District. Importantly, it has been expanded not only on land but also in the maritime domain. This includes the Black Sea and the Caspian Sea.¹²

For obvious reasons, Crimea is a priority for Ukraine as well. In 2021, Ukraine's policy towards Russian-occupied territories changed from the approach "First Donbas, then Crimea" to "First Crimea, then Donbas".¹³ In August 2021, Kyiv established the Crimea Platform to attract international attention and end Russia's occupation of Crimea in the long term. This was to be achieved, among other things, through the development of a non-recognition strategy for Crimea and the effective implementation of sanctions against Russia. In addition, in the summer 2021, Ukraine also sought

⁹ David Lewis, *Strategic Culture and Geography: Russia's Southern Seas after Crimea*, op. cit.

¹⁰ Quoted in Duygu B. Sezer (1996): Ukraine, Turkey and the Black Sea region. In: *Harvard Ukrainian Studies: Ukraine in the World. Studies in the International Relations and Security Structure of a Newly Independent State*, 20, p. 86.

¹¹ RIA Novosti (2016): Genshtab nazval prioritnoe napravlenie dlya rossijskix vojsk, 14.09.2016. <https://ria.ru/20160914/1476927704.html>.

¹² Aleksandr Khrolenko (2016): Strategicheskie manevry "Kavkaz-2016" v Rossii bol'she, chem Kavkaz. In: *RIA Novosti*, 06.09.2016. <https://ria.ru/20160906/1476221919.html>.

¹³ Borys Kormych; Tetyana Malyarenko (2022): From gray zone to conventional warfare: the Russia-Ukraine conflict in the Black Sea. In: *Small Wars & Insurgencies*, pp. 1–36.

to strengthen its maritime capabilities inter alia by planning with the help of the UK to build two naval bases in Ochakov in the Black Sea and in Berdyansk in the Sea of Azov.¹⁴

That Crimea may be different from Donbass has been in a way acknowledged in the negotiations between Russian and Ukrainian delegations that took place in Turkey in March 2022, when both parties discussed “to hold bilateral negotiations on the status of Crimea and Sevastopol separately within 15 years”.¹⁵ With the collapse of the March 2022 negotiations and no ceasefire in sight, Crimea remains a “key factor” in Ukraine’s military strategy in the current war.¹⁶ Furthermore, as Commander-in-Chief of the Ukrainian Armed Forces General Valeriy Zaluzhnyi and Lieutenant General Mykhailo Zabrodskyi wrote in September 2022, “The possibility of direct involvement of the world’s leading powers in a ‘limited’ nuclear conflict, bringing closer the prospect of World War 3, cannot be completely ruled out”.¹⁷ Taking into consideration that Kyiv completely depends on the Western support, the role of Ukraine’s Western partners in defining tomorrow’s geography in the Black Sea region is likely to be decisive.

Turkey-Russia Regional Ownership Approach

“Ukraine is like a dam that stops further Russian influence and pressure in the region. If Ukraine falls, it will have direct implications on Turkey,” said a Turkish official back in January 2022, as tensions between Russia and the West were increasing with the deployment of Russian troops on the border

¹⁴ Maryna Vorotnyuk (2021): Security Cooperation between Ukraine and the UK. In: *RUSI (Commentary)*. <https://rusi.org/explore-our-research/publications/commentary/uk-ukraine-security-cooperation>.

¹⁵ President of Ukraine (2022): During the negotiations with Russia, the Ukrainian delegation officially outlined its proposals for a new system of security guarantees for our country. 29.03.2022. <https://www.president.gov.ua/en/news/na-peregovorah-iz-rosiyeyu-ukrayinska-delegaciya-oficijno-pr-73933>.

¹⁶ Valeriy Zaluzhnyi; Mykhailo Zabrodskyi (2022): Prospects for running a military campaign in 2023: Ukraine’s perspective. In: *Ukrinform*, 07.09.2022. <https://www.ukrinform.net/rubric-ato/3566404-prospects-for-running-a-military-campaign-in-2023-ukraines-perspective.html>.

¹⁷ Ibid.

with Ukraine.¹⁸ As far as Ukraine's sovereignty and territorial integrity are concerned, Ankara clearly sides with Kyiv. Turkey has been supplying Ukraine with military goods after Russia's annexation of Crimea in 2014.¹⁹ Ankara also continuously votes in favour of Ukraine on the UN General Assembly resolutions. However, Turkey abstained from the vote on Russia's suspension from the Council of Europe. Just as in 2014, Turkey has not joined the Western-led sanctions against Russia after February 2022. Ankara's balancing has to do not only with the need to maintain relations with both Russia and Ukraine but also with how Turkey perceives regional order.

The complexity of Turkey-Russia relations is often reduced to simplistic explanations guided by a static perception. In particular, traces of the historical struggle for supremacy between the Russian and Ottoman Empires in the Black Sea region tend to influence much of the analysis with the expectation of a conflictual relationship as opposed to cooperation. Characteristically, cooperation between Turkey and Russia appears as "a historical anomaly", while the crises, such as the shooting down of the Russian fighter jet by Turkish air forces in November 2015, are seen as an inevitable result of a permanent rivalry.²⁰ This static perception, however, ignores the transformation of the conflict from a struggle to a competition in the Turkey-Russia relationship. Since the collapse of the two empires at the beginning of the 20th century, the Turkey-Russia relationship is no longer about a struggle for supremacy. Under Atatürk and Lenin in the 1920s, the two new states came to see themselves as "forces for stability" in the region.²¹ It is this vision of stability rather than their historical rivalry that continues to influence the policies of Turkey and Russia today and manifests itself in their shared understanding of a regional order in the Black Sea.

¹⁸ Cited in: Ragıp Soylu (2022): Ukraine conflict: Why it really matters to Turkey. In: *Middle East Eye*, 27.01.2022. <https://www.middleeasteye.net/news/ukraine-turkey-why-conflict-matters>.

¹⁹ Burak Çalıışkan (2019): Two Allies in the Black Sea: Turkey-Ukraine Defense Industry Relations. In: *INSAMER*. <https://en.insamer.com/uploads/pdf/commentary-two-allies-in-the-black-sea-turkey-ukraine-defense-industry-relations.pdf>.

²⁰ Jeffrey Mankoff (2016): Why Russia and Turkey Fight: A History of Antagonism. In: *Foreign Affairs*. <https://www.foreignaffairs.com/articles/turkey/2016-02-24/why-russia-and-turkey-fight>.

²¹ Onur İşçi (2019): Turkey and the Soviet Union during World War II. Diplomacy, discord and international relations. London: I.B. Tauris, p.12.

The cornerstone of this regional order is the conviction that both can best protect their interests without the involvement of Western actors. The issue is not the presence of the West as such, but the effects of the West's involvement such as democracy promotion. Since the end of Cold War, a central line of conflict has emerged between Russia and Turkey on the one hand and the West and other riparian states in the Black Sea region on the other. At the heart of the dispute is the question of how best to achieve stability. Both Moscow and Ankara see the promotion of democracy by Western actors in the Black Sea region as a source of instability.

The increasing engagement of the United States with the democracy agenda in the Black Sea region in the 2000s was perceived in Ankara as a “suspicious pursuit”.²² Especially the impact of the US intervention in Iraq in 2003 played a pivotal role in Ankara's view. Turkey projected the instability in the Middle East as a consequence of the US policy onto the post-Soviet space. For Ankara, the war in Iraq and the colour revolutions in Georgia (2003), Ukraine (2004) and Kyrgyzstan (2005) were all lined up as the result of US policy under the umbrella of democracy promotion.²³

In the context of the war between Georgia and Russia in August 2008, the US policy in the Middle East also influenced Ankara's position. The intention of the United States to send the hospital ships USNS Mercy and USNS Comfort, attached to the US Navy, to support Georgia met with resistance in Ankara, as this would “create a mess” in Turkey's neighbourhood just like in Iraq.²⁴ Instead, following the August 2008 war, Ankara initiated a “Platform for Stability and Cooperation in the Caucasus”, because as the then Foreign Minister of Turkey, Ali Babacan, put it: “The Caucasus countries must develop a functioning method to find solutions to their problems from within”.²⁵

²² Suat Kınıkloğlu (2006): Turkey's Black Sea Policy: Strategic Interplay at a Critical Junction. In: Ronald D. Asmus (ed.): *Next Steps in Forging a Euroatlantic Strategy for the Wider Black Sea*. Washington, D.C.: The German Marshall Fund, p. 60.

²³ Ibid.

²⁴ Zeyno Baran (2008): Will Turkey Abandon NATO? In: *Wall Street Journal*, 29.08.2008. <https://www.wsj.com/articles/SB121997087258381935>.

²⁵ Cited in: Yevgeniya Gaber (2018): Security Triangle in the Black Sea Region: Turkey, Russia, United States. In: Róbert Ondrejcsák; Peter Bátor (Hg.): *Panorama of Global Security Environment: The Central European Perspective 2017-2018*. Bratislava, p. 209.

The logic of “regional solutions for regional problems” shared by Turkey and Russia is observable in other initiatives in the Black Sea and the South Caucasus, such as maritime missions BLACKSEAFOR (2001) and the Operation Black Sea Harmony (2004), as well as in the regional format 3+3 suggested after the second Karabakh war in 2020 that envisaged Turkey, Russia, Iran, Armenia, Azerbaijan and Georgia as participants.

Implications

The war in Ukraine has highlighted two features that have been already present in the Black Sea region and are likely to shape its future. First, Russia appears to be a paradox state with, in the words of Nikolai Silaev, “a controversial combination of weakness and power.”²⁶ It is one of the five permanent members of the UN Security Council, it is a nuclear power, it has established itself as an indispensable actor in the Middle East, yet “in its immediate region, Russia finds itself bogged down in lengthy, complicated and sometimes seemingly fruitless disputes with much weaker neighbours”.²⁷ Even if we assume that states with an imperial past are marked by the ambivalence between “what is defensive and what is offensive in their foreign and security policies”,²⁸ this contradiction is likely to remain. By implication, at issue for the Western policymakers may no longer be the question of solving conflicts but how to manage them.

Second, despite the hope that Russia’s war in Ukraine would serve as means for Turkey’s rapprochement with its Western allies,²⁹ the regional ownership approach towards the Black Sea shared by Turkey and Russia has remained intact. This is not least due to the fact that Turkey’s policy in the Black Sea region is also influenced by the policy of the United States in the Middle

²⁶ Nikolai Silaev (2021): Russia and its Allies in Three Strategic Environments. In: *Europe-Asia Studies*, 74 (4), pp. 598–619.

²⁷ Ibid.

²⁸ Galip Dalay (2021): Turkish-Iranian Relations Are Set to Become More Turbulent. In: *GMF (Insights on Turkey)*. <https://www.gmfus.org/news/turkish-iranian-relations-are-set-become-more-turbulent>.

²⁹ Selim Yenel (2022): Can Russia’s War on Ukraine Drive Turkey and the West to Reconcile? In: *GMF (Insights on Turkey)*. <https://www.gmfus.org/news/can-russias-war-ukraine-drive-turkey-and-west-reconcile>.

East.³⁰ Of importance for the Western strategy towards the Black Sea region in general and the South Caucasus in particular is thus not only a revisionist Russia, but also Ankara's logic of collective security in relation to Moscow.

³⁰ Şaban Kardaş (2022): The War in Ukraine and Turkey's Cautious Counter-Balancing Against Russia. In: *GMF (Insights on Turkey)*. <https://www.gmfus.org/news/war-ukraine-and-turkeys-cautious-counter-balancing-against-russia>.

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How the Russia-Ukraine War Changed the Prospects of Georgia and the South Caucasus Region

Nika Chitadze

Abstract

In this research paper are being discussed the main geopolitical, energy, economic, security factors which have changed the world and the place of Russia in it, and how those changes are being reflected in the ongoing processes in Georgia and in the South Caucasus region. Furthermore, future scenarios on the situation in Russia have been also discussed.

Keywords: South Caucasus, Georgia, Armenia, Azerbaijan, geopolitics, economics, energy.

Introduction

When discussing the Russia-Ukraine war, it is perhaps most important to analyse the main factors that have contributed to significant geopolitical changes as a result of the war. In particular, before Russia's murderous aggression against Ukraine, there was an impression that Vladimir Putin was at the zenith of his military-political games. Even before 2022, many experts considered Russia to be one of the important "geopolitical centres". We can name several reasons for this:

1. Russia, together with the USA, was considered the strongest nuclear power, because it was known that Russia and the USA together possess more than 90% of the world's nuclear potential;
2. During Putin's rule, Russia managed to establish full control over Chechnya;
3. Russia became for a short period a member of the G8-"Big Eight" (G7-"Big Seven" turned into "Big Eight");
4. Russia has occupied the territories of Georgia-Abkhazia and the former South Ossetia Autonomous Region, and no one prevented Russia from this action, and no sanctions were imposed against Russia.

- On the contrary, the US administration led by Barack Obama in 2009 implemented a “reset policy” with Russia;
5. The high oil and gas prices and the increase in the exports of Russian energy to the European markets brought unprecedented financial profits to Russia. As a result of the export of Russian gas to Europe alone, the annual income of Putin’s regime exceeded 400 billion euros, and the foreign exchange reserves of Russia exceeded 643 billion dollars.¹ Moreover, the construction of two gas pipelines from Russia to Germany, “North Stream-1” and “North Stream-2” was completed (the capacity of each gas pipeline exceeded 50 billion cubic meters per year);
 6. During the illegal occupation of the Crimean peninsula by Russia in 2014, Russia took control of the mentioned region of Ukraine relatively easily, which increased the existing impressions on the invincibility of the Russian army at that time. The annexation of Crimea was followed by relatively mild sanctions from the West, creating the impression that the Western democratic world was holding Russia to account;
 7. Russia has also achieved some success (for itself) in Syria. In particular, by intervening in the Syrian conflict, the Kremlin managed to keep Bashar Assad in office, whose resignation has been demanded by the West;
 8. Russia managed to obtain an almost exclusive right (the Turkish factor should be also taken into account to some extent) to mediate in the Nagorno-Karabakh conflict between Armenia and Azerbaijan, one of the results of which was the deployment of Russian “peacekeepers” in the conflict zone until 2025;
 9. At the same time, the USA and its Western allies withdrew their troops from Afghanistan in 2021, which allowed the “Taliban”, which the West had been fighting against over the previous 20 years, to regain control of Afghanistan, which was seen as a weakness of the West and a victory for Russia to some extent;
 10. Russia managed to grow its international authority and strengthen its geopolitical influence outside the post-Soviet space (which the Kremlin traditionally considers its sphere of influence), namely in

¹ Shatakishvili, D. 2022. Economic consequences of sanctions on Russia. GFSIS. <https://gfsis.org/ge/files/library/opinion-papers/182-expert-opinion-eng.pdf>.

Africa – when the Russia-Africa summit was held several times, in which the leaders of more than 20 African countries participated-, as well as in Latin America, where Venezuela is considered an ally of Russia;

11. With the creation of BRICS (Brazil, Russia, India, China, Republic of South Africa), Russia formed a *de facto* non-Western alliance with leading geopolitical players of Latin America, Asia, and Africa;
12. Before the 2022 war, Russia demonstrated its military potential. For example, President Putin boasted that Russia had successfully tested a supersonic missile system and that Russia was the first country in the world to experience this new type of strategic weapon.

Based on the above, a significant part of the international community was convinced that Russia would easily succeed in conquering Ukraine. For example, on the day of Russia's invasion of Ukraine, US intelligence predicted the fall of Kyiv in a few days. But a year later, the Russian president found himself trapped in a war that went wrong with catastrophic mistakes and without a strategy to get out of a difficult situation. Shortly before the New Year 2023, amid the cancellation of the final press conference (which Vladimir Putin has traditionally held at the end of each year), the impression was given that the president was worried about the unpopularity and the prolongation of the war. In any case, his military adventure starting on February 24, 2022, left the Kremlin with no chance for a “dignified” exit from the war, and its influence decreased in many areas.

Consequently, the war started by Vladimir Putin radically changed the modern world. Based on this, we can discuss what issues and problems have arisen in the world after the start of the Russia-Ukraine war and what main factors led to cardinal geopolitical, geoeconomic, and geostrategic changes on our planet.

Geopolitical Factors

Based on the results of the war so far, it can be said that Russia's geopolitical influence around the world has decreased. Even before 2022, many experts considered Russia – the largest country in the world in terms of territory

(17.1 million square kilometres) – as one of the important “geopolitical centres”.² In particular, there was an opinion about a multipolar world where Russia controlled the largest geopolitical space. We are talking about the post-Soviet space, which is 1/6 of the world’s land area. Accordingly, various political scientists and political figures believed that the victory of Atlantism in the “Cold War” in the early 1990s was temporary, and in the first and second decades of the 21st century, the rise of Eurasian-ism took place as a result of the strengthening of Russia. However, at present, as a result of Russia’s economic and military weakening, it can be said that the importance of Russia as one of the leading geopolitical forces has been thoroughly shaken.

A clear example of this is the fact that Russia is losing its geopolitical influence on the post-Soviet space, which Russia officially called the “near abroad”, that is, the sphere of its geopolitical influence. Examples of this are Kazakhstan’s attempt to export oil produced on its territory to the international market through the territory of Georgia and thus bypassing Russia; Turkmenistan’s desire to export natural gas to Europe again bypassing Russian territory; the movement started in Armenia for the country to leave the Collective Security Treaty Organization, and to dismantle the Russian military base in the city of Gyumri. Also, in the same vein, it is important to note the call of the Tajik president, Emomali Rakhmon, on Russian president, Vladimir Putin, to confirm that he would respect the independence and sovereignty of Tajikistan and of other Central Asian countries. In addition, the President of Moldova, Maia Sandu, demanded the withdrawal of the Russian military base from Transnistria, a separatist region of the country.

Also, it is necessary to note that Russia is gradually losing its influence in the mediation between Armenia and Azerbaijan and therefore in solving the Nagorno-Karabakh problem. It is well known that in November 2020, Russia presented itself as the main “guarantor” for the settlement of the conflict between Armenia and Azerbaijan over Nagorno-Karabakh as it deployed a contingent of “peacekeeping forces”. However, in August-September 2022, Azerbaijan (taking advantage of Russia’s involvement in the war in Ukraine) carried out a military attack in the area of responsibility of the Russian

² Chitadze, N. 2017. World Geography. Scholars Press.

“peacekeepers” and occupied a strategic area in the direction of the Lachin corridor.³

The war in Ukraine has also created a threat of geopolitical conflict and cold war in the Arctic, as it has disrupted cooperation between Russia and the countries of the Arctic region, threatening the ecology of the region and the people living there. The conflict over oil and gas resources located in the Arctic region may also intensify, especially since according to various data, more than 10% of the world’s oil and gas resources are located in the Arctic region.⁴

Russia’s aggressive actions in Ukraine have strengthened NATO as the main symbol of Atlanticism. The North Atlantic Alliance came out with a united front in support of Ukraine, with Finland and Sweden becoming new members in 2023. In addition, certain geopolitical or geostrategic disagreements between the American and European allies of NATO have significantly decreased.

The Energy Dimensions of the Russia-Ukraine War

The Kremlin’s expansionist policy changed the energy strategy of the West, primarily that of Europe. In particular, the war forced the West to think more about “green technologies” and the use of nuclear energy (due to the increase in prices of traditional energy resources – gas and oil), as well as alternative energy projects, in particular, about receiving natural gas from the USA (shale gas), North Africa, Norway, as well as receiving oil and gas from the Middle East, the Caspian Sea region, and Central Asia, etc.

As a result, gas imports from Russia decreased. In particular, compared to 2021, in 2022, gas production in Russia was 12% less, and exports decreased by about a quarter. The reduction took place especially in the EU countries. For example, before the Russia-Ukraine war, the share of fuel supplied by

³ Shafiyev, F. 2023. Peace negotiations between Armenia and Azerbaijan. GFSIS. <https://gfsis.org.ge/publications/view-opinion-paper/198>.

⁴ De Witt, M.; Stefánsson, H. & Valfells, A. 2019. Energy security in the Arctic: Policies and technologies for integration of renewable energy. <https://arcticyearbook.com/arctic-yearbook/2019/2019-briefing-notes/329-energy-security-in-the-arctic-policies-and-technologies-for-integration-of-renewable-energy>.

“Gazprom” in the volume of natural gas consumed by the EU countries exceeded 40%, and the highest rate of dependence on Russian gas (55%) was in Germany (a total of 90 billion cubic meters were consumed per year). As we know, only after Russia invaded Ukraine, the EU countries and, first of all, Germany, decided to reduce the consumption of Russian gas. Just two months after the start of the war, Germany reduced its dependence on Russian gas to 35%, and the shutdown of the “Nord Stream” made it theoretically impossible to consume Russian natural gas anymore.⁵

In total, by the fall of 2022, the EU’s dependence on Russian natural gas has decreased from 40% to 7%.⁶

In this case, it would be interesting to discuss energy projects related to the Caspian Sea region. In particular, the goal of the government of Azerbaijan to export about 24 billion cubic meters of natural gas to the international market in 2023, of which about 12 billion cubic meters should be supplied to Europe. It is worth noting the fact that in 2021, Azerbaijan supplied 8 billion cubic meters of gas to Europe.⁷

Due to the Russia-Ukraine war, in July of last year, the European Union and Azerbaijan reached an agreement, according to which the gas export from Azerbaijan to the European Union will be doubled to 20 billion cubic meters by 2027. Nevertheless, last year, exports to Europe amounted to only 11.4 billion cubic meters, although in 2023 this indicator is expected to increase to 11.6 billion cubic meters.⁸

As for the position of another Caspian state, Turkmenistan, it is worth noting the fact that at the end of 2022, the leaders of Turkey, Turkmenistan, and Azerbaijan discussed the issue of supplying Turkmen gas to Europe through the territory of Georgia at a trilateral summit. In general, it was planned to transport gas from Turkmenistan to Azerbaijan, and then transfer it to the Southern Corridor pipeline network, which connects Azerbaijan to Europe

⁵ Chitadze, N. 2023. Possible Geopolitical Consequences of the Russia-Ukraine War. Chapter of the Book: Handbook of Research on War Policies, Strategies, and Cyber Wars.

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

through Georgia and Turkey. It is important to note that the issue of supplying Turkmen gas to Europe bypassing Russia was discussed before, but unsuccessfully. However, after the outbreak of the war in Ukraine, the topic of finding alternative routes for the transportation of energy became more relevant.

It should be also emphasized that the vast resources of Turkmenistan are mostly unused because Ashgabat is not able to transport them to Europe. The reason is that there is no agreement on the transportation of Turkmen gas through the Caspian Sea and then through the existing pipeline system to Europe. At the current stage, almost a third of Turkmen's gas is supplied to China, and the rest to the domestic market and Russia. At the end of 2020, Turkmenistan's gas reserves amounted to 13.6 trillion cubic meters, which was a third of Russia's reserves.⁹

In addition, the issue of oil exports from the Caspian Sea region bypassing Russia to Europe is on the agenda. For example, Kazakhstan formed a working group to increase oil exports through Georgia to 15 million tons. The purpose of which is to work on the development of the Trans-Caspian International Transport Route (ITTR) for the export of Kazakh oil. According to the statements of the representatives of the Kazakh authorities, the goal of the working group is for ITTR to provide transport capacity for the export of 6.5 million tons of oil in 2023, which should increase to 7.5 million tons in 2024, and to 15 million tons by the end of 2025.¹⁰

As it is known, the Trans-Caspian International Transport Route (ITTR), i.e. the "Middle Corridor", passes from China to European countries, via Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, and Turkey. The operational Baku-Tbilisi-Kars railway is part of this corridor.

Currently, the main export route for Kazakh oil is the Caspian Pipeline Consortium System, which is passing through the territory of Russia and is allowing the exit of Kazakh crude oil to the international markets through the

⁹ Chitadze, N. 2023. Geopolitical factors of the Russia-Ukraine War. <https://centerforis.blogspot.com/>.

¹⁰ Business Press News, 2023. <https://www.bpn.ge/article/107991-clis-dasacqisidan-bako-tbilisi-jeihanit-19-atas-tonaze-meti-qazaxuri-navtobi-gadaikacha>. Since the beginning of the year, more than 19,000 tons of Kazakh oil have been transported through Baku-Tbilisi-Ceyhan.

Russian port of Novorossiysk. The share of Kazakh oil from the volume transported by this pipeline is more than 80%. In total, the capacity of the pipeline provides the transportation of 67 million tons of oil per year.¹¹

Discussion on the diversification of oil export routes in Kazakhstan started in 2022, the reason for this was primarily political. In particular, in June 2022, at the St. Petersburg International Economic Forum, the President of Kazakhstan Tokayev told Putin that the so-called Donetsk and Lugansk regions were “quasi-state territories” and Kazakhstan will never recognize them.¹²

The following month, in July 2022, Tokayev instructed the national gas and oil company “Kazmunaigaz” to urgently diversify its oil supply. At that time, Tokayev included this issue in his pre-election program.

Economic Consequences of Kremlin’s Aggression

The war led to the isolation of the Russian economy, in particular, due to the Western sanctions, while the Russian economy shrank by 2.1% in 2022, according to the data of the Russian Ministry of Finance. However, according to World Bank experts, Russia’s gross domestic product decreased by more than 3%.¹³

In January 2023, Russia’s income from oil and gas exports decreased by 46% compared to the previous year, and income from other products’ exports decreased by more than 20%.¹⁴

As for 2022, the budget deficit of the Russian Federation in this period amounted to 3.3 trillion Russian Rubles, or about 45 billion dollars, which is 2.3% of the country’s GDP.¹⁵

¹¹ Chitadze, N. 2011. Geopolitics. Universal.

¹² Chitadze, N. 2023. Geopolitical factors of the Russia-Ukraine War. <https://centerforis.blogspot.com/>.

¹³ CNN Business, 2023. Russia’s economy is hurting despite Putin’s bluster. <https://edition.cnn.com/2023/02/22/business/russia-economy-ukraine-anniversary/index.html>.

¹⁴ TASS, 2023. Russia’s oil and gas budget revenues were down 46% in January. <https://tass.com/oil-gas-industry/1572379>.

¹⁵ Reuters, 2023. Russia says the budget deficit hit 2.3% of GDP in 2022. <https://www.reuters.com/article/russia-budget-deficit-idUKKBN2TP0T6>.

Regarding the imposition of sanctions against Russia by the West, it is interesting to note that many countries have not joined the sanctions, but the question is whether other states could replace Western trade with Russia. The answer is unequivocally negative, the main reason for this being that the developed states of the West account for 60% of the world's GDP, less than 20% for China, and only 2% for Russia.¹⁶

Financial Losses as a Result of the War

The war caused great financial losses to Russia. It is important to determine how much Russia has spent on the war against Ukraine.

According to reports, Russia spent about 82 billion dollars during the 9 months of 2022, which is about a quarter of Russia's annual budget.

It should be noted that Russia spends about 200 dollars per soldier per day. After the mobilization, the total cost of the salaries of the soldiers involved in the fighting amounted to 2.7 billion dollars. Also, the compensation amount allocated to the families of the wounded and dead soldiers exceeded 3.5 billion dollars.

Russia used up to 50,000 shells per day, which is worth more than 5.5 billion dollars. Russian forces have launched more than 4,000 missiles at Ukrainian cities, the cost of each of them is 3 million dollars.

In addition, as already mentioned, Russia lost 293 aircraft, each with an average cost of \$18 million, as well as 261 helicopters worth \$104 million. The total loss of Russian military aviation is about 8 billion dollars.

In the war against Ukraine, the total value of equipment lost by Russia in 9 months is 20.8 billion dollars.¹⁷

¹⁶ Coface, 2023. Economic Consequences of the Russia-Ukraine Conflict. Stagflation ahead. <https://www.coface.com/News-Publications/News/Economic-consequences-of-the-Russia-Ukraine-conflict-Stagflation-ahead>.

¹⁷ Aladashvili, I. 2023. Russian expenditures during the war with Ukraine. Journal Arsenal.

Risks for Georgia's Relations with Russia

Now let us discuss what kind of risks are coming to Georgia related to the Russia-Ukraine war.

Russia is still Georgia's main trade partner – top five products that we sell and buy in the North.

According to the data of January-February 2023, Russia is still the number one trade partner of Georgia. This is confirmed by the data published by the National Statistics Service. It should be noted that Russia is the main importer of Georgian goods, and it occupies the 2nd position among the exporters to Georgia.

In particular, according to Statistical data, in January-February 2023, compared to the same period last year, the export from Georgia to Russia increased by 38.1%, and the import from there increased by 86.3%.¹⁸

According to the preliminary results published by the National Statistics Service, in January-February Russia exported 128,245,400 USD, while in January-February 2022 this figure was 92,878,200 USD.¹⁹

At the beginning of 2023, the volume of remittances from Russia increased by more than 700%.

In February, remittances to Georgia slowed down. According to the statistics of the National Bank of Georgia, 372.3 million dollars were transferred to the country last month. A large part of this amount (50%) was transferred from the Russian Federation.²⁰

¹⁸ Business Media, 2023. Russia's influence on Georgia's economy has not been fully calculated. <https://bm.ge/ka/article/quotsaqartvelos-ekonomikaze-rusetis-gavlana-srulad-datvlili-araaquot---eqsportis-asociacia-/104405>. [Editor's note: The page could not be found.]

¹⁹ Ibid.

²⁰ Fortuna, 2023. In February, the volume of remittances from Russia increased by 754%. <https://fortuna.ge/fortuna/post/tebervalshi-rusetidan-shemosuli-fuladi-gzavnilebis-moculoba-754-it-gaizarda>.

In addition, according to SEB data, in February 2023, Georgia received a remittance of 187.3 million dollars from Russia. Compared to the same period last year, shipments have increased by 754%. In February of last year, 21.9 million dollars were transferred from Russia to Georgia, which reduced the figure of the previous year by 12.7%. It should be noted that Russia is still in the first position in the statistics of February shipments.

It should be noted that in 2022, a record number of remittances were transferred to Georgia. According to the data of the National Bank, last year the country received 4.4 billion dollars in remittances, which was a historical maximum and almost doubled compared to 2021.²¹

In 2022, the leader was the Russian Federation, from which transfers increased 5 times in annual terms. Last year, more than 2 billion dollars were transferred from Russia, which was 47.29% of the total remittances.²²

61.2% of Georgian alcohol exports go to Russia.

The export of alcoholic beverages from Georgia to Russia increased by 26%. If in 2021 171,995 million dollars' worth of drinks left the country in the North, in 2022 this figure increased to 217,402 million dollars.²³ Of course, a large share of this figure comes from natural wines, in particular, last year we exported 160,816 million dollars (73,114 tons) of wine to Russia, and 56,586 million dollars (12,231 tons) of other alcoholic beverages.²⁴

As a whole, in 2022, the export of Georgian wine amounted to 251,593 million dollars (106,584 tons), and the export of alcoholic beverages amounted to 103,588 million dollars (27,250 tons). Accordingly, it turns out that 64% of Georgian wine and 54.6% of spirits go to Russia. In total, 61.2% of Georgian wine and spirits go to Russia.²⁵

²¹ Ibid.

²² Ibid.

²³ Business Press News, 2023. Share of the Russian market in Georgian alcohol products export prevails at 61%. <https://www.bpn.ge/article/105449-kartuli-alkoholis-eksportis-612-rusetze-modis-romel-kompaniebs-gaakvt-rusetshi-sasmeli/>.

²⁴ Business Press News, 2023. Share of the Russian market in Georgian alcohol products export prevails at 61%. <https://www.bpn.ge/article/105449-kartuli-alkoholis-eksportis-612-rusetze-modis-romel-kompaniebs-gaakvt-rusetshi-sasmeli/>.

²⁵ Ibid.

The number of companies registered by Russian citizens increased 10 times annually.

According to the information from the National Bank of Georgia, 70–80 thousand more Russian citizens entered Georgia in 2022 than would normally enter during peacetime. This is about 3% of the total population, and 6% of the population of Tbilisi and Batumi.²⁶

The income generated from international visitors has increased and reached pre-pandemic levels, although a large part of said income comes from long-term visitors, e.g. it is generated by citizens of Russia.

The number of companies registered by Russian citizens increased 10 times compared to the previous year. Almost 9,500 such new companies were registered in the January-September of 2022. Half of the companies registered by Russian citizens in Georgia were registered within the last 9 months.

As a result of immigration and also the influx of tourists from the rest of the world, the income generated from tourism increased more than expected (compared to the current figure in 2021 – by 183%, compared to the figure of 2019 before the pandemic – by 8%). Such a recovery led to a decrease in Georgia's current account deficit (e.g., in the third quarter of 2022, a positive indicator of the current account was recorded for the first time since the third quarter of 2018 and exceeded the previous record by USD 387 million).²⁷

Perspectives of Georgia's Cooperation with South Caucasus Countries in the Context of Russian Aggression against Ukraine

The discussion about the perspectives for Georgia to strengthen its statehood and develop cooperation with South Caucasus countries should be pointed to the following projects.

²⁶ Chitadze, N. 2023. Economic Factors of Russian Aggression. <https://centerforis.blogspot.com/>.

²⁷ Chitadze, N. 2023. Economic Factors of Russian Aggression. <https://centerforis.blogspot.com/>.

Black Sea Power Cable

The Black Sea power cable, the green energy production possibilities, the production of quotas stipulated by the Kyoto Protocol, and the natural potential of the country are highly attractive factors for investors. Georgia will seriously strengthen the function of the energy corridor, and it will turn from a fossil fuel transit country into an additional electricity-producing and transmitting country. All these factors will strengthen the energy security of the country and its independence.

How did the Black Sea electric cable project start and what stages did it go through – “the war accelerated the processes”.

The idea of the Black Sea electric cable project came to “Gross Energy Group” back in 2017. However, at that time there was a little skepticism on the part of Europe because they could get energy resources from other, alternative sources. Nevertheless, work on the project continued for years, and already after the war in Ukraine put the world in front of new challenges, its implementation was accelerated.

As it is known, Georgia, Romania, Azerbaijan, and Hungary have signed a memorandum of understanding, which envisages the construction of a new energy cable on the bottom of the Black Sea and will enable the integration of the South Caucasus with the European system.

The estimated cost of the project is 2.3 billion euros. In addition, Georgia will finance the study on the construction of a cable on the Black Sea bottom with 20 million dollars.²⁸

With the mentioned project, Georgia would become a supplier of electricity to Europe, which means that the country would be part of the EU space.

²⁸ Azerbaijan Today, 2023. Black Sea Energy submarine cable – New Transit Role of Georgia and Sustainability of the Middle Corridor. <https://azerbaijantoday.az/2023/02/10/black-sea-energy-submarine-cable-new-transit-role-of-georgia-and-sustainability-of-the-middle-corridor/?fbclid=IwAR3wg3raXHtugjKO344WDCig34Nbxv9MsSLYhCZZDk3jEW74bPgcDPVh50o>.

This project presents an alternative source to connect the South Caucasus region with Europe, and the price of electricity in the latter is 3 times higher.

Baku-Tbilisi-Akhalkalaki-Kars Railway

The Baku-Tbilisi-Kars project was intended to create a railway corridor connecting Azerbaijan with Turkey through Georgia. The project also provided for an additional railway route between China and Europe (through Central Asia), bypassing the territory of Russia. At the end of 2015, it took just 15 days for a freight train to travel from South Korea to Istanbul via China, Kazakhstan, Azerbaijan, and Georgia – significantly less than traveling by sea. The line's initial carrying capacity of 6.5 million tons per year is planned to be increased to 17 million tons.

In total, 105 kilometres (65 miles) of new tracks were built between Kars and Akhalkalaki, of which 76 kilometres (47 miles) in Turkey and 29 kilometres (18 miles) in Georgia. The existing railway line from Akhalkalaki to Marabda and further to Tbilisi and Baku has been upgraded.

Its total length is 826 kilometres (513 miles) and the line will be able to carry 1 million passengers and 6.5 million tons of cargo in the first phase. Ultimately, its capacity will be one million passengers and more than 15 million tons of cargo.²⁹

On December 4, 2020, the first train (consisting of 42 wagons) departed from Istanbul to China, transporting cargo from Turkey to the Far East via the Baku-Tbilisi-Akhalkalaki-Kars railway (a total distance of 8,693 km. Railway crosses the territory of 5 countries). It is noteworthy that if previously traveling the same distance took at least 18 days, at this stage, it took only 12 days to transport goods on this railway.

Overall, the commissioned railway will connect Europe and China and bring significant revenue to transit countries (including Georgia).³⁰

²⁹ Reuters, 2017. Azerbaijan, Georgia, and Turkey launch 'Silk Road' rail link. <https://www.reuters.com/article/azerbaijan-railway/azerbaijan-georgia-turkey-launch-silk-road-rail-link-idUSL8N1N52XR>.

³⁰ Chitadze, N. 2020. Geopolitical, Economic, and Geostrategic Significance of Baku-Tbilisi-Akhalkalaki-Kars Railway. Business Media Georgia. <https://bm.ge/en/article/>

This corridor will facilitate the export of products that will be produced on the territory of Georgia to the world market and will also reduce the price of products exported from Georgia as well as part of the products to be imported by Georgia, by railway.

It is very important to note that the railway corridor will operate in a two-way mode. Consequently, a significant part of the cargo will be concentrated on the territory of Georgia, which is very important in the future not only for the further development of Georgia's transit function but also for the export of Georgian products to Europe and China.

Trans-Anatolian Gas Pipeline

The Trans-Anatolian Gas Pipeline (TANAP) is a gas pipeline in Turkey. It is the centrepiece of the Southern Gas Corridor, which connects Azerbaijan's giant Shah Deniz gas field to Europe via the South Caucasus Pipeline and the Trans Adriatic Pipeline. The pipeline is of strategic importance for both Azerbaijan and Turkey. This allows for the first export of Azerbaijani gas to Europe, outside of Turkey. It also strengthens Turkey's role as a regional energy hub.

Construction of the 1,841 km (1,144 mi) pipeline began in March 2015 and opened in June 2018.

The cost of the pipeline was 8.5 billion US dollars. \$800 million in funding has been approved by the International Bank for Reconstruction and Development.

The gas pipeline capacity is 16 billion cubic meters (570 billion cubic feet) of natural gas per year initially and it will be increased to 23 billion cubic meters (810 billion cubic feet) by 2023, 31 billion cubic meters (1.1 trillion cubic feet) by 2026, and in the final phase 60 billion cubic meters (2.1 trillion cubic feet) to be able to transport additional gas supplies from Azerbaijan and, if

geopolitical-economic-and-geostrategic-significance-of-baku-tbilisi-akhalkalaki-kars-railway/72096.

the Trans-Caspian gas pipeline was built and operationalized, from Turkmenistan.³¹

Baku-Tbilisi-Ceyhan Pipeline

The Baku-Tbilisi-Ceyhan (BTC) pipeline is a 1,768 kilometres (1,099 mi) crude oil pipeline from the Azeri-Chirag-Guneshli oil field in the Caspian Sea to the Mediterranean Sea. It connects Baku, the capital of Azerbaijan, and Ceyhan, a port on Turkey's South-Eastern Mediterranean coast, via Tbilisi, the capital of Georgia. It can transport from 50 to 80 million tons of oil per year.³²

Perspectives of Cooperation between Georgia and Armenia

Despite the differences in the national security and foreign policy courses of the two countries, the relations between the two countries are quite friendly and aimed at cooperation. Although geopolitical forces seem to push the countries in opposite directions, in reality, both societies are mainly oriented toward European cultural and democratic traditions, and sooner or later their paths will cross. In both countries, there are many pro-European and pro-democracy civil society organizations and political groups, often funded by Western foundations, and often staffed by Westernized and Western-educated youth. Such organizations are the most likely partners involved in joint projects and other forms of cooperation. As a rule, they contribute to establishing a spirit of cooperation in bilateral relations.

It should be noted that there are prospects for the development of cooperation on joint implementation of road, water supply, solid waste management, educational and municipal infrastructure, and urban renewal projects.

It is also important to emphasize the importance of the development of the Middle Corridor and of international highways passing through Georgia. In

³¹ Roberts, J. & Bowden, J. 2022. Europe and the Caspian: The gas supply conundrum. *Atlantic Council*. <https://www.atlanticcouncil.org/blogs/energysource/europe-and-the-caspian-the-gas-supply-conundrum/>.

³² BP, 2023. Baku-Tbilisi-Ceyhan pipeline spanning three countries from the Caspian Sea to the Mediterranean coast. https://www.bp.com/en_ge/georgia/home/who-we-are/btc.html.

this regard, there are prospects for cooperation between Georgia and the Republic of Armenia on road infrastructure development, road safety, road construction, and rehabilitation.

A good example of cooperation between the two countries is the new road bridge built near the Saddhu border checkpoint.

In addition to business and trade, there are other areas where cooperation is possible and is already being observed, such as in the fields of cultural, educational, and scientific exchanges. Civil society organizations are also interested in joint work in most cases, although there are currently few opportunities to finance joint projects in such important areas as, for example, environmental protection – against the background of the reduction of biodiversity, soil erosion, air pollution and destruction of natural landscapes, or cooperation within the framework of higher education, scientific research, and cultural exchanges.

It should be noted that according to the data of 2022, Armenia is on the fourth place in the structure of exports within the framework of foreign trade turnover of Georgia. The volume of export products from Georgia to Armenia amounted to 585 million dollars.³³

Conclusion – Possible Scenarios

Let us briefly consider the possible scenarios for the Russia-Ukraine war.

Although considering the above examples, Russia's geopolitical, economic, military, informational, and other positions in today's world have been significantly shaken, the fact is that the war is still going on and it seems that the Russian dictator Putin intends to use his military, human and economic resources to the maximum. In that context, the war in Ukraine will continue and Putin's regime will maintain its power for as long as possible. In this case, it is possible to consider several scenarios.

³³ Forbes, 2023. Foreign Trade in Georgia in 2023 increased by 22%. <https://forbes.ge/i-kvartalshi-saqarthvelos-sagareo-vachroba-22-it-gaizarda/>.

The Pessimistic Scenario

Against the background of the sanctions imposed against Russia, Russia will try to improve its ties with its potential partners, primarily with Iran, China, and India, which will allow it to avoid the sanctions imposed against it by the Western democratic world with fewer losses, and the financial resources obtained as a result of trade with those, and other countries will be used for military operations in Ukraine.

The second problem may be the fact that even if Putin is removed from power, another dictator might take the place of the current Russian dictator. The reason for that is the fact that the democratic forces operating in Russia are supported by approximately 2–3% of the Russian population. The main opposition forces are considered to be the “Communist Party” and the “Liberal Democratic Party”, i.e. the far-left and far-right forces, which, despite being in opposition to Putin and his party, maybe even more supportive of Russia’s imperialist ambitions and the bloody war in Ukraine. Therefore, even in the case of Russia’s defeat in the war, which hopefully will happen soon, revanchist forces will remain at the head of the government in Russia, which will constantly want to start a war again and prevent the development of democratic processes in Russia. If we draw a certain parallel with post-World War II Germany, it became clear that after the destruction of Germany and its ruling power, the National Socialist Party, the Federal Republic of Germany was established in the Western (American, British, and French) occupation zone and a democratic power came to the head of the said country – Christian-Democratic Union. That is, the democratic forces appeared in West Germany (together with others, including opposition parties) which took responsibility for the democratic and peaceful development of West Germany. Russia cannot see such political developments, especially since the goal of the West is not to transfer combat operations to Russian territory and to overthrow the existing regime in Russia by force.

Also, one of the important problems is the fact that, in light of its failure in Ukraine, the Kremlin might decide to take control of the occupied regions of Abkhazia, and the so-called further integration of South Ossetia, and most likely Belarus. A military intervention against Georgia or some other post-Soviet republic might be also possible.

The Optimistic Scenario

Russia, in the face of economic and military weakening, might be eventually forced to give up its imperialist ambitions, which would create fertile ground for a much more peaceful world. Moreover, it is well known historically that it was in the 1980s that the involvement of the Soviet Empire in the war in Afghanistan and later the fall in the world oil prices forced the Soviet Empire to pursue a more flexible policy towards the international democratic world. The amount of military aid provided by the West, primarily the US, to the Afghan mujahideen exceeded 2 billion dollars a year, and in 1985–1987, as a result of the oil deal between the US and Saudi Arabia, the global oil prices decreased by about 2.5 times. The result was that the budget deficit of the Soviet Union increased approximately 5 times between 1985 and 1988, and the revenues from oil exports of the Soviet Empire decreased by 73%. All of the above ultimately led to the collapse of the communist system and the Soviet empire. Even today, approximately the same situation is repeated, in particular, as a result of the embargo imposed by the West on Russian oil and gas, the budget deficit of the Russian Federation exceeded 34 billion dollars in January-March 2023.³⁴

The defeat of Russia in the war with Ukraine would create a prerequisite for the conflicts in the world, primarily in the post-Soviet space, to be resolved peacefully and for humanity to live in the conditions of a new world order, where war and conflicts will be replaced by the principle of the peaceful co-existence between nations and international peace.

³⁴ Chitadze, N. 2011. Geopolitics. Universal.

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PART II: The Role of Multilateralism in a Changing Geopolitical Environment

Harsh Realities and Effectual Truths: Karabakh and the Armenia-Azerbaijan Peace Process

Damjan Krnjević Mišković

Civitas, cujus subditi, metu territi, arma non capiunt, potius dicenda est, quod sine bello sit, quam quod pacem habeat. Pax enim non belli privatio, sed virtus est, quae ex animi fortitudine oritur: est namque obsequium constans voluntas id exequendi, quod ex communi civitatis decreto fieri debet.

Spinoza, Tractatus Politicus V:4

Overview

The title of this panel is “The Role of Multilateralism in a Changing Geopolitical Environment.” I want to make three basic points in the time allotted to me by the moderator.

And I want to say upfront that I will speak of some harsh realities, informed by the unforgiving standard set forth by Machiavelli in one of the most important passages of *The Prince* (XV.1): “But since my intent is to write something useful to whoever understands it, it has appeared to me more fitting to go directly to the effectual truth of the thing than to the imagination of it.”

The first basic point I wish to make today is that multilateralism has failed in the South Caucasus, particularly in the context of the conflict over Karabakh and the underlying failure to broker peace between Armenia and Azerbaijan. This, in turn, suggests that there is no serious room for meaningful and useful multilateral engagement given the new circumstances brought on by the Second Karabakh War and the conflict over Ukraine – I take it that the phrase “changing geopolitical environment” refers to at least these two transformational events.

Second, I will make a succinct case that Azerbaijan is the indispensable country not only in the South Caucasus, but in Eurasia (or what I and others have called the “Silk Road region,” a definition of which is provided in the Editorial Statement of the journal *Baku Dialogues*). Now, in which sense is that

country indispensable? In the sense that Azerbaijan is indispensable to fulfilling Western strategic ambitions on connectivity in this part of the world, and this includes energy but goes far beyond energy. This is of particular significance in light of the “changing geopolitical environment,” one the one hand, and the fact that Armenia remains, for all intents and purposes, a vassal of Russia and an ally of Iran – to refer to Michael Doran’s formulation. Put together, this means that Azerbaijan is, so to speak, the strategic prize on offer for the West. The prize is not Armenia because, try as it might, that country simply cannot extricate itself from Moscow’s and Tehran’s sphere of influence for the foreseeable future – even with the unprecedented level of support by its Western friends. A failure to account for the strategic implications of this would constitute geopolitical and geo-economic malpractice.

My third and final point is that an overturning of the definitive result of the Second Karabakh War and the consequences deriving thereof is effectually impossible – whether by the diplomatic or even military means of a single foreign actor or a combination of foreign actors acting either in concert or multilaterally. Armenians and their supporters sometimes compare “Artsakh” to Abkhazia, Crimea, Donetsk, Lugansk, Kosovo, South Ossetia, or Transnistria. A much more accurate and sobering comparison would be Republika Srpska Krajina. The major difference between Croatia in 1995 and Azerbaijan in 2020 is that the latter won a clean victory, free of the commission of organized, large-scale atrocities like ethnic cleansing. This Armenian military and diplomatic loss has unavoidable implications, given our “changing geopolitical environment.”

Let me take you back, for a moment, to January 1995, when a multilateral “contact group” composed of UN officials and diplomats from Russia, the United States, and the EU presented the so-called Z-4 Plan to the Croatian president and a few hours later to the top officials of Republika Srpska Krajina. The former was displeased with its contents, which has been described as “more than autonomy, less than independence,” but accepted it as a basis for further negotiations, while the latter group rejected it. In fact, the maximalist position of the Krajina leadership was so entrenched and overconfident that they refused even to receive the proposal in its written form. Even mere physical contact with a document that did not fully legitimize their secessionist holdings was judged to be beyond the pale. The die had been irrevocably cast. Less than seven months later, Republika Srpska Krajina was

overrun by the Croatian army, which had been in the meantime trained by a private U.S. military contractor and the French Foreign Legion.

This narrative should sound hauntingly familiar to some of you around the table.

Coming to terms with the reality that “Artsakh” is finished obviously is difficult and painful for those who supported and may still latently or overtly support that secessionist project from the outside, much less for those who lived or still live within its self-proclaimed boundaries. But the “Artsakh” dream is gone for good: a majority of its inhabitants left during or immediately after the war of their own volition – this includes, of course, ethnic-Armenian colonists and settlers, but also men (and women) under illegal arms. Those civilians who remain will need to choose whether to stay as the Russian peacekeepers hand back administrative jurisdiction to Azerbaijan – whether this happens in late 2025, as is probable, or in late 2030. Now, in what was Republika Srpska Krajina, my wife’s family and hundreds of thousands of others made their respective choice. Those who ended up staying after August 1995 (or ended up returning) now live in a country that is more stable, more secure, and more prosperous than the two neighbouring ones to which most of those who left sought shelter from the atrocious Croatian storm.

I also want to say up front that I live and work in Azerbaijan. And on this basis, I ask you in all seriousness to listen carefully to what I’m going to tell you: there is no Azerbaijani storm – neither on the immediate horizon nor in the long-term forecast – for the Karabakh Armenians who remain there or may wish to return. But I can also confirm what some may fear, namely that there is no appetite in Baku to provide for anything that resembles a distinct set of provisions for the ethnic-Armenian minority objectively incompatible with the Azerbaijani constitution. Limited, time-bound concessions may perhaps be possible to obtain by special executive order, for the sake of reintegrating Karabakh Armenians into the Azerbaijani constitutional order during a transitional period, but this would be contingent on the successful completion of direct talks between Karabakh Armenians representatives and the Azerbaijani authorities. I hasten to add that, in my judgment, the window for this sort of endeavour will not remain open much beyond this year.

One final initial observation on this third general point, because I will not have time to develop it sufficiently later on: expecting outsiders to serve as international overseers or guarantors of what is agreed in the context of an “internationally visible” or “transparent” process – including the establishment of some sort of multilateral monitoring mission in Azerbaijan – is not realistic. This applies particularly to the context of Karabakh, but also in the event of an agreement on the roadmap to peace or, ultimately, a formal treaty being agreed between Baku and Yerevan. It seems quite likely that the terms of any definitive settlement will comply fully with and, indeed, not go limitlessly beyond, the five principles of peace set forth by the Azerbaijani side in spring 2022.

Failure of Multilateralism

I now turn to my first basic point: the failure of multilateralism. This most directly speaks to the role of the OSCE Minsk Group. Its co-chairs – France, Russia, and the United States – led the sole active multilateral process in which the two state parties to the conflict over Karabakh (Armenia and Azerbaijan) had agreed to participate. This process produced no serious breakthrough since the May 1994 ceasefire that stopped the First Karabakh War (it is noteworthy that this ceasefire was mediated solely by Russia, as was the cessation of hostilities in April 2016 and the terms that stopped the Second Karabakh War) – in the sense that the Armenian occupation had not come to an end, Azerbaijani refugees and internally displaced persons had been prevented from exercising their right of return, and so on. These and other such results would have accorded with the terms of the various UN Security Council resolutions, which in turn informed the mandate of the OSCE Minsk Group. Here it is also noteworthy to mention that all three co-chairs are permanent members of the UN Security Council.

In other words, for nearly three decades, the Minsk Group led negotiations whose objectives were clearly and unambiguously set down on paper. The foreign mediators, coming together in a multilateral framework whose terms were set by another multilateral framework to which these co-chairs belong, gave themselves the responsibility of leading a defined process to achieve a defined result, and yet the territorial conflict remained unresolved: prior to the onset of the Second Karabakh War, none of the Minsk Group’s defined objectives had been achieved – not even close.

Thus, their actions or inaction – whether by design or circumstance – resulted in the perpetuation of a *status quo* that was the opposite of the agreed objectives. This constitutes a manifest failure of multilateralism in conflict resolution in the case under discussion.

It is important to make two additional points in this context:

First, for much of the period between the end of the First Karabakh War in May 1994 and the onset of the Second Karabakh War in September 2020, Armenia did not deny in principle the core element of the Azerbaijani position, namely that both the former Nagorno-Karabakh Autonomous Oblast (NKAO) and the surrounding regions of Azerbaijan occupied by Armenian forces do not belong to Armenia. This is evidenced by the fact that Yerevan neither formally recognized “Artsakh” as an independent, sovereign state nor did it formally annex the territory to Armenia. The lack of a demarcated and delineated border between the two states did bring some ambiguity in this position, but not fundamentally so.

However, beginning in early 2019, clear rhetorical indications began to surface that the government of Nikol Pashinyan was laying the groundwork for a shift in Armenia’s position (building upon his earlier statement, made during the Velvet Revolution and repeated thereafter that the “Nagorno Karabakh Republic [would become] an inseparable part of the Republic of Armenia”). Four examples can be cited as evidence. One, in March 2019, Armenia’s defence minister David Tonoyan called on the country to prepare for the pursuit of a “new war for new territories” literally hours after Pashinyan had held his first official meeting with Azerbaijan’s president, Ilham Aliyev, in Vienna. Two, in mid-May 2019, Pashinyan effectually repudiated the OSCE Madrid Principles, thereby publicly rejecting the existence of a documentary basis for resolving the conflict. Three, in mid-May 2020, Pashinyan attended the “inauguration” of the newly elected “president of Artsakh” in Shusha (earlier iterations of this event had been previously held in Khankendi, a city that the Armenians still call “Stepanakert,” a name imposed in 1923 by the Soviet authorities in homage to Bolshevik revolutionary Stepan Shaumian, an ethnic-Armenian nicknamed by his supporters the “Caucasian Lenin”). Four, in early August 2019, Pashinyan stated, in occupied Karabakh no less, that the former NKAO and the seven surrounding districts for Azerbaijan under occupation were a part of Armenia (“Artsakh

is Armenia, and that's it”), which Baku interpreted as being tantamount to a political declaration of Yerevan’s intent to formally annex Azerbaijan’s sovereign territories.

The fact that the OSCE Minsk Group co-chairs took no discernible action in response to such, and similar statements speaks directly to my first overall point about the failure of multilateralism to resolve the conflict we are discussing.

The second additional point is that since the end of the Second Karabakh War, Pashinyan seems to have reverted to the official position held by successive Armenian governments between May 1994 to early 2019, as noted above. Speaking before his country’s parliament on 14 September 2022, the prime minister stated,

We want to sign a document because of which many people will criticize us, scold us, call us traitors, they may even decide to remove us from power, but we will be grateful if as a result Armenia will have lasting peace and security in an area of 29,800 square kilometres. I clearly state that I will sign a document that will ensure that. I am not interested in what will happen to me, I am interested in what will happen to Armenia. I am ready to make tough decisions for the sake of peace.¹

Pashinyan’s reference to “29,800 kilometres” is the key reference. It unmistakably excludes any territory that belonged to the former NKAO and surrounding regions that was seized by Armenian forces during the First Karabakh War and occupied by them until late 2020. It also excludes any territory that presently falls within the jurisdiction of the Russian peacekeeping zone established under the terms of the 10 November 2020 tripartite statement that ended the Second Karabakh War.

The prime minister’s reference is thus rightly interpreted as explicitly ending both Yerevan’s political support for “Artsakh” and any illusions of its eventual annexation by Armenia. The rest of his statement can be interpreted as going beyond the official position held by successive Armenian governments between May 1994 to early 2019. Now, as it happens, this statement by Pashinyan is fully in line with an instructive distinction that Thomas Goltz makes at the beginning of his *Azerbaijan Diary* between Armenia in the sense of the

¹ https://arka.am/en/news/politics/pashinyan_says_he_is_ready_to_sign_document_that_would_make_people_call_him_traitor/.

“former Soviet republic by that name, and the Armenia of the mind, a state with far larger borders than the existing entity, and far more real for many Armenians, especially those in the diaspora.” In any event, in an interview on Armenian state television that was broadcast on 1 October 2022, Pashinyan went even further, in that he articulated two quite harsh and entirely accurate geopolitical realities: *“no one is ready to recognize the independence of Nagorno-Karabakh, just as no one is ready to recognize Karabakh as part of Armenia. And we need to recognize this fact.”*²

It would be difficult to make a case that such and similar post-Second Karabakh War statements were the result of anything that could be described as multilateral success, unless, I suppose, one were to go back to some of the language found in the aforementioned UN Security Council resolutions, which were adopted during the First Karabakh War.

To come back to the main thread of my first general point: the failure of multilateralism is also reflected in the failures of Europe’s flagship multilateral institution – namely, the European Union – to capitalize on the “changing geopolitical environment.”

Let me explain. The period between the end of the Second Karabakh War (10 November 2020) and the onset of the present stage in the conflict over Ukraine (24 February 2022) saw three actors assume distinct yet complementary roles in various aspects of the peace process: Russia defined itself as the mediator, the EU as the facilitator, and the United States as the supporter. Even after the start of what the Russians call their “special military operation” saw a rapid, full-on deterioration in the level of trust between Moscow, on the one hand, and Brussels and Washington, on the other, with respect to each other’s intentions, initiatives, and actions in almost all other geopolitical theatres, they did not actively, directly, and certainly not decisively undermine each other’s efforts in the Armenia-Azerbaijan one. Perhaps even some behind-the-scenes coordination even continued to take place, at least for a time.

² <https://jam-news.net/karabakh-may-not-be-mentioned-in-the-peace-agreement-with-azerbaijan-pashinyan/>.

This began to change in the last few months of 2022, and it coincided with two entirely self-inflicted wounds by Europeans. The first was the unnecessary demand by the French president to become what effectually amounted to a co-convenor of the until-then fruitful trilateral facilitation mechanism led by the President of the EU Council Charles Michel. Emmanuel Macron's insistence, which came to public light in late November, was a result of his understanding that his participation in a quadrilateral meeting on the margins of the inaugural summit of the European Political Community, which had taken place in early October in Prague, was not a one-off occurrence. Between those two dates, Macron and his Foreign Ministry took several steps that Azerbaijan construed as demonstrations of bias in favour of Armenia. These included comments by Macron on French television in mid-October to which Azerbaijan did not take kindly ("Russia has interfered without authorization [*immiscée*] in this conflict, it has manifestly played Azerbaijan's game with the complicity of Turkey, and it has returned there to weaken Armenia") and tabling a draft resolution at a Francophonie ministerial meeting in mid-November that was both linguistically and procedurally problematic for Baku. And, of course, also the adoption of an admittedly non-binding resolution in the French Senate on 15 November 2022 that *inter alia* reaffirmed "the necessity of recognizing the Nagorno Karabakh Republic and to make of this recognition an instrument of negotiation with a view to the establishment of a durable peace."³

The second self-inflicted wound by the Europeans was made at the Prague meeting with the announcement of the establishment of a two-month long European Union Monitoring Capacity (EUMCAP). Baku formally yet grudgingly accepted its deployment (it operated only on the Armenian side of the non-delineated border), agreeing "to cooperate with this mission as far as it is concerned." It seems likely that Azerbaijan had been presented with a *fait accompli* in Prague that had already been pre-cooked at the instigation of France and the formal request of Armenia. The wound became infected in December, again thanks to Franco-Armenian connivance, by an announcement that EUMCAP would be replaced by a European Union Mission in Armenia (EUMA), which was also tasked with operating on the Armenian side of the non-delineated border. The second time around, Baku made it

³ <https://www.rferl.org/a/azerbaijan-armenia-france-sanctions-karabakh/32133024.html>.

publicly clear that this had been done without prior consultation. Azerbaijan's negative reaction was echoed and amplified by Russia, albeit for distinct and in many ways opposite reasons.

Whatever the EU's intentions and however the first and second EU mission was sold to the other member states by the French and perhaps one or two others, two consequences resulted from the two self-inflicted wounds. First, for all intents and purposes, Charles Michel has lost the ability to oversee the dynamics of the trilateral process that he had established and led. Second, the European Union lost its reputation of trusted facilitator in the peace process. The primary reason the entire peace process did not revert to Russian dominion (aside from the fact that the Kremlin's attention is evidently focused on conducting its war in Ukraine) is that the Americans were deft enough to quickly pick up the ball the Europeans so unnecessarily dropped due to French interference.

Of course, Washington's motivation had nothing to do with any sort of commitment to multilateral success. Not for the first time in recent intra-Western dynamics, the United States found itself having to step in to clean up a mess caused by the European Union or one (or more) of its member states. And, of course, Washington did so in this case to prevent Moscow from reasserting control over a piece of real estate that, ironically, both the White House and the Kremlin acknowledge as traditionally falling within the purview of the Russian sphere of interest.

In his *Religion: A Dialogue and Other Essays*, Arthur Schopenhauer wrote, "it is only at the first encounter that a face makes its full impression on us." Decades later, an American expression commonly attributed to vaudevillian Will Rogers states, "you never get a second chance to make a first impression." The source does not matter. What does matter is that the EU was a newcomer to the political knot represented by the conflict over Karabakh and the underlying conflict between Armenia and Azerbaijan. And as a newcomer, the first impression it ultimately left on Baku was somewhere between weakness and duplicity.

This is all the more regrettable because of the EU's genuinely prudent appreciation of the unique role Azerbaijan can play in the fulfilment of its strategic ambitions in what some people still like to call Eurasia. This constitutes the second general point I will make today:

Indispensable Country

The trend of strategically deepening EU-Azerbaijan engagement is one consequence of the choices the EU made in terms of its response to the onset of the present stage in the conflict over Ukraine, which began on 24 February 2022.

Namely, sanctions have not just geo-economic but geopolitical implications, some of which may be unforeseen or unintended. This becomes patently obvious when one looks at a map of the Silk Road region.

And this leads to the following assessment: Azerbaijan is now the indispensable country for the strategic ambitions of the EU and NATO in the Silk Road region – certainly in terms of connectivity. Try as you might, you just cannot go around Azerbaijan anymore, because to its North is Russia and to its South is Iran. And the EU and NATO are committed to enforcing their sanctions and export restrictions regime against both of these countries. And barring some fundamental reversal in Moscow and Tehran, like, say, regime change, this will not change for the foreseeable future.

And this means – or at least should mean – that the EU, in particular, needs to make itself more attractive to Azerbaijan – more so than the other way around.

If the EU fails to attract Azerbaijan, its strategic foothold in what I and others have taken to calling the Silk Road region will not be sustainable. And that would surely constitute a missed strategic opportunity. More than that, it would constitute geopolitical and geo-economic malpractice by the European Union.

Now, connectivity in this context has two interdependent aspects. The first is energy security (oil, gas, and renewables), and the second is land-based transportation corridors between the EU and Asia: Global Gateway, Middle

Corridor, and so on. This in turn extends into domains like digital infrastructure security, food supplies, access to critical raw materials, and so on.

I do not want to get into all the details of the Trans-Caspian connectivity aspect for reasons of time. But I do want to underline that in 2022, Azerbaijan supplied 6.9 percent of Europe's gas needs. In a few years' time, that number is almost certainly going to be in the double digits, because doubling the capacity of the Southern Gas Corridor by 2027 is in the works. And because of the way the global gas market is structured – if one takes Russian gas out of the equation as far as the EU is concerned – then without this Azeri gas, the EU does not have enough. Certainly not without driving spot market prices through the roof. And even then, Azeri gas will be indispensable. Azerbaijan's supply of electricity from renewable sources like wind and solar (and hydro) will also become increasingly important in the years to come, with a game-changing deal being worked out to build a cable under the Black Sea to transmit what is produced in Azerbaijan (and Georgia) directly into some EU markets.

So, without going into the trans-Caspian details, let me reiterate that all EU connectivity with Central Asia is predicated on the EU's successful strategic engagement with Baku. Azerbaijan is the indispensable predicate. It is the indispensable country. Azerbaijan is the strategic prize for the European Union.

I do, however, want to speak to the role that what Baku calls the Zangezur Corridor can play in the context of strategically deepening EU-Azerbaijan engagement.

Article 9 of the 10 November 2020 tripartite statement that ended the Second Karabakh War states reads as follows, in my translation from the original Russian:

Unblocked [Разблокируются] are all economic and transport connections [связи] in the region. The Republic of Armenia shall guarantee the security [OR safety, безопасность] of transport connections [OR communications, сообщения] between the western regions of the Republic of Azerbaijan and the Nakhchivan Autonomous Republic in order to organize the unobstructed [OR unimpeded OR unhindered, беспрепятственного] movement of persons, vehicles, and cargo in both directions. Control over transport connections shall be carried out by the organs of the Border Guard Service of the Federal Security Service (FSB) of Russia. By agreement of the Parties [По согласованию Сторон], the construction of new transport

communications shall be provided linking the Nakhchivan Autonomous Republic with the western regions of Azerbaijan.

As an aside, I note that the equivalent formulations regarding the Lachin Corridor (Article 6 of the same document) do not contain the word ‘беспрепятственного’ or anything similar.

Be that as it may, Article 9 forms the basis of Baku’s argument that Yerevan has an obligation to provide unimpeded road and rail access between the two parts of Azerbaijan running along the riverbank of the Aras at the southern tip of the Armenian province of Syunik. Restoring this transportation corridor, which was dismantled by Armenia in the early 1990s, would enable Yerevan to hold a geopolitical and geo-economic stake in a flagship regional connectivity project that advances the EU’s ambitions in the Silk Road region. Yerevan has gone back and forth on the strategic prudence of this project, on some occasions acknowledging its potential benefits (with caveats) while on others emphasizing its risks.

A red herring is the supposed threat posed by Turkey: Ankara’s geo-economic ambitions can be fulfilled just as easily by recourse to the existing road and rail corridor that connects the country (and, by extension, the EU) with Azerbaijan through Georgia. No, I think that for Armenia, the most important foreign policy issue is Iran, which has voiced the loudest objections to the establishment of the Zangezur Corridor (in some ways, Tehran has been more vocally against it than Yerevan). These Iranian objections have two basic components. The first is economic, and it is not spurious: the existing Iranian route between mainland Azerbaijan and its Nakhchivan exclave would essentially become redundant, resulting in a loss of revenue. This is of foreign policy concern to Armenia only when the second objection is brought to the surface: Iran sees Azerbaijan as something between a competitor and a rival. Hence its decades-long alliance with Armenia. Iran simply seems not to want to make life easier for Azerbaijan by voicing no objection to the reestablishment of a direct land route between “mainland” Azerbaijan and its Nakhchivan exclave. In this context, the argument that Tehran (and Yerevan) fears the presence of the FSB on its border with Armenia is spurious: they are already there. The same can be said regarding the claim that the arrangements governing passage across the Zangezur Corridor would somehow amount to an extraterritorial arrangement with Azerbaijan. This is

simply false: I have heard no Azerbaijani senior official putting forward an interpretation of Article 9 that involves any sort of transfer of sovereignty from Armenia to Azerbaijan over the route. The limitation of Armenia's sovereign control over its borders is an issue, but this involves Russia. And this lack of full control goes far beyond Armenia's narrow border with Iran: Russian FSB troops control Armenia's land borders, Russian officers control all of Armenia's airspace, Russia garrisons thousands of troops in at least three military bases located in Armenia, and Russian capital maintains economic dominance over Armenia. All this is a little reminiscent of the Brezhnev Doctrine. Thus, the issue goes far beyond the Zangezur Corridor, but it has nothing to do with Azerbaijan. At bottom, it is a bilateral one between Moscow and Yerevan. And there is absolutely nothing that Armenia can do about this without perhaps existential consequences. Hence the veracity of Doran's aforementioned formulation.

For Brussels, the question to ask Yerevan in this context is a geopolitical one: do you want to build a nascent relationship with Azerbaijan, a component of which is the establishment of the Zangezur Corridor, or do you prefer to maintain your alliance with Iran? In other words, do you, Armenia, wish to be the EU's partner in furthering its strategic interests in the Silk Road region, or do you choose to side with a power against which the EU has repeatedly imposed sanctions? No answer to this question has any chance of lessening the weight of the Russian variable in this equation in anything resembling a predictable relevant timeframe. This is simply a cold, hard fact.

A good thought experiment would involve figuring out under what conditions would Armenia agree not to serve as an important sanctions-busting conduit for Russia (and Iran). There is a line from a famous movie everyone should recognize saying that just when I thought I was out, they pull me back in. Armenia has been, and will remain an object of great power competition, not a subject of international order. This sums up the sempiternal tragedy of the Armenian predicament, which it is not possible to overcome with "more" multilateralism. Certainly not in our "changing geopolitical environment." Azerbaijan, on the other hand, is a keystone state of the Silk Road region, together with Kazakhstan and Uzbekistan. Yesterday, I completed a week-long Ludovika Scholar program at the University of Public Service in Budapest, where I gave a public lecture on this topic. For reasons of time, I will not get into the details of this today.

No Do-Overs

My third and final point is that an overturning of the definitive result of the Second Karabakh War and the consequences deriving thereof is effectually impossible – whether by diplomatic or military means of a single foreign actor or a combination of foreign actors acting either in concert or multilaterally. The most important consequence is the renewed emphasis by multilateral institutions in general (recent UN General Assembly resolutions speak to this point, however symbolic such documents may be) and the Western powers (the U.S. and the EU) in particular on the inviolability of the sovereignty and territorial integrity of UN member states. If Russian forces are occupiers in the Donbass or Crimea, then Armenian forces are occupiers in Karabakh. There is no realistic way to avoid this parallel – at least not anymore, given our “changing geopolitical environment.”

But even setting this proposition aside, here is what would be required in practice to overturn the definitive result of the Second Karabakh War and the consequences deriving thereof. First, the sudden discovery of massive hydrocarbon deposits in Armenia or the country’s rapid transformation into the Singapore of the Silk Road region. Second, the aptitude to push Turkey back out safely and forever from the South Caucasus. Third, the ability to incentivize leading actors from the West, including France, to engage on the side of Armenia more decidedly and one-sidedly than has been the case at any time in the past. And fourth, the wherewithal to entice Russia to support Armenia’s maximalist position actively and exclusively by any means necessary – up to and including a readiness to engage in an offensive military campaign against Azerbaijan (and almost certainly Turkey) for the sake of land that Moscow has consistently recognized as being Azerbaijan’s sovereign territory – and in political and economic conditions that are, shall we say, suboptimal for the Kremlin.

I cannot leave it unsaid that a necessary prerequisite to the successful instauration of these novel circumstances on the part of Armenia would be the wholesale political isolation, economic constriction, and martial disassembly of Azerbaijan taking place more or less synchronously with the foregoing. The bottom line is that Armenian revanchist success would be predicated on the instauration of novel geopolitical and geo-economic circumstances that Yerevan simply does not have the capability to engender, much less set in

motion. Yet there are those who still champion Armenian maximalism and thus not only believe the opposite but champion its pursuit.

This is, of course, effectually impossible. But one could hypothesize that this is not impossible *per se*. As a brief thought experiment, one could say that making possible the scenario I laid out a moment ago would require the embrace of a belief in the sort of divine intercession that so far has been limited primarily to the works and days of Moses and David: the founder and re-founder of a nation whose uniqueness is unbreakably tied to its covenantal status as *'am 'Olam* – the eternal nation. The logical progression of such a truly heretical position would, thus, require embracing a belief in the categorical substitution of Jerusalem by Etchmiadzin – or, even more radically, of Christ by Gregory – as the eschatological focal point of humanity. That would indubitably constitute the paradigmatic definition of both theological absurdity and ethnic hubris in the absence, of course, of a new divine revelation that I very much doubt is imminent, if I can put it euphemistically. A detailed consideration of such a hypothesis is evidently beyond the scope of what I want to get across today. But I do want to add what should be obvious: there is no indication whatsoever that Pashinyan is inclined to embrace such or similar beliefs.

I think that on the whole – and unlike his opponents – Pashinyan understands that it would be truly foolhardy for his country henceforth to pursue policies that burden another generation of its citizens with the perpetuation of what amount to eschatological illusions and the realities of poverty and insecurity. As Gerald Libaridian so aptly phrased it in February 2021, “it takes a particular kind of impudence to prescribe again the cure to the disease that incapacitated the patient and brought him close to death.”⁴

Conclusion

This brings me back full circle to my first general point: the manifest failure of multilateralism. And to my second: Azerbaijan is the indispensable country for the fulfilment of Western strategic ambitions in the Silk Road region. A failure to grasp the fundamental implications of this assessment would, as

⁴ <https://mirrorspectator.com/2021/02/07/jirair-libaridians-response-to-vahan-zanoyan/>.

I have argued, constitute geopolitical and geo-economic malpractice. For Yerevan, obviously; but also, for Brussels, and the other foreign capitals whose interests, as they each understand them, have driven their respective ambitions and postures towards a part of the world whose global importance today is greater than it has been in centuries.

The War in Ukraine as a Pandora Box for the South Caucasus Geopolitics

Fuad Chiragov

The world as well as the South Caucasus will not be the same after the Russian aggression against Ukraine. At the same time, the geopolitical landscape of the South Caucasus had started to change even before the war in Ukraine. The 30-years-old post-cold war equilibrium or *status quo* in the South Caucasus had been disrupted by the 44-days war between Armenia and Azerbaijan. The new equilibrium has not been found ever since, the geopolitics of the South Caucasus has been experiencing dynamism, the new actors such as Turkiye, Iran, the EU, the USA and India are being involved, which makes the environment even more complicated and dangerous. Therefore, the war in Ukraine has accelerated the dynamism and transformation that had already started before. The 44-days war of 2020 negatively affected the geopolitical positioning of Russia in the South Caucasus. This war had also damaged the image of the Russian military doctrine, weapons and perception of military might. In other words, while the 44-days war between Armenia and Azerbaijan in 2020 opened the first layer of a “pandora box” in the South Caucasus, the war in Ukraine opened a second layer.

In 2020, the ally of Russia in the South Caucasus Armenia was defeated and the 27 years of occupation of territories of Azerbaijan has ended. As a result, it was the first time in nearly more than two hundred years when Russia had to share influence with one of its historical rivals Turkiye, a NATO-member state, in the region.

The implications of the 44-days war have also pushed Iran to activate policies in the South Caucasus, after having been a relatively silent observer of the developments in the region for years. On March 21, 2023, the Iranian Deputy Foreign Minister Ali Bagheri Kani in his tweet announced his two-days working visit to Yerevan and wrote that the Iranian “diplomatic apparatus began focusing on strengthening the neighborhood policy and prioritizing

the Caucasus.”¹ This announcement about “prioritizing the Caucasus” was unprecedented in the foreign policy of Iran in the South Caucasus in two hundred years. The early signs of Iranian irritation with the new reality goes back to late 2020, during the Rouhani administration. On December 10, 2020, the poem recited by the Turkish President Recep Tayyip Erdogan in Baku, where he participated in a military parade marking Azerbaijan’s victory over Armenia in a 44-day war, created a political storm with Iran.² The poem was about how the Arax River separated Azerbaijani speaking people in Azerbaijan and Iran. The former Iranian Foreign Minister Mohammad Javad Zarif rebuked Erdogan and wrote on his tweet “NO ONE can talk about OUR beloved Azerbaijan”.³

The scandal after the 44-days war around the Russian-made Iskander mobile short-range ballistic missile system that was launched against Azerbaijan by Armenia was a very good example of the damage to the image of that Russian weapon and the assumptions on its deterrence capacity. First, the Armenian Prime Minister Pashinyan declared that the Iskander missiles did not work sparking controversy over the efficiency of the missiles.⁴ The MoD of Russia, the Russian experts and politicians greeted painfully and with angry denials the statement of the Armenian Prime Minister about the Iskander missiles.⁵ After all the angry denials from Russia, on March 15, 2021, Azerbaijan unveiled fragments of exploded Iskander missiles launched by Armenia at Shusha.⁶ A month later, on 13 April, 2021, at the meeting with the Western

¹ The Iranian Deputy Foreign Minister Ali Bagheri Kani’s tweet on the visit to Iran, March 21, 2023, https://twitter.com/Bagheri_Kani/status/1638094626388074496.

² Soylyu Ragip, Erdogan attracts Iran’s rancor over nationalist Azerbaijani poem, December 14, 2020, <https://www.middleeasteye.net/news/iran-turkey-erdogan-poem-rage-azerbaijan>.

³ The former Iranian Foreign Minister Mohammad Javad Zarif’s tweet, December 11, 2020, <https://twitter.com/JZarif/status/1337280285398999041>.

⁴ Armenian PM says Russian missiles don’t work, February 25, 2021, <https://www.trtworld.com/magazine/armenian-pm-says-russian-missiles-don-t-work-44516>.

⁵ Muradov M., and Kuzio T., The Iskander Saga Deepens Azerbaijani Mistrust of Russia, May 5, 2021, <https://rusi.org/explore-our-research/publications/commentary/iskander-saga-deepens-azerbaijani-mistrust-russia>.

⁶ Mehdiyev M., Fragments of Iskander Missile Found in Azerbaijan’s Karabakh Region Raise Serious Questions, April 4, 2021, <https://caspiannews.com/news-detail/fragments-of-iskander-missile-found-in-azerbaijans-karabakh-region-raise-serious-questions-2021-4-4-0/>.

academics and journalists, President Aliyev expressed his strong disappointment in an unusually outspoken manner at Russia's denials that it had supplied Iskander-M missiles to Armenia.

Russia was humiliated not just because the Iskanders were one of the symbols of Russian military power and the pillars of its security architecture. But also, because when in 2016 Russia transferred the Iskander missiles to Armenia Moscow aimed to achieve two goals: first, as a result of the 4-day war⁷ between Armenia and Azerbaijan, in April 2016, it became evident that the military balance was away from Armenia,⁸ by exporting this missile Russia attempted to tilt the strategic balance in favor of its ally.⁹ Second, as a result of the 4-day War in 2016, Russia's image in Armenia as an ally and protector was seriously damaged, the Armenian public figures and politicians openly announced that Russia could no longer protect Armenia. Fearing of losing power and influence in Armenia, Russia gave Iskander to Armenia to calm down the fears and disappointment.¹⁰

The 44-days war demonstrated that neither the Iskander missiles, nor the security umbrella of the CSTO for the internationally recognized territories, nor the Russian-made military equipment could protect Armenia against defeat. In fact, the 44-day war highlighted a stand-off between Russian weapons and military doctrine and the modern Western weapons and concepts. For the past three decades, as the CSTO has provided a security umbrella for its internationally recognized territories allowing it to focus its military potential in Karabakh, on the territories of Azerbaijan, Armenia was sure that Baku would not be able to counterattack. In contrast, Azerbaijan had to

⁷ Schmidt H.-J., The Four-Day War Has Diminished the Chances of Peace in Nagorno-Karabakh, 2017, https://ifsh.de/file/publication/OSCE_Yearbook_en/2016/Schmidt-en.pdf.

⁸ Grigoryan A., After a Delay, Russia Delivers New Types of Weapons to Armenia, September 26, 2016, <https://jamestown.org/program/after-a-delay-russia-delivers-new-types-of-weapons-to-armenia/>.

⁹ Shiryev Z., Azerbaijan's Possible Reactions to Armenia's Iskanders: Defense Versus Offense, October 5, 2016, <https://jamestown.org/program/azerbajians-possible-reactions-armenias-iskanders-defense-versus-offense/>.

¹⁰ Abrahamian S., The Implications of the Iskander Missile, 2016, <https://anca.org/the-implications-of-the-iskander-missile-2/>.

limit its focus on Karabakh, as the Azerbaijani territory was not protected by any military alliances, which diverted a huge part of its military resources.

In short, so far, the main argument was that even before the war in Ukraine, the geopolitical positioning of Russia in the South Caucasus was seriously shaken, which had made Russia nervous. I would argue that those fears of Russia were reflected in the draft offers for U.S.-Russia and NATO-Russia agreements, published by the Russian Ministry of Foreign Affairs on December 17, 2021,¹¹ but which have never been signed. If we look at the list of demands encapsulating Moscow's desired security guarantees, besides those regarding Ukraine, we will clearly see demands on the South Caucasus. In the fourth article of the draft agreement with the United States, Russia demanded that Washington should undertake "no bilateral military cooperation" with the countries that were part of the former USSR. In the seventh article of the draft agreement with NATO, NATO member countries were required "to refuse any military activities along with Ukraine in other Eastern European countries, in South Caucasus and Central Asian countries". In other words, if that document would have been signed, Russia would not have halted only military cooperation of the US with the South Caucasus countries, but also Turkiye, as a NATO member, would have had to cut military cooperation with Azerbaijan. In fact, the seventh article would have been against the principles reflected in the Shusha Declaration on Allied Relations, signed between the Republic of Azerbaijan and the Republic of Turkiye on June 15, 2021.

Here we should remark that neither the defeat of Armenia was deemed in the West as a defeat of its Russian ally, nor Azerbaijan has been seen by the West as a Western ally, nor has the West seen the territorial integrity of Azerbaijan through the same lenses as the territorial integrity of Georgia, Ukraine or Moldova. Armenia is a unique country which has been able to successfully sit "on two chairs": it is the only country which is a member of the Eurasian Economic Union, and it has a Comprehensive and Enhanced Partnership

¹¹ Pifer S., Russia's draft agreements with NATO and the United States: Intended for rejection?, December 21, 2021, <https://www.brookings.edu/blog/order-from-chaos/2021/12/21/russias-draft-agreements-with-nato-and-the-united-states-intended-for-rejection/>.

Agreement (CEPA) with the European Union.¹² This selective and favorable approach of the West to Armenia, as well as the ambiguous approach to the territorial integrity of Azerbaijan created the perception in the public opinion of Azerbaijan of double standards and injustice of the West against Azerbaijan. That is why we have not seen the same enthusiasm and support against the EU in Azerbaijan, although there is great support by the public opinion against Ukraine.

The South Caucasus after the War in Ukraine

Recently, the U.S. Secretary of State A. Blinken said that the post-Cold War world order was over. The new reality would have an impact on the South Caucasus. But we are not sure what that impact would be, as there are many uncertainties and dangerous scenarios for the people of the region. Logically, some might rush to assume or predict that Russia would become weaker. In turn, that would lead to a power vacuum in the neighborhood considered by Moscow as its natural sphere of influence. In this simplistic conclusion we might fall in some fallacies. We know two things for sure – first, the world will not be the same, and second, Russia will not win the war in Ukraine. But we do not know how the new world order will evolve. There are many questions, very few precise answers, and too many unknown variables. What do we understand by “a weaker Russia”? Would that weaker Russia be within the same borders, or would it be fragmented? Would Russia be transformed, in terms of public opinion, political system and values, after Putin? Would the “weaker Russia” pose less threats to its neighbors? Might the weakness of Russia push Moscow to even more aggressive policies against its smaller neighbors? Of course, things might develop in accordance with simplistic scenario. Then, which power (or powers) would attempt or be able to fill the power vacuum in the South Caucasus? Would the rivalries or the competition of the regional and global powers in the region be peaceful?

The known variables that have shaped and might shape the future of the South Caucasus are the historical background and the geography. History

¹² Hess M., Explainer: What about the EAEU? Why Russia’s trade bloc is not a sanctions backdoor, March 4, 2022, https://eurasianet.org/explainer-what-about-the-eaeu-why-russias-trade-bloc-is-not-a-sanctions-backdoor?fbclid=IwAR2PYzeNxJbE171uD4yB5eWgjDd0_Gxtfsu5H_kV26HU2OQaaW09QcjsPTk.

tells us that geopolitics has always played and will play important and defining role in the destiny and future of the South Caucasus. In most cases, the fate of the people from the region have not been determined and shaped in the region, but they have always been determined by the regional or global powers.

The South Caucasus is neighboring three regional powers and historical rivals – Russia, Iran and Turkiye. These former empires historically shaped the destiny of the people of the region, as well as historical developments and trends. In different historical occasions and periods, the South Caucasus has been part of these empires and the battleground of bloody competition and rivalry. And more importantly the South Caucasus still occupies a significant place in the memories of post-imperial traumas of those countries. As Russia weakened overall, and especially in the South Caucasus, the other two regional powers – Turkiye and Iran – may become more active in the region. The global powers from outside region may also be more active in the region, but their physical presence in the region might be limited due to its land-locked position.

As Russia weakened, I am arguing that “the past” might be coming back to the region. For centuries, the South Caucasus had been part of a Greater Middle East and Central Asia paradigm. As a European power, Russia teared out the South Caucasus from the Middle East and Central Asia and brought it into the European paradigm. Even after the end of the Soviet Union, the South Caucasus remained mostly in the European and the Western paradigm. The current trends clearly demonstrate that there is more involvement of Turkiye, Iran and Israel, India and China in the region, and the region is being drawn into the Asian, Middle East and Central Asian affairs. There were other factors at play. The slow expansion to the East of the EU and the Euro-Atlantic institutions missed the momentum and enthusiasm in the South Caucasus. At the same time, closing the doors of the EU for Turkiye has also pushed Turkiye to pivot to Asia, while playing a significant role in gradually shifting the South Caucasus from the European affairs. Now the EU is seeking to expand its presence in Georgia and in Armenia, but how sustainable would be that involvement?

Iran in the South Caucasus after the War in Ukraine

As it was mentioned, Iran has already officially declared prioritizing the South Caucasus. The main target of the foreign policy of Iran in the South Caucasus is Azerbaijan. The relations of Iran with Armenia and Georgia are subordinate to the relations with Azerbaijan and evaluated through the prism of relations with Azerbaijan. The Azerbaijani-Iranian relations are historically unique, multilayered, and complicated. Since the first days of the independence of Azerbaijan, tensions of different magnitude, and mutual distaste were the nature of the relations of the two countries.¹³ And that has been normal. Only during the Rouhani presidency, the negative trends were surpassed by a positive, cooperative agenda.

Still, despite all distastes, until “the two layers of the pandora box were opened”, Iran kept a low profile in the South Caucasus especially in the Armenian-Azerbaijan conflict, limiting itself to covert operations, hybrid warfare,¹⁴ religious propaganda, influence, and infiltration operations. There are two widely perceived assumptions that explain that Iranian policy. First, according to some commentators, Iran would have informally agreed with Russia that the South Caucasus remained in the sphere of influence of Moscow as long as the latter would guarantee that there would not be any Western threat against Iranian interests coming from those territories.

The second perceived assumption was that Iran was interested in the previous *status quo*, or the deadlock of the conflict between Armenia and Azerbaijan since Tehran reckoned that the resolution of the conflict might have accelerated the Western penetration to the region or the integration of the South Caucasus countries with the Euro-Atlantic institutions. Moreover, the resolution of the conflict would have strengthened the Republic of Azerbaijan as “a success story” and inspired the large Azerbaijani minority in Iran, which happened in 2020. Hence, Iran was satisfied to observe a failure of the OSCE and of the Western initiatives in the resolution of the conflict.

¹³ Heradstveit D., Azerbaijani Ethno-nationalism: A Danger Signal for Iran, January 29, 2009, <https://www.mei.edu/publications/azerbaijani-ethno-nationalism-danger-signal-iran>.

¹⁴ Huseynov V., Hybrid Warfare in Azerbaijan: A Challenge to National Security, 2022, <https://www.igi-global.com/chapter/hybrid-warfare-in-azerbaijan/301087>.

Iran did not believe that Azerbaijan would be able to get back its lands, therefore, the results of the 44-days war in 2020 caught Iran off-guard.¹⁵

One would assume that the theocratic regime of Iran would have backed Azerbaijan – a majority Shia Muslim country – instead of Armenia, a Christian country in the Karabakh conflict. However, Iran tried to take, as much as possible, a neutral position, and developed good economic and political relations with both Azerbaijan and Armenia. Further, this strategy of Iran had significantly helped Armenia and helped the latter to overcome a potential blockade, which some experts evaluate as a pro-Armenian policy. This approach of Iran toward the conflict has negatively affected Iranian soft power in Azerbaijan and has generated animosity in a large part of the Azerbaijani society.

Right after the end of the 44-days war in 2020, Iran has gradually increased tensions with Azerbaijan. Iran concentrated troops and conducted several drills on the border with Azerbaijan. The Telegram channels and media affiliated with the IRGC have regularly threatened Azerbaijan. Recently, two Iranian saboteurs group appeared in Karabakh,¹⁶ in the territory which is under the temporary monitoring of the Russian peacekeepers. In March 2023, Iranian jets flew along the border and violated the airspace of Azerbaijan several times. The Iranian ambassador was summoned in Baku over violation of the airspace.¹⁷ Last year, an Iranian Consulate was opened in rush on the Southern border of Armenia, in the city of Kapan.¹⁸ On January 27, 2023, an armed gunman broke into the Azerbaijani embassy in Tehran killing a security officer and wounding two others. In response, Azerbaijan suspended

¹⁵ Khoshnood Arvin and Khoshnood, Ardavan, Iran's Quandary on Nagorno-Karabakh, 2021, https://lucris.lub.lu.se/ws/portalfiles/portal/94776861/2021_Iran_s_Quandary_on_Nagorno_Karabakh.pdf.

¹⁶ İranın köməyi ilə Azərbaycanı hücum planı və ya “bu, bizim üçün fürsət olar”, February 14, 2023, <https://ayna.az/iranin-komeyi-ile-azerbaycana-hucum-plani-ve-ya-bu-bizim-ucun-furset-olar>.

¹⁷ Kazancı H., Azerbaijan summons Iran ambassador over violation of airspace, March 11, 2023, <https://www.aa.com.tr/en/asia-pacific/azerbaijan-summons-iran-ambassador-over-violation-of-airspace/2843167#>.

¹⁸ Iranian consulate opened on southern border of Armenia, in city of Kapan, October 21, 2022, <https://jam-news.net/iranian-consulate-opened-on-southern-border-of-armenia-in-city-of-kapan/>.

the work of its embassy in Tehran.¹⁹ On February 17, President Aliyev directly blamed the Iranian government for the attack against the Azerbaijani embassy.²⁰

For Azerbaijan, despite the war, and occupation of the territories, Armenia does not pose an existential threat. Russia is also a threat which can be managed for Azerbaijan. Azerbaijan could preserve its identity during two hundred years of Russian ruling. Only Iran is an existential threat for Azerbaijan because both countries claim the historical heritage of almost one thousand years.

Iran has concealed or plain conflicts and problems with the West and with all its neighbors, except Armenia. All the other conflicts or problems with the neighbors do not pose existential threats to Iran, but they help the current regime to maintain domestic mobilization. The popular narrative in the whole spectrum of the political elite of Iran is that the conflict with Azerbaijan poses an existential threat to Iran. Some pro-government forces in Iran openly depict Azerbaijan as Ukraine of Iran or its antithesis.²¹ Iran believes that Azerbaijan and Turkiye together pursue a pan-Turkism doctrine that would seek the unification of all Turks, including those living in Iran. The opening of the Zangezur corridor, that would unite Nakhchivan with mainland Azerbaijan, would be a significant step forward for it.

The common heritage does not unite Iran and Azerbaijan but divides them. Therefore, the conflict between Azerbaijan and Iran is very deep and it is a conflict of two different identities. The construction of a national identity in Azerbaijan is in essence antagonist to multi-ethnic Iran. The Azerbaijanis are the largest minority ethnic group in Iran. As Brenda Shaffer indicated, approximately 50% of the citizens of Iran are of non-Persian origin, yet researchers commonly use the terms Persians and Iranians interchangeably,

¹⁹ Azerbaijan Embassy in Iran Suspends Work After Deadly Attack, January 30, 2023, <https://www.voanews.com/a/azerbaijan-embassy-in-iran-suspends-work-after-deadly-attack-/6940602.html>.

²⁰ Prezident İlham Əliyev Münxendə televiziya kanallarına müsahibə verib, February 17, 2023, <https://www.youtube.com/watch?v=W7TwxIU4CaE>.

²¹ Rəfiqur başını quma soxub – Nə Ukraynadan xəbəri var, nə Həmədandan, January 18, 2023, https://musavat.com/news/refipur-basini-quma-soxub-ne-ukraynadan-xeberi-var-ne-hemedandan_950525.html.

neglecting the supra-ethnic meaning of the term Iranian for many of the non-Persians in Iran.²² Thus, the assumption in Iran is that the distinct identity of Azerbaijan poses a threat to supra-Iranian identity.

Some Iranian officials do not even hide their thoughts that they deny even the very existence of a distinct identity of Azerbaijan. The official news agencies of Iran refuse often to call the Republic of Azerbaijan, they refer to Azerbaijan as “Baku Republic”, “Aran Republic” or “Embassy in Baku Republic”. The Iranian propaganda claim that the current territory of the Republic of Azerbaijan was a historical part of Iran, and cities like Baku, Ganja, Nakhchivan, Barda, Derbent are lands of historical Iran, and they should be returned to Iran.

The Iranian propaganda argues that the current Republic of Azerbaijan stole the name “Azerbaijan” from the Persians, and the name of the territories to the north of the Araxes River was Aran, not Azerbaijan. Azerbaijan was the transformation of the name of Atropatane that refers to a territory inside Iran. Therefore, any reference to “Azerbaijan”, hence Atropatane, is a reference to a territory inside Iran to the South of the Araxes River. The nationalist circles in Iran also argue that the name of Azerbaijan was chosen to make territorial claims against Iran. This dispute goes back to 1918 when on the territory of the South Caucasus, which was part of the Tsarist Russia at the time, three republics declared their independence. Iran which was ruled by the Turkic Qajar dynasty for the first time in 1918 opposed the name Azerbaijan for the new country. The Qajar dynasty was replaced by the Persian Pahlavi dynasty, that was overthrown by the Revolution, however, that irritation to the name of Azerbaijan has not changed.

Recently, the 12th century great poet and philosopher Nizami Ganjavi has become a symbol of the battle for national heritage between Iran and Azerbaijan. On March 9, 2023, President Ilham Aliyev during his speech at the 10th Global Baku Forum organized by the Nizami Ganjavi International Center of Azerbaijan, said that Nizami Ganjavi was born, lived, died, and was

²² Shaffer B., The Formation of Azerbaijani Collective Identity in Iran, November 20, 2018, <https://www.cambridge.org/core/journals/nationalities-papers/article/abs/formation-of-azerbaijani-collective-identity-in-iran/FB790AD7E5F931FAA8F9C42ED732E9B9>.

buried in the city of Ganja.²³ The argument of Azerbaijan is that the fact he wrote in Persian does not make him an Iranian poet. Persian was the medieval language of science and literature, like Latin was for Europe. A few days before the Global Baku Forum, Iran organized in Tehran an event called “Nizami Ganjavi is a Persian poet” which was attended by the Iranian Deputy Foreign Minister Ali Bagheri Kani where he gave a speech.²⁴ On March 21, 2023, the Iranian Foreign Minister Hossein Amir-Abdollahian in his tweet congratulating on the Nowruz referred Nizami Ganjavi as an Iranian poet,²⁵ which again sparked public outrage in Azerbaijan.²⁶

In short, Iran like Russia tries to project power in the region through hard power. It cannot and is not willing to choose constructive competition.

Turkiye in the South Caucasus after the War in Ukraine

The Turkish foreign policy in the region has become very assertive and proactive. The results of the second Karabakh war have been very good indicators on how Turkish proactive foreign policy has changed the geopolitical landscape on the ground. And how the balance of power has been changing in the region. As it was already mentioned, we had two realities in the region. The reality that had been before September 27, 2020, which was based and constructed on the balance of power after 1991. And the second reality after the 44-days war of 2020. Türkiye was not officially part of the trilateral agreement of November 10, 2020, but Turkish foreign policy and determination played a significant role.

President Aliyev in one of his interviews said that “Türkiye is playing a stabilizing role in the region”. Türkiye can also play a transformative role in the region: an economic locomotive and driver that enable economies of the region to be integrated with each other and to the world economy. When we

²³ Prezident İlham Əliyev: Nizami Gəncəvi Gəncə şəhərində doğulub, yaşayıb, dünyasını dəyişib və dəfn edilib, March 9, 2023, <https://turkic.world/az/articles/politics/74934>.

²⁴ İrənin yalanı: Nizami fars olmayıb, bunu faktlar təsdiqləyir, March 10, 2023, <https://modern.az/news/400013/>.

²⁵ Hossein Amir-Abdollahian, Nowruz Congratulation, <https://twitter.com/Amirabdo/1637924059462631424>.

²⁶ Nizamini farslaşdırmağa çalışan çarəsiz İrandan daha bir təxribat – VİDEO, March 21, 2023, <https://oxu.az/politics/709716>.

compared the economies of Turkiye, Iran and Russia, we found out the following things: unlike Iran and Russia, the Turkish economy is more healthy, vibrant, growing, diversified and, more importantly, it is not-resource based. Turkiye is an energy deficient country, unlike Russia and Iran. Therefore, Turkiye's economy is not very much in competition with energy-rich countries of the Caspian Sea countries, Iran, and Russia. The Turkish economy and the economies of the region are complementary to each other. Despite the problems of recent years, Turkish economy is more complexly interconnected and linked to the world economy. The Turkish economy is more free-market-oriented, and the rule of law is better than in other historical rivals from the region. In other words, Turkiye might and has already started to play the role which the West was supposed to play in the region. Just one example, in 2020, the Georgian company Adjara textile started to build a factory which created 4000 jobs. The production of the factory is 100 percent export oriented. In this factory, global brands like NIKE, New Balance, Under Armour are being produced. Why this fact is interesting? First, the materials for the production will be brought from Turkiye; second, these factories were built in Georgia because they could not place the whole production in Turkiye. In other words, what we see it is not just the export of products from Turkiye but the export of production cycles from Turkiye to Georgia. Second very important fact. As we know, Ukraine inherited from the former Soviet Union a very strong and substantial military industry complex, institutes, factories, and specialists. For almost three decades, with few exceptions, only a few of them have worked. That Ukrainian military industry complex has waited for modernization and investment for many years. The West did not do it. In the recent years, the Chinese attempted to acquire these very critical industrial objects and factories in Ukraine. Now what we are seeing is that Turkiye has started to invest in Ukraine, by building joint production in this field.

Therefore, unlike other regional powers, Turkiye is interested in open markets, free-market, and open communication infrastructure, because it is confident that it can win the regional competition in terms of economic and soft power. Therefore, right after the 44-day war, Turkiye suggested and pushed to create the "3+3" format for the region, including three South Caucasus countries plus Iran, Turkiye and Russia. During the recent decades, the socio-demographic structure of Turkiye has been significantly transformed. The Anatolian tigers and their interests emerged as drivers of Turkish foreign

policy. This transformation has influenced Ankara's assertive and independent foreign policy in its neighborhood.

Conclusion

The South Caucasus area with a territory of 186 thousand square km and a population of 16 million is too much divided to be called a region in political, economic and integration terms. For now, there are three independent states in the region. This is a unique historical opportunity for the people of region to determine their common fate, but it seems that it will take some time for us to fully realize this opportunity and to construct a regional or common identity.

Unfortunately, there are not any optimistic scenarios for the short or mid-term future suggesting that the political divisions, conflicts, and wars will disappear, and Armenia, Azerbaijan and Georgia will start to cooperate and integrate for the sake of economic development and the welfare of people of the region. I believe it is not even worth to remind that you just cannot simply achieve economic progress and prosperity when you are in a constant conflict with your neighbors or when your neighbor regularly intimidates you with different forms of pressure. As it was already noted, the war in Ukraine further complicated the power politics in the South Caucasus.

For 27 years, 20% of the internationally recognized territories of Azerbaijan were under Armenian occupation from where 1 million people were expelled. Even after the liberation, the IDPs still cannot return to their homes because the villages, cities and homes were destroyed to the ground, the territory was massively polluted by landmines that Armenia planted during the occupation years. 20% of Georgian territories are still under occupation and about 300 thousand Georgians were expelled and became IDPs. Over the last 17 years, only Azerbaijan spent more than 22 billion USD on the military. Even a small share of the costs of the war for Azerbaijan could have been a good source for investment to improve the lives and the welfare of the people of the whole region.

The conflicts in the region that erupted after the collapse of the Soviet Union still shape and push back economic developments, regional integration, trade relations and the development of the energy and transit infrastructures in the

region. The two longest borders of Armenia, with Azerbaijan in the East and with Turkiye in the West, have been closed for more than twenty years. In other words, 83% of the borders of Armenia were closed. We do also know that different regional and global powers had exploited those conflicts in the past. Now, we are clearly observing that they continue to do the same in favor of their interests.

Multilateralism vs. Regionalism in the South Caucasus

Vakhtang Maisaia

Introduction

In the early post-Cold War era, it was widely believed that – as a result of the rise of globalization – traditional geopolitical rivalries would be replaced with peaceful collaboration and harmonious economic competition under the umbrella of a “rules-based order”. Such assumption, anchored to the world view of classical liberalism and its intellectual iterations, held that the end of the 20th century would give birth to an era of unparalleled prosperity, everlasting peace and institutionalized collaborative governance.¹ Naturally, the South Caucasus would participate to this new spirit, but the reach of international institutions was not sufficient to make this promise real.

Globalization indeed affects development of regionalism and multilateralism in its origin in different ways and evade all barriers for further their development. The nature of the Caucasian political space, Russia’s involvement, partially in the form of direct participation and partially as an external factor, the region’s rich hydrocarbon resources and its significance as a transportation corridor for exporting Central Asian oil and gas to the world market, are all drawing the attention of both the academic community and politicians to the Caucasus. In addition, military conflicts in the region and the impact of the contradictory trends of the world market are inhibiting the South Caucasus integration. Global governance having very little reach in the South Caucasus, the path to multilateral integration for the South Caucasus can take place through regionalism.²

¹ Alonso-Trabanco Jose Miguel “The Geoeconomic Significance of the Ukraine War” in scientific journal “Economy of Ukraine” #4(737), the National Academy of Sciences of Ukraine, Kiev, 2023, pp.24–25.

² Eldar Ismailov and Vladimer Papava “Rethinking Central Eurasia”, Central Asia-Caucasus Institute and “Silk Road” Studies Program, John Hopkins University, Washington, 2010, pp.43–45.

Multilateralism

Multilateralism incorporates global governance. However, multilateralism is generally understood to mean a method whereby many actors agree to pool their resources to solve particular problems. From theoretical assumption, the concept of “multilateralism” links with the international relations school and affiliated with an institutional form of collective action and core component of the global governance architecture. From other standpoints, multilateralism is a policy coordination among three or more states.

The UN, NATO, the EU, and the World Trade Organization are examples of institutions that have emerged to address a specific challenge, but which have also developed their own rules and conditions that constrain and limit States’ autonomy. In certain cases, such as with MERCOSUR, ASEAN, and NAFTA, multilateral institutions are also regional in nature. That is; it is the nature of the region from which they spring that determines their reach.

The global crisis of multilateralism is not new; one could say it has been with us for at least a decade, during which mutual confidence, cooperation, and trust have dwindled not only among great powers, but with smaller powers as well, which tend to rely less and less on the power of multilateral organizations to manage their relations. Sadly enough, this analysis and assessment have been confirmed by now. There is almost universal consensus that we are in a period of high geopolitical tensions, multiple insecurities, in a shift, often reversal of former global paradigms, and a perceived paralysis of previous conflict prevention and conflict resolution mechanisms.³

What is more, the absence of a global system of economic cooperation is making it difficult to develop national and regional mechanisms to achieve an optimal balance of interests. This is manifested in particular in the relations between the Caucasian countries and Russia. As Georgian political sci-

³ Martin Kreuner “Multilateralism At Dead End? Forthcoming Geopolitical Chessboard And Necessity For Revival Of Diplomacy – Analysis”, April 26, 2023 see in details: <https://www.eurasiareview.com/26042023-multilateralism-at-dead-end-forthcoming-geopolitical-chessboard-and-necessity-for-revival-of-diplomacy-analysis/>.

entist and internationalist Alexander Rondeli has noted, the Central Caucasian states are “in a rather indeterminate state” with respect to Russia, being involved both in reintegration and disintegration processes with it.⁴ As Russia remains the most potent hegemon in the region, there is little likelihood that it will be amenable to outside influence by other organizations. This puts the South Caucasus in a quandary.

The Caucasus Region Geopolitical Identification: Ideology vs. Reality

Over the last quarter of century several models have been put forward to define the South Caucasus and the system of relations that would enable it to thrive. The conflicts that have been endured during this period are a reflection of the acute competition in the region and as a result have limited the prospect of seeing real integration take place under any of these models.

Time and again, *The Caucasian Home* model sought to incorporate the autonomous the republics of the Northern Caucasus as independent actors with independent Caucasus states. However, this would interfere in Russia’s domestic affairs, notwithstanding the instability in Chechnya and Dagestan.

Less ambitious, but perhaps more probable, is the vision of an integrative framework uniting the independent Caucasus states – Azerbaijan, Armenia and Georgia. However, there are internal and international conflicts that prevent the accomplishment of that vision, and some actors would recoil at having outside intervention from international organizations.

Necessarily there is the “3+1” model, uniting the independent Caucasus states and Russia, but after the 2008 war, the prospect of Russia being welcomed in the region remains dubious.

Finally, there are highly ambitious proposals amounting to mutual balancing, such as the 3+3 model, which provides for the union of the three Caucasus states, with three regional hegemons, such as Türkiye, Russia and perhaps

⁴ Alexander Rondeli, “Gruzia na postsovetskom prostranstve,” in: “Kavkazskie regionalnye issledovaniia”, No. 1, Tbilisi, 1996, p.98.

the United States. Certain variants add two international organizations, such as the EU and the OSCE, to the model.⁵

None of the actors have been able to agree on any model, and this severely restricts the appeal of any multilateral initiative. A more detailed appeal to regional solutions is therefore needed.

New Regionalism

Here, “regionalism” is associated with a policy designed to reduce trade barriers between a subset of countries regardless of whether those countries are contiguous or even close to each other. Notwithstanding the fact that, regional trading arrangements may be based on the principle of discrimination as it goes for the liberalization of trade within a group of countries – a discriminating policy towards the rest of the world.

“New Regionalism” is a selection of newly identified national trade and economic routes (for instance, railway/highways “North-South” and “East-West”, the development of the Baku-Akhalkalaki-Kars geoeconomic project, and the “Krasnodar-Sukhumi-Tbilisi-Yerevan” railway/highway connecting Russia and Armenia). The configuration of “new regionalism” corresponds to the availability of those trade routes.⁶ “New regionalism” is based on the ties between the region and international (including European, Asian, and so on) order, whereby the regions are striving to find their place on the international markets. In this sense, it is entirely keeping with globalization (since it creates stimuli for the participation of countries and regions in the integration processes). This local version would be an alternative to the world mechanism of trade liberalization (like the WTO). In so doing, “new regionalism” is intensifying the competitive struggle between regions, and is not providing new roles in the national division of labour.⁷

⁵ Papava Vladimir and Ismailov Eldar “The Central Caucasus: Essays on Geopolitical Economy”, CA and CC Press, Stockholm, 2006, p.9.

⁶ Eldar Ismailov and Vladimir Papava “The Central Caucasus: Essays on Geopolitical Economy”, CA and CC Press, Stockholm, 2006, pp.43–44.

⁷ Ibid, p.47.

Transportation connectivity of the Caucasus region can be concerned in two primary axes: north-south and east-west. North-south communication is very difficult since it would make it easier for Russia to influence the region and ensure more physical military presence. As far as the connections of the South Caucasus with Anatolia and the Middle East or Iran are concerned, the contemporary situation of connectivity is somewhat better. After all, the Caucasus has a significant position in the history, geography, ethnicity and geostrategy of the international community. The South Caucasus should be of intense interest to large powers of the 21st century. Its geographical position made it important for the geostrategic interests of the world powers. In short, it is connected to Central Asia via the Caspian Sea, to the Middle East through Iran, to Europe via the Black Sea, and even farther to Africa through the Mediterranean.

The recent (relative) cessation of hostilities between Armenia and Azerbaijan, and the fragile cease-fire between the two belligerents should provide incentives to explore the possibilities of this New Regionalism. Namely, the fragile peaceful situation in the ex-conflict zone provides new stimulus of development of trans-communicational corridor systems. These systems include the following:

1. **“West-East”**: the EU-the South Caucasus-the Central Asia-China transit corridor
2. **“North-South”**: Eurasia (Russia)-the South Caucasus-the MENA transit corridor
3. **“West-South”**: the EU-Black Sea Basin-the South Caucasus-the MENA transit corridor
4. **“East-East”**: Azerbaijan-Georgia-Turkey (Baku-Tbilisi-Kars) railway transit corridor
5. **“South-West”**: India-Iran-the South Caucasus-Black Sea-EU corridor
6. **“South-South”**: Azerbaijan-Armenia-Turkey transit corridor (“Zangezur” corridor)

Those geoeconomic trans-communication zonal corridors should be promoted further, and geopolitical stability is a key condition for them to ever have a chance to being implemented. Therefore, to really implement those mega-projects an appropriate institutional framework needs to be set up,

such as the creation of a so-called “Caucasus Transport Union.” Local regional society could support this initiative under the aegis of four activity sectors: media, industry, public diplomacy, and an expert regional community.

The confrontation environment is not easy to defuse and navigate into a resilient peace. New Regionalism remains the sole option to transform the Caucasus region from a confrontation modality into an island of peace and prosperity.⁸

Conclusion

The geo-economic and geopolitical importance of a particular region is characterized by long term economic, management, territorial-spatial, and other factors, as well as their impact on foreign relations and international processes. The Caucasus has always been a zone of interest for many states of Europe and Asia, as well as a cluster of sociopolitical and economic contradictions. The current state of the world is such that more and more countries are inclined to view the Caucasus as a zone of interest, which is largely due to the rising need of highly developed states for energy and raw materials sources and their interest in international projects aimed at producing and transporting Caspian oil and gas, laying communication lines, building infrastructure, etc. A New Regionalism would enable the South Caucasus to leverage those advantages to steer its destiny towards a more economically integrated future.

⁸ Allahverdiev Kenan “The Caucasus Pentagram: A Curse or A Lucky Chance?” in scientific magazine “Caucasus and Globalization” Volume#7, Issue#3–4, Baku, 2013, pp.7–10.

PART III: South Caucasus Survival and Tomorrow's Russia

The Geopolitical Choices of Armenia amidst the Transformation of the Post-Cold War Global Order

Benyamin Poghosyan

The end of the Cold War and the collapse of the Soviet Union have ushered in hopes of humanity's happy and harmonious future. The ideas such as "End of history" became very popular both within academic circles and policymakers. There was a widespread belief that the entire planet would live under liberal democracy, and inter-state conflicts will become bad memories from history. The last decade of the 20th century seemed to confirm those hopes. The EU and NATO enlargement, market reforms in former socialist states, cooperative relations between Russia and the West, and the growing US-China economic cooperation have seemingly justified hopes for establishing the world united under the banner of liberal democracy. The US enjoyed its absolute hegemony defined as a "Unipolar moment" with no apparent candidate to challenge its supremacy. Washington embraced the grand strategy of liberal hegemony, which was in one way, or another implemented during the B. Clinton, G.W. Bush, and B. Obama administrations.

However, the beginning of the 21st century crushed those hopes. Russia-West relations started to deteriorate after the 2004 Orange Revolution in Ukraine, while the 2014 Crimean crisis brought bilateral relations to the lowest point since the end of the Cold War. Meanwhile, astonishing Chinese economic growth and the emergence of the multi-million middle class did not bring about political changes in China.

The war in Ukraine brought Russia-West relations to the lowest point since the early Cold War years of the 1950s. Discussions about the emergence of Cold War 2.0 were prevalent among experts and the academic community well before February 24, 2022. The starting point was perhaps President Putin's famous 2007 Munich security conference speech.¹ However, the current confusion in global geopolitics is quite different from the original Cold War. In the second part of the 20th century, the world was bipolar, as the US

¹ Speech and the Following Discussion at the Munich Conference on Security Policy, <http://www.en.kremlin.ru/events/president/transcripts/24034>.

and the Soviet Union were fighting against each other. Many countries sought to avoid this confrontation through membership in the Non-Aligned Movement, but the latter has never become a third pole. Now the situation is much more complicated. As the US and Russia are facing each other in a new rendition of a Cold War, the world is far away from being bipolar. It may eventually end with a new bipolar system, but Russia will not be among the top two players. If bipolarity ever returns, the US and China will be the building blocks of that system.

Meanwhile, as the war rages in Ukraine, the US-China confrontation continues. When the Obama administration announced its “Pivot to Asia” in 2011, it was a clear message that the US viewed China as the primary strategic competitor.² The famous words of Obama about Russia being a regional power reflected the US perception that Russia was no longer a serious threat but rather a spoiler. The 2014 Ukraine crisis made some amendments to US strategic thinking, partly bringing US focus back to Europe. The 2017 and 2022 US national security strategies issued by the Trump and Biden administrations describe both Russia and China as revisionist countries, seeking to undermine the existing international order.³ If China is described as the only country with the necessary resources to challenge the US global leadership in the long run, Russia is depicted as the major short-term threat. Thus, even if the “Cold War” metaphor is valid for 2023, perhaps we should speak about two simultaneous Cold Wars: US-Russia and US-China.

This feature alone makes current geopolitics a messy place, but the reality is even more complex. As the US simultaneously seeks to contain Russia and China, other players have entered the game. They are not anti-American but do not want to fight Russia and China. India is perhaps the best example of this new, rising star in international relations. It is developing a strategic partnership with the US, it is a member of the Quadrilateral Security Dialogue (Quad), and it is simultaneously pushing forward strategic cooperation with

² The American Pivot to Asia, <https://www.brookings.edu/articles/the-american-pivot-to-asia/>.

³ <https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>, <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>.

Russia. India did not join anti-Russian sanctions and has continued cooperation in economic and defense industry areas. There are other emerging players, too, such as Brazil, which is seeking to keep a balance between “fighting elephants.”

All these transformations occurred within the larger transition framework from a unipolar to the multipolar world order. Perhaps no one knows when and how this transition will end. The transition from unipolarity to multipolarity is creating ambiguity and has raised a sense of insecurity in the world. Meanwhile, the growing transnational threats, such as climate change, food insecurity, and pandemics, require joint efforts of all major players.

Another prominent feature of the current phase in world history is the growing significance of digital technologies. They have penetrated everywhere, from aviation to healthcare, from the military industry to smart home systems. It seems that digital technologies have the power to unite people and bring states together. However, in reality, along with real or perceived “Cold War 2.0,” technological warfare is underway. The US imposed numerous sanctions to prevent the transfer of state-of-the-art digital technologies to China, launching the so-called “Chip war”.⁴ The growing disruption of global supply chains and efforts towards “US-China economic decoupling” may create a “digital curtain,” dividing the West from China and potentially from Russia, Iran, and other countries.

The establishment of the new “physical and digital iron curtains” has significantly decreased the speed of globalization, a phenomenon that swept the world in the 1990s and early 2000s. Instead of globalization, more and more pundits now speak about regionalization, the emergence of a few regions with different sets of rules and norms.

The only constant in current geopolitics is permanent instability. The relative decline of the US does not allow Washington to lead the world as it did in the 1990s. Meanwhile, China is far from assuming a leadership role. Russia seeks to re-instate itself as a great power, and India speaks against the return of unipolarity and the creation of new US-China bipolarity. After February

⁴ Chip War: The Fight for the World’s Most Critical Technology, <https://www.foreignaffairs.com/reviews/chip-war-fight-worlds-most-critical-technology>.

2022, Europe put aside considerations about Europe's strategic autonomy and rallied behind the US against emerging geopolitical threats. The world comes closer to being a jungle again, and no safe garden exists anymore. While great and middle powers are vying for influence and power, small ones should be cautious to avoid being wiped off the map.

The Transformation of Post-Cold War Global Order

The turning point for the start of the transformation was the 2007–2008 world financial crisis. It started in the US and shook the Western-dominated international financial system. It coincided with the 2008 Summer Olympics in Beijing, which proved the ascent of China. The old mechanisms such as the G7, and later (for some time) G8, were unable to implement effective global governance, and the first leaders' summit of the G20 in November 2008 was the harbinger of an upcoming tectonic shift in the world order. The establishment of new multilateral organizations such as the BRICS and India and Brazil's rapid growth were clear signs that the world was drifting away from the "Unipolar Moment" towards a more complex multi-polar world.

The emergence of the "multi-polar world order" will inevitably trigger regional instability and the rivalry for regional hegemony. The absence of the world hegemon or the "world policeman" means that the second-tier states will be more inclined to use coercion as the primary tool to push forward their national interests. These states now enjoy much more flexibility in choosing their alliances and playing off one great power against the others.

One of the best examples of this is the situation in Turkey. Being fully anchored in the US sphere of influence during the Cold War, Turkey is now effectively balancing between the US and Russia, opposing Washington in Syria, and Kremlin in the Black Sea region. The Greater Middle East is a good example depicting the rivalry for regional hegemony between Iran, Turkey and Saudi Arabia, while external players such as Russia, the US, and China seek to push forward their national interests.

If an emerging multi-polar world creates new possibilities for the second-tier states, the small states face growing challenges and threats. The rivalry for regional hegemony, growing instability, the erosion of accepted rules and

norms, and the emphasis on coercion in interstate relations create complex problems for small states. It is especially valid for small states which are located on the fault lines of great powers. They may quickly become the “grey zones” or “areas of hybrid operations” with possible proxy wars and permanent instability.

The Geopolitical Conundrum of Armenia

The Russia-Ukraine war has sidelined all other conflicts in the post-Soviet space and beyond. However, regional geopolitics has not disappeared, and while the world’s attention is focused on Ukraine and the ensuing Russia-West confrontation, regional conflicts continue with their dynamics. The Karabakh conflict has not been an exception.

The 2020 Karabakh war has upset the status quo in the South Caucasus. The defeat in the war has significantly reduced Armenia’s geopolitical potential and has diminished Armenian role in the region. Currently, Armenia faces formidable challenges and growing ambiguity in its foreign and security policy, which have been multiplied by the war in Ukraine. What are the prospects of Armenia-Russia relations after February 2022, and what will be the long-term (15–20 years) implications of potential Azerbaijani and Turkish economic penetration into Armenia in case of full normalization of relations?

The Future of Peacekeeping Operations in Nagorno Karabakh

Azerbaijan’s blockade of the Lachin corridor and the emerging humanitarian crisis in the self-proclaimed Nagorno Karabakh Republic highlighted the immediate challenges faced by Nagorno Karabakh Armenians.⁵ The lack of basic food and medicine and interruptions of gas and electricity supplies have brought the population to the brink of starvation. Azerbaijan rejected calls from the international community to end the blockade, and Russia could not use force to open the corridor due to its dependence on Turkey. The West did not want to impose economic sanctions on Baku as it was interested in receiving additional gas and electricity from Azerbaijan. In these circumstances, the immediate task of the governments of Armenia, Nagorno

⁵ U.S. Urges Azerbaijan to Reopen Lachin Corridor with Armenia, <https://www.rferl.org/a/azerbaijan-armenia-blinken-lachin-blockade/32236178.html>.

Karabakh Republic, and Armenians worldwide is to look for additional ways to put more pressure on Azerbaijan to stop the blockade.

In this emergency, it may seem that discussions about the future of Russian peacekeepers after November 2025 are entirely out of touch with reality. However, no one should forget that the existence of Armenians in Nagorno Karabakh after the 2020 Nagorno Karabakh war depends on the presence of foreign military forces. No foreign military presence in Nagorno Karabakh equals no Armenians there. Given the more than 30-year anti-Armenian propaganda in Azerbaijan, this equation may be valid for decades.

The Azerbaijani position is unequivocal: Azerbaijan would demand the withdrawal of Russian peacekeepers from Nagorno Karabakh after November 2025. According to the November 2020 trilateral statement, Armenia and Azerbaijan may call for the withdrawal of Russian peacekeepers six months before the end of their initial five-year mandate.⁶ It is challenging to predict regional geopolitics in 2025, and much will depend on the course of the war in Ukraine.

If Russia ended the conflict on its preferred terms, the Kremlin would probably be able to keep its peacekeepers in Nagorno Karabakh. In this scenario, facing an empowered Russia, Azerbaijan might agree to the automatic extension of the Russian peacekeepers' mandate, in order not to anger Russia. However, Baku might demand the signature of a new bilateral Russia-Azerbaijan agreement on deploying Russian peacekeepers in Nagorno Karabakh beyond November 2025, which would clearly state that Russian peacekeepers would be deployed on the Azerbaijani territory. It is impossible to assess the potential Russian reaction to that offer. However, Armenia and the Nagorno Karabakh Republic authorities should be ready for such a scenario and prepare some course of action. Should Armenia, and especially Nagorno Karabakh, agree to this option, or should they demand that the peacekeeping mission extension occurs within the framework of the November 2020 trilateral statement?

⁶ Statement by President of the Republic of Azerbaijan, Prime Minister of the Republic of Armenia and President of the Russian Federation, <http://en.kremlin.ru/events/president/news/64384>.

On the other hand, the war in Ukraine may end with less favorable outcomes for Russia. In that case, Azerbaijan might be happy to exploit Russia's weakness and push the Russian peacekeepers out of Nagorno Karabakh. Russian failures in Ukraine in early September 2022 contributed to the perception in Azerbaijan that they could play hard in the region. It was not a coincidence that Azerbaijan launched a large-scale aggression against Armenia only a week after the successful Ukraine counteroffensive in the Kharkiv region.

One of the options which Armenia and Nagorno Karabakh might choose was to stand by and wait for the results of the war in Ukraine, hoping that its end would not encourage Azerbaijan to be more active in its efforts to push out Russian peacekeepers and finish once and for all the issue of Nagorno Karabakh, kicking out most, if not all, Armenians from the region. Meanwhile, Armenia and Nagorno Karabakh could argue that Russian peacekeepers should remain in Nagorno Karabakh an additional 15 or 20 years, and Armenia could state that it was ready to sign an agreement about the extension of the Russian peacekeepers' mandate at any moment. However, this path would be dangerous, and it might lead to catastrophic implications for the Armenian population in Nagorno Karabakh.

Armenia has zero capabilities to influence the outcome of the war in Ukraine. If Russia failed, Armenia would have zero chances to prevent Azerbaijan from pushing out Russian peacekeepers from Nagorno Karabakh after November 2025.

To be able to separate the results of the war in Ukraine from the continued presence of peacekeepers in Nagorno Karabakh, it would be necessary to start exploring ways to secure the deployment of peacekeepers in Nagorno Karabakh beyond the November 10, 2020, statement. Thus, granting some international mandate or signing a new multilateral statement/agreement regarding the deployment of peacekeeping forces in Nagorno Karabakh has become crucial for Armenia and Nagorno Karabakh. If Yerevan and Stepanakert could secure such an outcome, it would detach the continued deployment of peacekeepers in Nagorno Karabakh from the outcome of the war in Ukraine. This is a challenging task. Any international mandate for peacekeepers would require either a decision of the Organization for Security and Cooperation in Europe (OSCE) or the UN Security Council.

Given the Russia-West confrontation, it would be naïve to hope that the US, UK, and France would grant an international mandate to Russian forces for peacekeeping operations anywhere in the world, including in Nagorno Karabakh. A representative of the Russian foreign ministry recently stated that Russia did not believe there was any need for an international mandate for the Russian peacekeepers deployed in Nagorno Karabakh.⁷ It is also impossible to imagine an agreement by the OSCE or the UNSC on some joint “Russia + other countries” peacekeeping operation anywhere. At the same time, Russia will veto any option to replace Russian peacekeepers in Nagorno Karabakh with forces from other countries. Another obstacle is Azerbaijan’s position, which would reject the possibility of an internationally mandated peacekeeping operation in Nagorno Karabakh.

Thus, Armenia and Nagorno Karabakh should not waste resources to reach those goals. The only possible solution, which would still require a lot of diplomatic skills and hard work from Armenia and Nagorno Karabakh, was the launch of multilateral negotiations with all interested parties – Russia, the US, the EU, and Iran – about potential ways to secure the peacekeeping mission in Nagorno Karabakh beyond November 2025. This could not be solely a Russian mission, but it should include a solid Russian presence. Of course, these parties might not agree, and even if they reached an understanding, Azerbaijan might reject it altogether. There are no straightforward ways to overcome Azerbaijani objections. However, starting this complicated and tricky path with no guaranteed success might be better than pursuing the wait-and-see strategy, hoping that Russia would not be weakened too much by the war in Ukraine and Azerbaijan would not be able to push Russians out of Nagorno Karabakh after November 2025.

The Future of Azerbaijan – Nagorno Karabakh Negotiations

The negotiations between Azerbaijan and the self-proclaimed Nagorno Karabakh Republic have been one of the most discussed topics since the end of the 2020 Nagorno Karabakh war. The international community believes that these negotiations can help find a long-term solution to the Nagorno Karabakh conflict, while the Armenian government has agreed to separate

⁷ Russia MFA: No need to endow Russian peacekeepers in Karabakh with UN mandate, <https://news.am/eng/news/743645.html>.

Armenia-Azerbaijan relations from the issue of the future of Nagorno Karabakh. Armenia insisted that a special international mechanism should be established for Azerbaijan-Nagorno Karabakh contacts.⁸ At the same time, Azerbaijan rejected this option, claiming that no international involvement was necessary for the Azerbaijani government to speak with representatives of the Armenian minority in Azerbaijan. The self-proclaimed Nagorno Karabakh Republic rejected the “Azerbaijan-Armenian minority” framework of talks, arguing that talks should be conducted within the international mechanism and between two entities: Azerbaijan and the Nagorno Karabakh Republic.

Since the end of the war, several meetings took place between representatives of Azerbaijan and the Nagorno Karabakh Republic focused on technical and humanitarian issues. Azerbaijan’s decision to impose a blockade on Nagorno Karabakh and to close the Lachin road have created additional obstacles for any meaningful negotiations. In recent months, Azerbaijan put forward another demand to resume contacts: the dismissal of Nagorno Karabakh state minister Ruben Vardanyan. President Aliyev reiterated this position at the Munich Security Conference, last February. The removal of Vardanyan seemed to open the way for the resumption of talks.⁹ Two meetings took place on February 24 and March 1, 2023, facilitated by the Russian peacekeepers. Azerbaijan appointed a special envoy for these talks. However, four days after the last meeting, Azerbaijani special forces ambushed and killed three police officers near the Azerbaijan-Nagorno Karabakh line of contact. This attack has casted doubts on Azerbaijani’s intentions to resolve the Nagorno Karabakh conflict peacefully.¹⁰

Meanwhile, after a three-month break, Armenia-Azerbaijan negotiations were resumed at the Munich Security Conference.¹¹ Discussions are underway to

⁸ International mechanism for talks between NK and Azerbaijani representatives has no alternative – Marukyan, <https://www.armenpress.am/eng/news/1099733/eng/>.

⁹ Ruben Vardanyan dismissed from the post of Artsakh’s Minister of State, <https://en.armradio.am/2023/02/23/ruben-var-danyan-dismissed-from-the-post-of-artsakhs-minister-of-state/>.

¹⁰ Five Killed In Shootout Between Karabakh-Armenian Police, Azerbaijani Military, <https://www.rferl.org/a/armenia-azerbaijan-killed-wounded-armed-incident-nagorno-karabakh/32302862.html>.

¹¹ Pashinyan-Aliyev-Blinken meeting in Munich, <https://jam-news.net/pashinyan-aliyev-blinken-in-munich/>.

organize a new meeting within the Brussels format. The future of Nagorno Karabakh is one of the critical issues which should be discussed and agreed upon. In recent months, the Armenian government has made significant steps to facilitate the peace process. In April 2022, Prime Minister Nikol Pashinyan stated that Armenia was considering the possibility of lowering the bar of Nagorno Karabakh status, apparently hinting that Armenia might abandon its long-term position that Nagorno Karabakh could not exist under Azerbaijani jurisdiction. Since the summer of 2022, Armenian officials have stopped the usage of the term “status,” emphasizing the necessity to ensure the rights and security of Nagorno Karabakh Armenians. The international community accepted this approach, pushing forward the idea that status is not the mandatory condition for providing security and protecting the rights of Nagorno Karabakh Armenians. The Azerbaijani government also pushed forward this option, claiming that it was ready to provide the same rights to the Armenians as to other ethnic groups in Azerbaijan.

However, this vision, according to which Armenians in Nagorno Karabakh may enjoy rights and security under Azerbaijani jurisdiction without any status, has several basic flaws. First of all, it does not consider the 35 years of conflict and anti-Armenian propaganda, which has been widespread in Azerbaijan. Since many Azerbaijanis perceived Armenians as existential enemies, it would be challenging to assume that by some miracle, Azerbaijani society would eliminate the effects of this propaganda. To achieve this result, Azerbaijan should stop spreading hatred against Armenians and launch a long-term information campaign to overcome the results of anti-Armenian propaganda, which might take decades to provide tangible results.

The state-spread anti-Armenian hatred is not the only obstacle to implementing this vision. Azerbaijan is an authoritarian state, and this is not an Armenian assessment. This is acknowledged by all international organizations, like Freedom House, Human Rights Watch, Amnesty International and others. Azerbaijan systematically violates the fundamental rights of Azerbaijani citizens, regardless of their ethnic origin. In the recently published Freedom in the World 2023 report, Freedom House again rated Azerbaijan as a “Not Free” country, giving it only nine points out of 100.¹² In the current environment,

¹² Freedom in the World – Azerbaijan Country Report, <https://freedomhouse.org/country/azerbaijan/freedom-world/2023>.

arguing or hoping that the Azerbaijani government was able or ready to provide the necessary rights to the Armenians from Nagorno Karabakh would not be realistic. If implemented, this approach would result in the hard or soft ethnic cleansing of Armenians from Nagorno Karabakh. Any country or organization pushing forward such a solution would bear responsibility for such an outcome.

One should argue for fundamental changes in the Azerbaijani state system and state institutions before discussing the possibility of providing security and rights to Armenians under Azerbaijani jurisdiction. If it ever started, this process of substantial reforms in Azerbaijan would take years, if not decades, to transform the country and bring it closer to basic democratic standards. Until this happened, the only option to prevent the hard or soft ethnic cleansing of Armenians living in Nagorno Karabakh would be the solid and permanent international presence in Nagorno Karabakh, which should continue after the expiration of the Russian peacekeepers' initial mandate in November 2025.

Diversification of Armenian Foreign Policy and the Role of India

The 2020 Nagorno Karabakh war has significantly changed the balance of power in the South Caucasus, increasing the role and influence of Turkey. The direct involvement of Turkey in the war and the lack of action by Russia to prevent this NATO member state from challenging the Russian zone of influence in the post-Soviet space crushed the basics of the Armenian foreign and security policy. Since the end of the first Nagorno Karabakh war in 1994, Armenian military doctrine has been based on the core belief that Russia will not allow direct Turkish involvement in a new war against Armenia. Thus, Armenia prepared itself for the war with Azerbaijan while outsourcing to Russia the deterrence of Turkey. Meanwhile, this mindset also resulted in a Russia-focused defense and security policy. Armenia was buying weapons mainly from Russia, almost all Armenian officers were studying in Russian military universities, and the structure and operating mode of the Armenian army was solely based on the Russian model. Armenia developed limited defense cooperation with other nations, including the US, Greece, and Poland, and signed its first Individual Partnership Action Plan with NATO in

2005.¹³ However, these sporadic interactions did not change the basics of Russia-focused foreign and military policy.

The Armenian political and military leadership failed to assess the transformation of the global and regional order, including the changing nature of Russia-Turkey relations, especially after the 2016 failed military coup. Thus, the 2020 war was a wake-up call for Armenia, indicating that the country needed diversification in its defense and security policy. The growing assertiveness of Azerbaijan, including direct aggressions against Armenia in May, November 2021, and September 2022, military actions against the self-proclaimed Nagorno Karabakh Republic in March and August 2022, the blockade of the Lachin corridor, and permanent threats of new escalations against Armenia and Nagorno Karabakh, have amplified the necessity for a rapid modernization of the Armenian army. Meanwhile, the war in Ukraine and the complete rupture of Russia-West relations created significant complications for Armenia in its quest for defense and security policy diversification. As Armenia continued its strategic alliance with Russia and the Russian peacekeepers deployed in Nagorno Karabakh have been the only guarantee preventing large-scale atrocities against local Armenians, given that a boost in defense and security cooperation with the West might create tensions in Armenia-Russia relations. The same was also valid for the West. For many Western countries, defense cooperation, especially the supply of modern weapons to the CSTO members and Russian allied countries, would be an option off the table.

Another option for Armenia could be Iran. Tehran is concerned about growing Azerbaijan-Israel defense cooperation and is clearly against Azerbaijan's vision of creating a "Zangezur corridor."¹⁴ In recent months, Iran sent clear signals to Azerbaijan that it would not tolerate the change of borders in the region and expressed its willingness to expand its cooperation with Armenia.¹⁵ However, the growing Russia-Iran cooperation, including the alleged supplies of Iranian drones to Russia (which the Kremlin has used against

¹³ Relations with Armenia, https://www.nato.int/cps/en/natohq/topics_48893.htm.

¹⁴ Khamenei Warns Against Attempts To 'Block' Armenian-Iranian Border, <https://www.azatutyun.am/a/31950738.html>.

¹⁵ Iran opens consulate general in Kapan, <https://media.mehrnews.com/d/2022/10/21/0/4310848.pdf?ts=1666375338518>.

Ukraine), and the impasse in the negotiations to restore the Iranian nuclear deal have transformed Iran into another pariah state for the West. The US and other Western countries accepted the expansion of economic cooperation between Armenia and Iran, including the launch of the Iran-Armenia gas pipeline. However, defense cooperation with Iran, joint military drills, and supplies of Iranian weapons to Armenia might trigger a backlash from the West.

Meanwhile, the growing threat of a new aggression by Azerbaijan has made the modernization of the Armenian army urgent. Russia could only partially satisfy Armenian demands, while expanding defense cooperation with the West or Iran might create complications for Yerevan. In the current environment, India appears as a natural partner for Armenia in its efforts to diversify its defense and security policy. Armenia and India enjoy historically friendly relations. The establishment of the Azerbaijan-Turkey-Pakistan partnership and the possibility to connect India with Europe via Iran, Armenia, Georgia, and the Black Sea have added geopolitical and geo-economic dimensions to the bilateral relations. Since the first-ever visit of the Indian minister of external affairs to Armenia in October 2021, bilateral relations started to develop quickly,¹⁶ and in 2022 several arm purchase deals were made, including Pinaka rocket launchers and Marg 155/39 self-propelled howitzers.¹⁷

India is pursuing a balanced foreign policy amidst the Russia-West confrontation. It did not join anti-Russian sanctions and it significantly increased the purchase of Russian oil while simultaneously fostering strategic partnerships with the US within the Quad and the I2U2 (India, Israel, UAE, US) Group. Thus, increased defense and security cooperation of Armenia with India would be less contentious for both the West and Russia, while allowing Armenia to push forward the modernization of its armed forces. In this context, Armenia and India should also look to other opportunities, including joint

¹⁶ Jaishankar arrives in Armenia as part of his three-nation tour to Central Asia, <https://timesofindia.indiatimes.com/india/jaishankar-arrives-in-armenia-as-part-of-his-three-nation-tour-to-central-asia/articleshow/86974291.cms>.

¹⁷ Bharat Forge from India to deliver 155mm wheeled self-propelled howitzers to Armenia, https://www.armyrecognition.com/defense_news_november_2022_global_security_army_industry/bharat_forge_from_india_to_deliver_armenia_155mm_wheeled_self-propelled_howitzers.html.

peacekeepers drills and cooperation on defense education and strategic planning.

The war in Ukraine has disrupted global supply chains, creating significant complications for transit routes crossing the Russia-Europe border. The world economy, still reeling from COVID-19, found itself in another crisis. Yet, even before the pandemic and the war in Ukraine, the primary sea transit routes connecting Southeast Asia with Europe, like the Suez Canal, were congested due to the growing cargo volumes. As one of the rising stars of the global economy, India was looking forward to establishing alternative routes to reach Europe. In 2000, India, Iran and Russia signed an agreement to launch the International North-South Transport Corridor (INSTC) to connect India with Europe via Iran and Russia.¹⁸ Three main routes were identified to connect India with Russia: via Iran and Azerbaijan, via Iran and the Caspian Sea and via Iran-Turkmenistan-Kazakhstan. According to the initial plan, the cargo should enter northern Europe from Russia, creating an India-Europe route that would circumvent the Suez Canal.

However, the war in Ukraine and the complete rupture of Russia-West relations brought the realization of this plan into danger. As the new cold war disrupted Russia-West economic and political relations, any large-scale transit of cargo passing the Russia-Europe border would look risky for the international logistic and insurance companies. At the same time, India's need for additional trade routes to reach Europe circumventing the Suez Canal remains valid. In parallel to the discussions around the INSTC, in 2016, Iran has put forward a new international transport corridor project, Persian Gulf-Black Sea, which should connect Iran with Europe via the South Caucasus.¹⁹ The negotiations were paused during the COVID pandemic, but all potential participants of the project – Iran, Armenia, Georgia, Azerbaijan, Bulgaria and Greece – expressed their interest in participating.

In recent years, India invested in the Iranian port of Chabahar, viewing it as a focal point to reach Central Asia via Afghanistan circumventing Pakistan.

¹⁸ International North-South Transport Corridor (INSTC), <https://aric.adb.org/initiative/international-north-south-transport-corridor>.

¹⁹ SITREP: Persian Gulf-Black Sea Transport Corridor, <https://www.indrastra.com/2023/02/sitrep-persian-gulfblack-sea-transport.html>.

The 2021 takeover of Afghanistan by the Taliban has made the transit via Afghanistan challenging. However, India continued its efforts to modernize Chabahar Port and received a US sanctions waiver for its investments. Currently, Chabahar does not have access to the Iranian railway network, but Tehran plans to bring the railway to Chabahar.²⁰ As India is looking for additional routes to reach Europe, circumventing the Suez Canal and avoiding the negative impact of Russia-West confrontation, the Persian Gulf-Black Sea corridor might fit well into these plans.²¹

The corridor itself might connect Iran with Georgia via either Armenia or Azerbaijan. Armenia and Azerbaijan have railway and highway connections with Georgia, and Azerbaijan has a railroad up to the Azerbaijan-Iran border. There is a missing link of some 165 kilometers inside Iran (the Rasht-Astara line) to connect Azerbaijani and Iranian railways. In January 2023, Russia and Iran agreed to launch the construction of this railway with Russian funding. Azerbaijan has also a highway connection with Iran.

Armenia does not have a direct railway connection with Iran. In November 2021, Azerbaijan closed the main Armenia-Iran highway in the Goris-Kapan section, forcing Yerevan to construct an alternative road to reach the Iran border, which cannot serve large-scale transit cargo transportation. There is a functioning railway from Yerevan up to the Armenia-Nakhichevan border in Yeraskh, and Nakhichevan has a railway connection with Iran via Julfa. However, as Armenia-Azerbaijan peace negotiations are at in a deadlock due to the maximalist position of Azerbaijan, no international transit project might safely rely on that possibility.

However, if the Iran-Azerbaijan-Georgia route might seem more realistic from a purely logistical point of view, geopolitics tells another story. Iran-Azerbaijan relations are at a historical low, given the Azerbaijan-Israel growing defense and security cooperation and Azerbaijan's criticism against al-

²⁰ Slow, Not Steady: Assessing the Status of India-Eurasia Connectivity Projects, <https://www.orfonline.org/research/assessing-the-status-of-india-eurasia-connectivity-projects/>.

²¹ Armenia proposes Iran-Black Sea corridor for Indian traders, <https://economic.times.indiatimes.com/news/international/world-news/armenia-proposes-iran-black-sea-corridor-for-indian-traders/articleshow/98526297.cms?from=mdr>.

leged violation of rights of Azerbaijanis living in Iran. Iran has used Azerbaijan's territory to reach Russia thereby providing additional leverage to Baku over Teheran. India also might have reservations about putting Azerbaijan into the India-Europe route. Azerbaijan is not India's enemy, but it is cultivating friendly relations with Pakistan and is a strategic ally of Turkey, which under President Erdogan has pursued an anti-Indian stance. At the same time, the emerging Pakistan-Turkey-Azerbaijan alliance might damage Azerbaijan-India relations. Thus, for Iran and India, Azerbaijan might not be the most preferred way to connect with Georgia and Europe.

Russian-Iranian Rapprochement in the Context of a New Geopolitical Reality

Boris Kuznetsov

The Second Karabakh war drastically changed a fragile geopolitical status quo in the South Caucasus. With growing Turkish and Russian influence, Iran now must adjust to a new balance of power. Adjustment, however, will be a major challenge for the consecutive Iranian governments requiring significant military and economic resources to compete with Ankara and Moscow. But a realistic approach to bilateral ties and larger regional problems are pushing the regional powers to apply efforts toward finding compromises.

The regional powers put special emphasis on building new regional organizations aiming to cement their positions. There is still lack of agreement among the regional powers on which security cooperation and conflict-resolution mechanism would be acceptable to all the players. Yet the evolving process has indicated the growing ability of Iran, Türkiye and Russia not only to influence the region, but also to exclude external powers and construct a new alliance from the Black Sea to the Caspian basin. Russia's aspirations to develop better relations with Türkiye and Iran has become clear after a close look at the regional map. Common understanding with Ankara and Tehran would allow Moscow to strengthen its position not only in the South Caucasus but in the two areas flanking the region. In the Black Sea, Russia wants to manage together with Türkiye, in the Caspian basin with Iran. For Iran, the Middle East and the South Caucasus have also become linked. Regional security and energy resources underpin the growing interconnection. Russia and Türkiye, which since the 2010s have been active in increasing their military and economic position in the wider Middle East, considered "the South Caucasus as a part of a greater geopolitical game that stretches from the" East Mediterranean area to the Caspian basin.¹ Iran also facilitates the growing interconnection of the South Caucasus with the Middle East. For the first

¹ Emil Avdalani, 26 February 2021: "Iran in the South Caucasus: Adjustment and Evolution". *The Royal United Services Institute for Defence and Security Studies*. <https://rusi.org/explore-our-research/publications/commentary/iran-south-caucasus-adjustment-and-evolution> [Accessed: 21 November 2023].

time since the early nineteenth century, when the Russian empire began its expansion into the South Caucasus and effectively cut the region off from the Middle East, geography is pulling the two spaces together. Iran and Türkiye might now have to slowly reconsider the South Caucasus' role in their respective geopolitical calculations.

The three regional powers have dominated in one form or another over parts or the entirety of the South Caucasus. Most explicitly, Russia is arguing that the space is a buffer zone against potential instability. Türkiye and Iran are more modest, but they too see the space as a part of their traditional zone of influence. Imperial thinking does not necessarily involve direct military control (though in Russia's case it does indeed), but it is rather more nuanced. The admittance of the inability to impose exclusive control is one of the features of the present period, but this has pushed regional powers to create various regional orders based on their historical experiences. As Iran, Russia, and Türkiye have dominated the South Caucasus for centuries, it is not surprising that the three have been more careful not to overreact when dealing with each other, and more eager to acknowledge each other's red lines. Narratives of imperial thinking helped Iran, Russia, and Türkiye to better articulate what they wanted. Western understanding that the former imperial rivals cannot coexist is a total misreading of the historical and present nuances behind Iranian, Turkish, and Russian thinking. In Eurasia the empires rarely formed official alliances. They rather built bilateral relations on mutual respect and were mostly motivated by the politics of the balance of power. They also were rigid about their respective zone of influence. But Moscow has also been cautious not to overestimate its power and willing to approach the regional and global geopolitical trends more realistically. The latter means seeing the South Caucasus not as an exclusive Russian sphere of influence, but rather as a space where it would have both to cooperate and compete with other regional powers. The difference is that to respond to rising challenges Moscow would now prefer to talk to Iran and even more so to Türkiye. Therefore, working with Ankara and Tehran seems more suitable to Moscow's long-term interests.

Iran's South Caucasus policy is closely linked to its relations with Russia. Russia-Iran strategic cooperation is driven by three imperatives: firstly, both need each other as a stabilizing force in the neighboring territories, primarily in the South Caucasus and the Caspian Sea; secondly, bilateral military and

nuclear cooperation; thirdly, both countries cooperate in Syria. And though many consider the partnership in Syria as a backbone for their strong long-term bilateral ties, the South Caucasus is where Moscow and Tehran have been successfully cooperating since the 1990s. The South Caucasus is the region where Iran's interests were often matched with Russia's geopolitical imperatives. But due to the growing influence of the West in the region, Iran and Russia felt threatened as their geopolitical influence shrank significantly. As a result, a *rapprochement* between Moscow and Tehran over the South Caucasus materialized. Moreover, Russia needed Iran which led to a more concrete understanding over the new order they both envisioned for the South Caucasus. Moscow and Tehran proclaimed the idea of the North-South transit corridor via Azerbaijan. This North-South direction of connectivity is competing with the Western-led infrastructure projects on the East-West direction. Another common interest is to avoid any foreign, non-regional political and military influence in the South Caucasus. In this regard, any military cooperation which involved the Western country, or a country related to the Western military power has been seen by Tehran as potentially dangerous to its interests. This coincidence of interests was well seen during the Second Karabakh war when both Russia and Iran had effectively sought a minimization of Western diplomatic influence in the conflict resolution process. Tehran and Moscow also shared the vision of the exclusion of Western powers from the region. Iran and Russia support the idea of "regionalism" in the South Caucasus, i.e. solving the region's problems exclusively by the neighboring powers. This fits into the existing discourse among the Russian and Iranian political elites on envisioning an alternative world order whereby both states would support a multipolar world. Iran's position in the region has been also characterized by concerns over Russia's geopolitical sensitivities. Tehran has followed this policy quite consistently. This explains why Tehran has largely abstained from criticizing Moscow's moves in the region. For instance, though the dispatch of the Russian peacekeeping mission in Nagorno-Karabakh is seen as decreasing the Iranian influence, Tehran nevertheless did not object against it. This could be explained by the fear of minimizing Russia especially at a time when Tehran strived to use Moscow as a counterbalance to mitigate the Western pressure. Iran is also concerned by the potential weakening of Russian positions in the South Caucasus, because of the war in Ukraine. From the Iranian perspective, in that case, the vacuum of power could be filled by the US, which on the ground would mean more Israeli and Turkish influence in the region. Those developments

would be unfavorable to Iran's interests. Iran views Russian presence and influence in the South Caucasus as a positive factor. In this context, the growing tensions between Armenia and Russia and the potential pivot in Armenia's foreign policy from pro-Russian to pro-Western makes Iran nervous. Tehran understands that if Armenia left the Russian zone of influence and pushed the Russian military base and border troops out of Armenia, Iran would get an anti-Iranian outpost near its borders. The top concern for Iran is the growing Azerbaijan-Israel partnership and the potential transformation of Azerbaijan into another anti-Iranian outpost.

Summarizing the assessment of Iran's policy in the South Caucasus after the end of the 2020 Nagorno Karabakh war, it should be noted that Iran is currently pursuing a *status quo* policy rather than revisionist ambitions. Tehran is interested in keeping the current balance of power, where Russia is an influential player through its military presence in Armenia and the deployment of Russian peacekeepers in Nagorno Karabakh. Iran would like to restrict the involvement of other actors' involvement in the region, in particular Israel and the US. Tehran supports the 3+3 regional format, viewing it as a valuable tool to provide regional stability and prevent the external players' influence. How effective would be the Iranian response to the age of great power competition is unclear yet. Much will depend on the country's regional position and the changing world order. A re-evaluation of Iran's foreign policy toward the South Caucasus is likely to follow, though the region will still be perceived as less critical than other regions where Tehran has vital interests.

Russia will continue to serve as one of the poles of geopolitical attraction for Iran, a valuable tool for pursuing a multi-vector and multipolar foreign policy. That being said, the bilateral cooperation in most cases was and still is more of a circumstantial character – based upon reactions of both countries to arising problems, such as the competition with the West.

The emerging geopolitical realities have created objective prerequisites for the enhancing and expansion of Russian-Iranian cooperation in the military-political, trade, economic, scientific, technical and other fields, in order to neutralize the consequences of military threats and the pressure of sanctions from the West, as well as attempts to isolate Russia and Iran and prevent the formation of a new world order.

Mutual visits and contacts between Moscow and Tehran have seriously intensified at all levels and in almost all areas, including the economic and business circles. The work of the Russian-Iranian Intergovernmental Commission on Trade and Economic Cooperation has become more substantive. The fact that its Russian part is chaired by Deputy Prime Minister Alexander Novak, who is overseeing the energy sector, and the Iranian part by Oil Minister Javad Oujii, is indicating that oil, gas, and energy more broadly, is the most important area of the current bilateral economic cooperation.

Plans are being studied to create joint ventures in the fields of mechanical engineering and aircraft construction. Under consideration are opportunities for cooperation in the automotive industry, shipbuilding, railway transport, agricultural and power engineering, and pharmaceuticals. In the financial sector, plans are worked out to harmonize the system for transmitting financial messages, since many Iranian and Russian banks are disconnected from the SWIFT system, as well as interlinking the Mir and Shetab payment systems, and making mutual settlements in the national currencies.

Of course, Iran would not be able to replace the high-tech Western markets that are currently closed to Russia. However, Moscow has gained serious experience from Teheran in import substitution and parallel imports, as well as in circumventing Western sanctions. The closure of Western markets to Moscow and the breakdown of logistic chains linking Russia to Europe have increased the attractiveness of Iran as an important transport hub. Steps are being taken to improve the railway and maritime components of the North-South international transport corridor, passing through the territory of Iran to the Persian Gulf and the Indian Ocean. Russia is actively contributing to Iran's exit from its international political and economic isolation. Moscow has supported Iran's entry into the Shanghai Cooperation Organization as a full member and Iranian application for joining the BRICS. The preparation of an Agreement on a free trade zone between Iran and the Eurasian Economic Union is in its final stages. Today, prerequisites are being created for updating the legal framework of Russian-Iranian relations to elevate them to the level of strategic partnership.

Domestic Challenges of Georgia in the Light of the Russian-Ukrainian War (2022)¹

David Matsaberidze²

Introduction

Since Russia launched its invasion of Ukraine in February 2022, at least 1.2 million Russian citizens have entered Georgia, equivalent to roughly 30 per cent of Georgia's current population.³ This has manifested in political conflict between the main opposition United National Movement (UNM) and the ruling Georgian Dream (GD) parties; the former argues that the introduction of entry restrictions and imposition of a visa regime for the Russian citizens is an urgent measure to be taken, while the latter portrays the mass influx of Russian citizens as a positive addition to Georgian economy due to the remittances coming with them. Nevertheless, the short-term negative impact of Russians' mass migration is already strongly felt in the country, primarily in terms of the rising prices of rents in the main cities of Georgia, over-dependence on Russia economically and concerns over societal security. According to the findings of the Datablog, Georgians appear to be concerned about Russians entering their country: two thirds (69 per cent) think that the large number of Russian citizens entering Georgia will likely have a negative impact on the country. On the other hand, every sixth Georgian (17 per cent) thinks it will have a positive impact, while 8 per cent say that they do not know, and 6 per cent think that the recent influx of Russian citizens will have no impact on the country.⁴

¹ Talking points of the speech delivered at the 25th Workshop of the PfP Consortium Study Group "Regional Stability in the South Caucasus" – *"Discussing a South Caucasus Short of Russian Dominance,"* held on 30 March – April 2, 2023, Tbilisi, Georgia.

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³ Silagadze, G. & CRRC (2022). Datablog | How do Georgians Feel About the Influx of Russians? OC Media. <https://oc-media.org/features/datablog-how-do-georgians-feel-about-the-influx-of-russians/> (Accessed 03/05/2023).

⁴ Ibid.

Russians' Influx and Domestic Political Rhetoric: Georgia's Security Really at Stake?

The public opinion is divided on the issue of the increased migration of the citizens of Russia to Georgia. The government views this process as a new economic opportunity, while part of Georgian society assesses it through the prism of social and economic inequality and risks to national security. Between 20,000 and 25,000 Russians entered Georgia in the first week after the start of Putin's war against Ukraine alone, according to Georgian Economy Minister Levan Davitashvili. Georgia is often a transit country for many Russian migrants, but more than 100,000 have remained in the country to date.⁵

The chairman of the ruling party, Irakli Kobakhidze, MP declares that “the government of Georgia monitors the migration of the citizens of Russia to Georgia and has a close eye on the national security issues” and claims that “artificial campaigns had been unleashed against the Russian tourists, fears proved absolutely groundless, fake and artificial, serving political goals.”⁶ According to him,

the situation is fully under control and the government assumes full responsibility for it [...] calling on political actors, including the *radical opposition* [the term the Georgian Dream party uses recently to denote the United National Movement (A/N)] and the relevant NGOs, to refrain from war-mongering rhetoric and provocations.⁷

Another MP from the ruling Georgian Dream, Chairman of the Parliament's Foreign Relations Committee, Nikoloz Samkharadze, points to the fact that “there are a lot of ethnic Georgians among Russian citizens who returned to Georgia and if the risks are as high as to require legislative amendments or restrictions, relevant agencies should issue such recommendation.”⁸ His viewpoint is supported by the State Minister for Reconciliation and Civic

⁵ Schmies, O. (2022). The Eastern Partnership Countries and the Influx of Russian Citizens Following Russia's Invasion of Ukraine: Steps to be Taken by the EU. Guest Commentary, Stockholm Centre for Eastern European Studies [SCEEUS] Guest Platform for Eastern European Policy, No.18. <https://www.ui.se/globalassets/ui.se-eng/publications/sceeus/the-eastern-partnership-countries-and-the-influx-of-russian-citizens-following-russias-invasion-of-ukraine.pdf> (Accessed 03/05/2023).

⁶ Georgian Politicians Comment on Tightening Immigration Rules for Russians. Civil Georgia. 23/09/2022. <https://civil.ge/archives/509035> (Accessed 03/05/2023).

⁷ Ibid.

⁸ Ibid.

Equality, Tea Akhvlediani, stating that “this time, a threat is hypothetical in nature. We will discuss this issue if it becomes real.”⁹

In response to the calls for visa requirements to be instituted, the ruling party’s chairperson Irakli Kobakhidze stated that the visa policy with Russia was eased after the Russia-Georgia August War 2008, and now it is *simply irrational* to revise it. The Speaker of the Parliament, Shalva Papuashvili, explained that nothing has changed in the number of the Russian visitors in recent years, and taking the years 2020–2021 as a comparison it is “irrelevant” because “there was a pandemic and the movement in the world was completely different.”¹⁰ He added:

This is nothing new, there was this campaign in March as well, and we saw how far this campaign has taken us – it turned into a xenophobic campaign and into someone throwing a stone at a Russia citizen in the middle of Chavchavadze [Avenue].¹¹

Papuashvili denied any “mass influx” of Russian citizens, claiming the land border between the two countries has been closed by Russia for individual travel. “This is also a part of a disinformation campaign to bring anxiety to the public,”¹² the chairman noted. The Chairman of the Legal Affairs Committee of Parliament, Anri Okhanashvili adds that “instituting visa requirements with Russia serves the purpose of ‘destabilization’ and the country ‘being engaged in the war.’”¹³

The representatives of the opposition are more cautious towards the issue of the migration of Russians and argue for the establishment of the visa regime for Russians. Kakhaber Kemoklidze, *For Georgia* party, former Secretary of the National Security Council, argues that “Russia is facing a defeat in Ukraine and this will prompt a lot of people to leave Russia and a wave of migration will grow further, increasing national security risks;”¹⁴ whereas “given the potential scale of the influx *from a hostile state*, security services

⁹ Ibid.

¹⁰ Worries in Georgia amid Reports of Russian Influx. Civil Georgia. 04/03/2022. <https://civil.ge/archives/477538> (Accessed 03/05/2023).

¹¹ Ibid.

¹² Ibid.

¹³ Calls Increase for Visa Requirements for Russians. Civil Georgia. 06/08/2022. <https://civil.ge/archives/503240> (Accessed 03/05/2023).

¹⁴ Georgian Politicians Comment on Tightening Immigration Rules for Russians. Civil Georgia. 23/09/2022. <https://civil.ge/archives/509035> (Accessed 03/05/2023).

won't be able to control for risks on the operative level even if there was the political will to do so.”¹⁵ The ruling party GD does not want to see the threat, although measures could be taken to tighten immigration control and increase the amount of information the state gets about the new entrants.¹⁶ Ex-Prime Minister, Giorgi Gakharia, funder of the *For Georgia* party argues to reduce the one-year visa-free regime for citizens of the Russian Federation to 1–3 months. A significant number of Russian citizens settle in Georgia, buy real estate, and register businesses.

Creating greenhouse conditions for citizens of an occupying country in the country being occupied by their nation including through political statements threatens the demographic stability of our country and increases threats to the country's sovereignty in the long term.¹⁷

“Stark rise of the number of visitors from Russia can bring the situation out of control and pose serious challenges to the security of our country,” the opposition party *Lelo for Georgia* stated. The party called on Georgian authorities to release statistics of visitors from Russia and suggested introducing a “temporary visa regime with countries currently involved in the military aggression against the state of Ukraine.”¹⁸ The position is shared by another opposition party member from *Lelo for Georgia*, Salome Samadashvili, arguing that:

Russia's military call-up will lead to increased numbers of Russian citizens leaving their country, whereas Georgia remains the easiest place for Russian citizens to enter without visas. Considering our security challenges, we have been warning the government since the very beginning of Russia's invasion of Ukraine that it is necessary to focus on imposing visa requirements for Russian citizens through adopting relevant legislative amendments and introducing strict short-term visa requirements for Russian citizens.¹⁹

Member of the opposition party “*Strategy Agmashenebeli*,” Paata Manjgaladze, argues that the new wave of migrants “do not want to go to war, have rushed to the borders of various countries, but most European countries are closed for them. Naturally, we cannot turn Georgia into the place of concentration

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Calls Increase for Visa Requirements for Russians. Civil Georgia. 06/08/2022. <https://civil.ge/archives/503240> (Accessed 03/05/2023).

¹⁸ Worries in Georgia amid Reports of Russian Influx. Civil Georgia. 04/03/2022. <https://civil.ge/archives/477538> (Accessed 03/05/2023).

¹⁹ Georgian Politicians Comment on Tightening Immigration Rules for Russians. Civil Georgia. 23/09/2022. <https://civil.ge/archives/509035> (Accessed 03/05/2023).

of deserters” and claims that “we should let in only those people who are against Putin’s regime. Georgia’s security should not be jeopardized, because nobody knows who will come in together with the so called ‘deserters.’”²⁰

This argument was shared by Giga Bokeria, chairman of the *European Georgia* party, who claims that “the inflow of Russian citizens further expands Russia’s capabilities to have a deeper intelligence network for the future and it represents a huge problem.”²¹ The *European Georgia* argues that a large number of Russian citizens coming to Georgia are trying to bypass international sanctions imposed on Russia: “it’s unacceptable for Georgia to become a black hole for Russia and Russian citizens to evade sanctions,” emphasizing that “these measures can be implemented by restoring the visa regime, as well as by introducing separate, emergency measures.”²²

The *Lelo for Georgia* party came out with the initiative of establishing visa requirements for citizens of Russia and Belarus, and emphasized that “the flow of visitors from the occupying country is beyond all control.”²³ The party denoted:

Relevant structures do not and are unable to control citizens entering our territory from the occupying country, the country is vulnerable to the challenges and threats that have critically increased against the background of Russia’s invasion of Ukraine and ongoing hostilities.²⁴

Lelo also called to limit and control as much as possible the issue of land and other real estate acquisitions and residency rights for the citizens of Russia and those countries that are involved in the military conflict against Ukraine. The party also wants the process of registering businesses of the Russian citizens to be controlled as much as possible.

Warning against the anger growing into xenophobia, former Defense Minister Tina Khidasheli said that reports of Russians leaving their country, if true, may have two reasons – *fleeing the dictator and anticipated repressions* or *fleeing*

²⁰ Ibid.

²¹ Ibid.

²² Calls Increase for Visa Requirements for Russians. *Civil Georgia*. 06/08/2022. <https://civil.ge/archives/503240> (Accessed 03/05/2023).

²³ Ibid.

²⁴ Ibid.

sanctions discomfort. According to Khidasheli, visa regimes exist to filter the applicants. “Those fleeing sanctions while keeping Putin’s pictures on their Facebook pages should not be allowed in Georgia.”²⁵

Conclusion

Russian immigrants entering Georgia are evidently politically passive [so far], but the huge gains in terms of economic standing in the country, launching businesses and purchasing private property, both residential and commercial in the main cities of Georgia, could be translated into imminent aspirations to gain citizenship,²⁶ as they are determined to stay in Georgia for a longer, or even undetermined period of time, could complicate the political-economic, aka security, situation of Georgia in a long-term perspective.

The domestic political situation is bifurcated due to the diverse and mutually exclusive narratives of the governing Georgian Dream and the leading opposition parties [primarily that of the United National Movement] providing alternative securitization discourse on the immigrants from Russia: Russians are presented either as a positive economic addition to Georgia [GD’s narrative], that is attested by economic figures,²⁷ or as a potential threat to its long-term economic and political security [opposition/UNM’s narrative].

The challenges emanating from the Russian immigrants in terms of state-building of Georgia are not urgent yet. Considering the trend and self-re-

²⁵ Worries in Georgia amid Reports of Russian Influx. Civil Georgia. 04/03/2022. <https://civil.ge/archives/477538> (Accessed 03/05/2023).

²⁶ See for the procedures: Acquisition of Georgian Citizenship. The State Commission on Migration Issues (SCMI/Commission). https://migration.commission.ge/index.php?article_id=165&clang=1 (Accessed 05/05/2023).

²⁷ See: Georgia’s Economic Dependence on Russia: Impact of the Russia-Ukraine War, Transparency International – Georgia. 22/02/2023. <https://transparency.ge/en/post/georgias-economic-dependence-russia-impact-russia-ukraine-war-1> (Accessed 03/05/2023); Kakachia, K. & Kandelaki, S. (2022). The Russian Migration to Georgia – Threats or Opportunities? PONARS Eurasia Policy Memo No. 818. <https://www.ponarseurasia.org/the-russian-migration-to-georgia-threats-or-opportunities/> (Accessed 03/05/2023); Silagadze, G. & CRRC (2022). Datablog | How do Georgians Feel About the Influx of Russians? OC Media. <https://oc-media.org/features/datablog-how-do-georgians-feel-about-the-influx-of-russians/> (Accessed 03/05/2023).

served right of the Russian Federation, according to its national security concept, to guarantee the security of Russian minorities abroad, including by launching military campaigns to defend their rights, that issue could potentially come up higher, at a later stage, on the national security agenda of Georgia. The public opinion polls have revealed that the population of Georgia has not welcomed the mass influx of Russian citizens in the country, but evidently, they have happily adapted to the new realities, primarily in terms of renting flats for higher financial gains and allowing them to buy private and public real estate. As mentioned above, there is no visa requirement for the citizens of Russia entering Georgia and the government did not use to vet the Russians who came to the country; hence, there are rational fears and the danger that numerous Russian spies could come to Georgia under the cover of immigrants,²⁸ thereby deteriorating the security situation of Georgia, either in a short-term or in a long-term perspective.

²⁸ See: Lomsadze, G. (2022). Spy's Confession Sheds Light on Russian Espionage in Georgia. Eurasianet.org. <https://eurasianet.org/spys-confession-sheds-light-on-russian-espionage-in-georgia> (Accessed 05/05/2023); Former FSB Agents Say they Were in Georgia on Special Assignment, JAMnews – Tbilisi. <https://jam-news.net/former-fsb-agents-say-they-were-in-georgia-on-special-assignment/> (Accessed 05/05/2023).

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Epilogue

Frederic Labarre

The contributors of the 25th workshop of the RSSC SG have produced results that seem counter-intuitive, but not atypical of the Study Group. As such the preceding contributions should not surprise the reader as the task was indeed daunting – to attempt to imagine the future of Russia and her role in the South Caucasus in the context of her failing aggression against Ukraine. The leap of imagination that is required to acquit oneself of the challenge is a fearsome one. For instance it requires imagining what might befall Armenia should the vast majority of Russia's army prove unavailable or incapable of abiding by the security guarantees that her occupation of Armenian territory promises. In Georgia, reckoning with the implication of Russia's implosion also gives pause, after the massive influx of migrants and people shirking their military obligations there. What would happen to Georgia should Russia descend in the flames of civil war, as it did 100 years ago? Those are implications that are too vast to comprehend.

Nevertheless, the research provided here, and the discussions that were entertained in Tbilisi have brought forward familiar themes, but in a new context. This Study Group has explored the theme of energy security for instance, with a view of leveraging it to trigger institutionnalism in the region. Here, we see the same theme appearing once again, not as a pretext for multilateralism, and not as a weapon, but as the expression of a new regionalism. That new regionalism would hold that the geography is more important than politics, and that the South Caucasus is actually much more than the land situated between the Caspian and the Black Sea. The South Caucasus means large parts of Central Asia and the Greater Black Sea simultaneously. This is an important admission which one of the co-chairs has resisted for many years, while the other co-chair sought to have the first one listen to reason.

Much of the contributions we have received make the point that the outcome of the Russian invasion of Ukraine and the former's eroding influence will cement the role of the South Caucasus as an energy and commercial transit hub. Many of our contributors have highlighted this fact, and not referring

simply to the trade between an embattled Russia and Iran, but the necessary outreach that the European Union needs to execute to secure access to Central Asian gas supplies. The European Union must also consider not only the security of the source of gas, but the reliability of the transit as well. Therefore, the Black Sea should loom even larger in the EU's calculation for stable energy provisioning.

Thus the form of multilateralism that could be expected in the future – at least pertaining to the region – would be trade and energy-based. Faithful readers of the RSSC SG's products will recall that some years ago the Study Group considered the creation of such institutions in the South Caucasus. However, in the current context, this development would potentially have two simultaneous consequences. First, Türkiye would gain pre-eminence through its ethnic and political linkages with certain Central Asian actors, and of course, through Azerbaijan. It would also become the more reliable actor in the Black Sea, owing to its position and political essentiality. Türkiye is a NATO member, to begin with, and this would lead to the second consequence; the need to turn the Black Sea into a NATO lake. As we have seen during the summer of 2023, Russia cannot be relied upon to keep her end of the bargain with regards to freedom of navigation in the Black Sea. The threat that grain deliveries on which the Middle East and North Africa depend might be impeded is a risk that Türkiye may not countenance, as her influence also reaches that far afield.

This new regionalism would therefore have its own hegemon, but the main enabler would still be the South Caucasus, which would then act as a genuine bridge between the two seas. This is where the future of multilateralism may lie, but this would be a creation indigenous to the South Caucasus, and not something imposed from outside. Currently, we do not see any indications that such an outcome is in the offing but if the war in Ukraine continues, then the main actors in the South Caucasus may discover where their interests really lie.

The operating condition for this to happen requires more than good-neighbourly relations; it requires stability brought about by effective reconciliation. To give this construct a chance, the ability to envision the future, beyond

past injuries, to look forward and not backward, is the ingredient that is missing. This is an ability which remains elusive in the South Caucasus, but which the RSSC SG will continue to seek to develop.

PART V: Policy Recommendations

Policy Recommendations

Regional Stability in the South Caucasus Study Group

The RSSC SG met for its 25th workshop in Tbilisi, Georgia, to discuss the future of the South Caucasus in the context of the erosion of Russian hegemony in the region. The continuing war in Ukraine and the upheaval which it has created in the geostrategic and geopolitical environment cannot be ignored, as there is empirical evidence that other regional actors are seeking to take advantage of Russia's weakness. This would necessarily affect the ability of South Caucasus countries to determine their policy orientation – individually or jointly. What follows is a synopsis of the debates during the workshop concluding with a set of general recommendations.

Scenarios for a Future Russia

Scenarios for a future Russia cannot be divorced from the kind of relations that might follow in the wake of the end of war in Ukraine. To some, there is no stopping the revisionist trend currently at play among Russian foreign and security policy elites – irrespective of Russia's performance in Ukraine. This sort of revisionism is not akin to structural conflict (such as what we have seen during the Cold War) and thus would not be propitious for a “Gorbachevian thaw.” Thus, the West must abandon the “bogeyman” narrative and develop an “exit strategy” in a context where Russia can neither win nor lose.

The leverage of the Russian Federation to manage the conflict between Armenia and Azerbaijan might be affected, and the stability of the South Caucasus could suffer yet again, as the presence of Russian peacekeepers in Karabakh might be put in question past 2025. Armenia and Azerbaijan are united in their criticism of Russia's presence – though for different reasons – and an eventual withdrawal may have implications on other fronts as well – as a credible leader of the Collective Security Treaty Organisation (CSTO), for instance.

The future of Russia is dependent on new trade routes and the opening of geopolitical corridors which will help it skirt sanctions and develop new partnerships. Thus, the North-South routes towards the Persian Gulf and the Eastern Mediterranean are becoming existentially critical for Russia. This explains the Russian-Turkish “co-opetition” (a symbiosis of cooperation and competition). If Russia succeeds in fostering stable links with Türkiye, Iran and other key Middle Eastern actors, it may effectively sideline the clientelist relations of the United States in the Middle East, thereby creating a genuine multipolar world whence it might emerge, some analysts believe, a new regional order where Russia could have the upper hand. In this context, the belief that Russian influence might be evaporating discounts the fact that Russia is the only actor who can leverage the Israel-Iran dialogue.

This is a significant departure from the traditional strategic Russian thinking that “Russia will not be Russia without the Black Sea”, quipped by Boris Yeltsin in 1996 (and echoed by Pavel Grachev). The future depends on how the West will perceive Russia, especially with regards to Crimea. If Russia lost Crimea, then the Black Sea would be also lost. If regional cooperation emerges, then Russia’s influence in the wider Black Sea may be curtailed. If dividing lines endure, and if South Caucasus countries maintain relationships with larger hegemon, stability will be more fragile, but Russian dominance over the Black Sea would still be maintained.

This last appraisal is in line with the pessimistic view of Russian-South Caucasus relations. Russia may still apply selective pressure on its neighbours. Its presence in Karabakh, for instance, supports its mediating power between Armenia and Azerbaijan. This in turn would affect Georgian relationships in the region. An optimistic scenario would see Russia adopt a more constructive attitude which could stimulate regional cooperation on common energy projects – this may eventually lead to the closer integration of Abkhazia and South Ossetia to Georgia. In the short term, we may see a greater focus on Central Asia as Russia seeks to evade sanctions. Another assessment is that there is no “future Russia” because in reality, the Cold War never ended; it merely changed shape.

There was no consensus as to what could be expected of Russia in the future. Towards the West, Russia’s relationship will remain competitive at best, and

confrontational at worst. In the South Caucasus, Russia's presence will continue being felt. The weakening of Russia may force it to become more constructive in its approach. The effects are lacklustre and suboptimal, but have had implications for relevant international organizations, such as the OSCE. Few alternative solutions have been provided.

Russia's role in the South Caucasus eroded to such a point that the South Caucasus countries are also looking for other strategic relationships besides those with Russia. On the other hand, discussions show that support for the CSTO should not be underrated. In this context, Russian dominance may endure within that organization. Türkiye has the potential of becoming the dominant Black Sea power, which may lead Russia to seek increased interdependence with it.

The basic assumption is that Russia and the West are in for a long-term conflict. Some relationships are beyond repair, others are difficult to manage, and therefore, the future becomes difficult to predict, and even harder to plan for.

The Future of Multilateralism in a Changing Geopolitical Environment

Some commentators argued that multilateralism – expressed as the UN, the OSCE, and the Council of Europe – has failed in the South Caucasus, others stated that it is premature to suggest this. Their argument was that for nearly a quarter of a century, multilateral presence, either in the form of the UN, the OSCE or the EU, had prevented conflict and loss of life (even if it had been unsuccessful in preventing a resumption of hostilities). Also absent (in discussions) was the CSTO, which could have been expected to intervene, or at least voice concern, over the deteriorating situation in the Lachin corridor. However, last February, the UN International Court of Justice (ICJ) issued, upon Armenian request, a provisional measure to ensure unimpeded movement of persons, vehicles, and cargo along the Lachin Corridor. In conclusion, there is still life left in multilateral institutions.

The more pertinent multilateral initiative remains the 3+3 format set up to manage intra-regional competition in the wake of the second Karabakh war. Still, only Azerbaijan and Türkiye are apparently in favour of this model,

while Iran, Armenia and Russia are not really interested. In fact, the increase of attacks against Azerbaijani interests and personnel in the region reflects competition over the region. Weak as it is, it is too simplistic to believe that Russia may become more constructive. On the contrary, it may become more intransigent, and this intransigence may find expression in Karabakh.

The second discussion period allowed for some clarification of statements made in the panel, specifically pertaining to issues of energy transfer and management. The current security climate may yet preclude any cooperation over energy transfers.

South Caucasus Survival and Tomorrow's Russia

There is a great opportunity for the South Caucasus to escape Russia's dominance, as the latter seeks to establish geostrategic links with the Middle East. This connectivity project is of critical importance to Russia. Overall, there are concerns that Russia may expand its economic influence in the wider region, while it is sharing geopolitical influence with others.

The Russian presence in the South Caucasus still deters against resumption of hostilities in all conflicts of the South Caucasus. Failing that, actors would have to rely on self-help for their security. For example, in 2022, Armenia was in a better position to negotiate thanks to the weapons it had purchased.

In contradistinction with the previous panel, the conclusion was that international presence – which would be resisted by Azerbaijan – is needed. Armenia, no longer a strategic priority of Azerbaijan (that distinction now falls to Iran), does not view Nagorno Karabakh in status terms anymore. It seeks security for the Armenian community there through the good offices of multilateral organizations, or security guarantors who are not from the region.

Russia is a declining political power in the South Caucasus, but it increases its presence commercially. This is felt most keenly in Georgia where Russian draft-dodgers have sought refuge. This may greatly sustain Georgia's economy since Russians bring their skills and resources to the local economy. Whereas Russia before applied its mediation between Armenia and Azerbaijan, it has now turned somewhat away from the South Caucasus. Iran-Russia cooperation, however, has increased as a result.

The new economic framework may create patterns of interdependence which the West may be critical of. By engaging in the economic interdependence via Russian displaced citizens, Georgia may end up being the target of sanctions by the West, which would negate its chances at integrating NATO and the EU.

There was some disquiet at the prospect of Armenian rearmament. But some participants stated that Armenia is not preparing for war, but for the eventual Russian withdrawal from Karabakh in 2025. Also, a stronger posture would enable it to better resist diplomatically to Azerbaijani demands. In its very essence, the issue is the security of that community, not how that security is provided.

A final peace deal between Armenia and Azerbaijan is needed. There were questions as to what the components of that peace agreement might be. Azerbaijan wants peace, and quickly, because Iran is its primary focus now, not Armenia. The urgency of a guaranteed peace deal (far better to speak of security regime) in the South Caucasus is made manifest by Iran's pretensions in the region, especially with regards to the proposed corridor from mainland Azerbaijan to Nakhichevan through Armenia's Syunik province. There seems to be mutuality between Iran and Russia with regards to the need to establish a reliable North-South connection.

Finally, and most tellingly for multilateralists, Azerbaijan would resist any demands or conditions laid down by the international community. Following those very rich discussions, the group addressed one single question on which to base policy recommendations; "what kind of peace agreement between Armenia and Azerbaijan?"

Interactive Discussion: "What Kind of Peace Agreement between Armenia and Azerbaijan?"

Some participants were adamant that there will be no Russian presence on the contact line beyond 2025. This would naturally trigger significant disquiet among the Armenian community which requires some form of protection. In other words, full application of the November 2020 Trilateral Statement is what is being sought. This means that an international presence (instead

of Russian peacekeepers) would also be unacceptable. Nevertheless, Armenia still insists on a foreign presence (such as EU monitors) to guarantee the safety of the Armenian community in Karabakh.

To the notion that “Armenians must integrate into Azerbaijani society” was opposed the need to not neglect the rights of ethnic groups as rights of self-determination must be respected within the confines of territorial integrity. There was much debate as to the validity of the principles of the Helsinki Final Act in the settling of the Armenian-Azerbaijani conflict. In that regard, the Final Act was, if not dead, at least of very limited utility in shaping outcomes. All communities (Armenians within Azerbaijan, and Azerbaijanis within the Armenian-controlled parts of Karabakh, for instance) should be afforded the same treatment.

Some suggested that, under international law, the Armenian community in Karabakh did not represent “a people” in the context of *uti possidetis* and external self-determination. Bearing in mind that there is a need to find constructive solutions to intractable conflicts, the co-chairs warn of the broader implications of such cookie-cutter definitions, especially at a moment where international law is being so severely tested. The co-chairs will examine the feasibility of hosting discussions to flesh out details around the proposals above in future workshops.

Policy Recommendations

The following policy recommendations emerged from the interactive discussions pertaining to the current tense geopolitical and strategic context:

1. The broadest recommendation put forward was not to reproduce the errors of the past. In that vein, there has been broad agreement among participants that the negotiation and conclusion of a comprehensive peace agreement between Armenia and Azerbaijan should remain a key regional priority for all actors involved. This should be an essential building bloc of a new regional security architecture built upon an unambiguous, shared commitment to the Charter of the United Nations and the Alma Ata 1991 Declaration.

2. The rights of persons belonging to ethnic groups must be fully respected. Equal rights should be affirmed for all citizens within their states, in line with relevant international conventions. To that end, a viable, internationally supported mechanism for constructive talks between Baku and the Armenians from Karabakh is necessary to guarantee the safety and rights of all citizens.
3. Art. 6 of the November 2020 Trilateral Statement has to be fully implemented. This should include, but should not be limited to, the implementation of the February 2023 UN International Court of Justice decision on a provisional measure to ensure the unimpeded movement of persons, vehicles, and cargo along the Lachin Corridor. In any case, the co-chairs signal that there should be a mutually agreed cooperation mechanism – if no substitute for Russian peacekeepers can be found – to address the legitimate security concerns of both Baku and the Armenians from Karabakh.
4. All stakeholders should develop trade and economic aspects of regional cooperation. In particular, the abolition of blockades, the creation of an open border regime, and in general, the facilitation of the transfer of resources. In this last respect, countries should cooperate to contain smuggling in the region.
5. Leverage the influence of neutral civil society in the whole region. Confidence building could take the form of trans-border cooperation and tolerance of educational systems, identity markers and cultural exchanges.
6. It is recommended that the public's awareness be raised of Iran's pretensions in the region, so as to mitigate the latter's attempts at destabilization by shifting the existing regional balance of power.

List of Abbreviations

ASEAN	Association of Southeast Asian Nations
BRICS	Brazil, Russia, India, China, South Africa
BTC	Baku-Tbilisi-Ceyhan oil pipeline
BTE	Baku-Tbilisi-Erzurum gas pipeline
BTK	Baku-Tbilisi-Kars rail line
CEPA	Comprehensive and Enhanced Partnership Agreement
CPC	Caspian Pipeline Consortium
CSTO	Collective Security Treaty Organization
EAEU	Eurasian Economic Union
EU	European Union
EUMA	European Union Mission in Armenia
EUMCAP	European Union Monitoring Capacity
FSB	Federal Security Service of the Russian Federation
FSS	Federal Security Service
GCC	Gulf Cooperation Council
GD	Georgian Dream
GDP	Gross domestic product
I2U2	India, Israel, the United Arab Emirates and the United States
IDP	Internally displaced person
INSTC	International North-South Transport Corridor
IRGC	Islamic Revolutionary Guard Corps
MENA	Middle East and Northern Africa
MERCOSUR	Southern Common Market
MESC	Middle East and South Caucasus
MIRNAS	International Institute of the Development of Science Cooperation
MoD	Ministry of Defence
MoU	Memorandum of Understanding
MP	Member(s) of Parliament
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NGO	Non-governmental Organization
NK	Nagorno Karabakh
NKAO	Nagorno-Karabakh Autonomous Oblast
OPEC	Organization of the Petroleum Exporting Countries

OSCE	Organization for Security and Co-operation in Europe
OSCE MG	Organization for Security and Co-operation in Europe Minsk Group
PM	Prime minister
Quad	Quadrilateral Security Dialogue
RGS	Russian Geographical Society
RIAC	Russian International Affairs Council
SEB	Skandinaviska Enskilda Banken
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TANAP	Trans-Anatolian (Gas) Pipeline
TAP	Trans-Adriatic (Gas) Pipeline
TITR	Trans-Caspian International Transport Route
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UN ICJ	United Nations International Court of Justice
UNM	United National Movement
UNSC	United Nations Security Council
U.S./US/USA	United States of America
USD	United States dollar
USSR	Ukrainian Soviet Socialist Republic
WTI	West Texas Intermediate
WTO	World Trade Organization

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In light of the Russian war against Ukraine, the authors noted the shifting balance of power in the South Caucasus and its potential impact on regional stability. This geopolitical trend has further evolved thereby growing the risk of regional turmoil. Besides war in Ukraine, the shifting balance of power in the Middle East, and a Russia-Turkey regional partnership might be key drivers of change. A geopolitical chess game is plaid out. Russia is struggling to hold on a “game-maker” role, whereas the US and regional powers are challenging its dwindling dominance. Ultimately, the South Caucasus might end up either split along geopolitical axes or as the exclusive fiefdom of regional powers.

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