

# Infrastructural connectivity of the South Caucasus

## A chance for a community of interests?

MARIUSZ MASZKIEWICZ

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The conflict over Nagorno-Karabakh has shown the world the anachronistic nature of the problems faced by the politicians, armies and citizens of Armenia and Azerbaijan. Nevertheless, this real and grim conflict that continues to cause tension in the region contrasts greatly with the **hopes of many for peace** and well-being. The prospects for development, prosperity and peaceful coexistence between the peoples of the Caucasus are still overshadowed by territorial and ethnic conflict. Despite this, they do not match the aspirations and dreams of the societies present in this region.

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Is there anything that unites the diverse interests of these nations? How can we find values that could bring about such declared desires for prosperity and peace? Overall, it seems that perhaps a common platform could form a basis for prosperity and create a community of shared interests. One core interest that is shared by all countries in the region appears to be roads and infrastructure connections. These developments could provide a healthy foundation for building a community of values. At the moment, the construction of modern transportation infra-

structure that links the region with the wealthier western world could create opportunities to expand market access, investment, tourism and entrepreneurship.

As a result, the South Caucasus now faces a real opportunity to improve its socio-economic conditions. Just as European countries created the Coal and Steel Community after the Second World War, today in the Caucasus it seems vital to create an “Infrastructure Community”.

The Polish embassy in Tbilisi organised a special seminar with the participation of experts from Georgia, Azerbaijan and Armenia. This intellectual exercise encouraged debate on a potential economic concept of strategic importance for the South Caucasus region. Valery Chechelashvili’s presentation argued that the South Caucasus as a region is a champion of missed opportunities. The three countries, therefore, should create a unique common space and develop conditions for joint development that would allow them to benefit from the area’s natural advantages. The international community’s interest in the region will grow many times over should the South Caucasus experience stabilisation. Serious entrepreneurs with billions of US dollars worth of direct investment, especially in relation to infra-

structure, would also come to the region in such circumstances. Development could also benefit from billions of dollars of local funds, which today are being spent on military needs.


Ali Hajizade from Baku outlined the problem of regional infrastructural integration in relation to the scope of current conflicts and the ongoing disagreement over the “Zangezur corridor”. This small part of the region’s transportation system has also attracted the interest of great powers, such as Russia and Chi-

na. Similar issues related to the Zangezur corridor from the Azerbaijani perspective were discussed in Murad Muradov’s contribution.

Victor Kipiani concentrated on the role of Tbilisi within the South Caucasian paradigm, especially with regards to the country’s bilateral relations with Armenia and Azerbaijan. Based on this, it appears that the quality of relations within the South Caucasian triangle is predetermined by the warmth of Georgia’s links with Yerevan and Baku. It seems that these ties represent the “real politics” of the region and that it is difficult to ignore this reality. This state of affairs consequently underlines Georgia’s important role as the core of regional integration, which should at least lead to a common economic space. In line with this, both the results of internal reform and the degree of progress regarding Georgia’s integration with the civilised international community will prove to be significant. At the same time, Volodymyr Kopchak offered a short discussion on the Kremlin’s understanding of

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the region's transport and infrastructure projects, as well as its conflict management concerning Nagorno-Karabakh. Meanwhile, Vakhtang Maisaia talked about the area's geopolitical identity and showed how deep political and military conflicts have obstructed regional security at large. Lastly, Benyamin Poghosyan from Yerevan looked at the problem of opening up transportation links in the South Caucasus after the 2020 Karabakh war.

I hope that this set of discussions, presented here as articles on the pages of New Eastern Europe, can provide food for thought and ultimately encourage initiatives among politicians and economic actors both inside and outside the region. 

Mariusz Maszkiewicz, the Polish ambassador to Georgia.

# A new corridor, a new impetus

ALI HAJIZADE

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The South Caucasus has serious potential to become a **full-fledged logistics hub** of regional significance. While opposition to developing a new corridor remains, the potential benefits for all countries in the South Caucasus and beyond will outweigh any costs or perceived risks.

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The region of the South Caucasus is located at the intersection of logistics routes leading from north to south and east to west. Of course, the countries of the region are interested in increasing their logistical attractiveness. In this regard, significant funds have been invested in the development of logistics infrastructure over the past ten years. In particular, the Alat port in Azerbaijan was recently built and is now operational. In order to ensure the smooth functioning of the International North-South Transport Corridor, Baku allocated a soft loan to Iran of 500 million US dollars to finance the construction of the Astara-Rasht railway line. The investment was also used for the creation of logistics-related infrastructure to service this line. Azerbaijan took on a long-term lease of the Iranian section of the railway, as well as a railway station and a cargo terminal located there.

This year, Iran also plans to complete the construction of a railway line connecting the cities of Anzali and Rasht. Before the 44-day war between Azerbaijan and Armenia last year, the Iranian and Azerbaijani railway connection was also considered by Baku to be an economic opportunity for the Nakhchivan Autonomous Republic (this territory of Azerbaijan is not connected to the rest of the country – editor’s note). According to the Russian-negotiated ceasefire agreement from November 10th 2020, Azerbaijan should be allowed to develop a land transportation

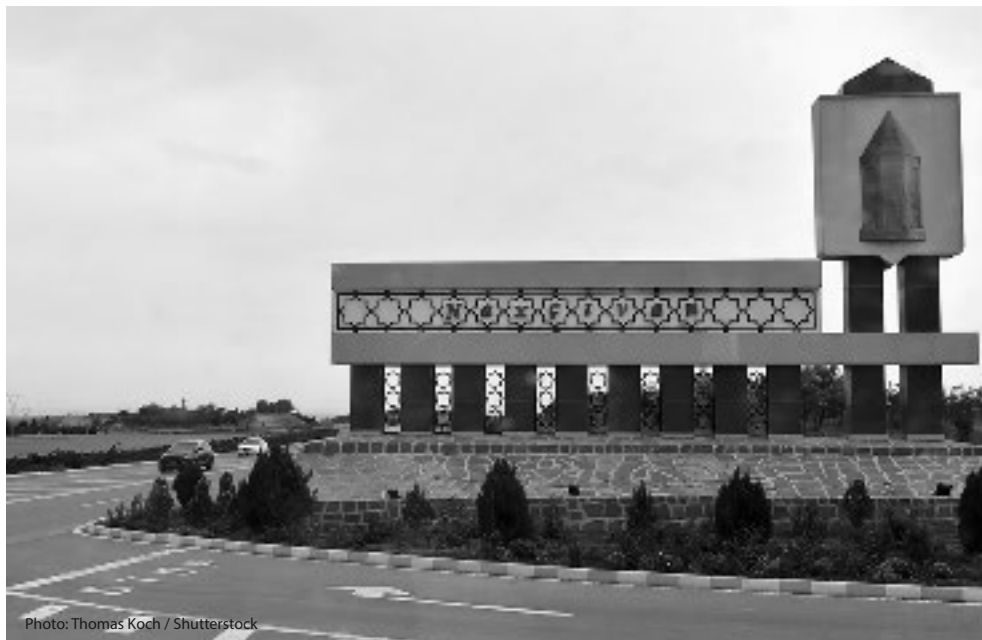


Photo: Thomas Koch / Shutterstock

According to the Russian-negotiated agreement from November 10th 2020, Azerbaijan should be allowed to develop a land transportation link with the Nakhchivan Autonomous Republic – a territory of Azerbaijan not connected to the rest of the country.

link with Nakhchivan, while Armenia is allowed the possibility of a land link with Russia. In the future, if transportation is fully restored, Armenia should also receive the possibility of a railway link with Iran.

### **Unique opportunity**

The territory in the south of Armenia through which these transport lines will pass has recently been dubbed the “Zangezur Corridor”. In Armenia many do not agree with this term and call it the “Meghri Corridor” but that does not really change anything. It is worth noting that back in Soviet times, railways and roads passing through this territory provided links between the Nakhchivan Autonomous Soviet Socialist Republic and the Armenian and Azerbaijani SSRs. With the outset of the Karabakh conflict, these lines were blocked. The end of the 44-day war in 2020 presented a unique chance to unlock some of these links in the region. The Zangezur corridor will allow Armenia, which was previously isolated from regional logistics projects, to become part of a logistics hub, thereby expanding its export opportunities and receiving income from the transit of cargo.

However, not everything is as simple as it might look at first glance. Although the creation of such a corridor can bring benefit to the entire region – including Iran, Turkey and Russia – there is also serious opposition to this project. For example, despite the fact that the ceasefire agreement of November 10th was signed by Vladimir Putin, some circles in Russia do not approve of this initiative. In their opinion, the corridor would physically unite the Turkic world and this could undermine Russia's position in the South Caucasus and Central Asia. Some circles

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in Iran also hold a similar opinion. A little fuel to the fire was added by Turkish officials who have claimed that Central Asia is a growing priority for Ankara.

Despite the potential benefits it could bring to Armenia, the idea of the corridor is also not fully welcome, especially among the opposition to Prime Minister Nikol Pashinyan. Some Armenian experts believe that the benefits of the corridor are imaginary and that it may bring more harm than good. At the same time, it should be noted that of the three republics of the South Caucasus, Armenia is the most isolated and restricted in terms of logistics. Moreover, it is also worth noting that Armenia's railways no longer belong to the Armenian state and are instead controlled by Russia. Any potential corridor will be guarded by Russian border guards. As a result, the fate of the corridor will ultimately be decided via discussions between Baku, Moscow and Ankara.

### Other perspectives


In Georgia, the corridor has also raised some concerns. Some Georgian experts believe that the opening of the Zangezur corridor may reduce the logistical attractiveness of Georgia overall. There are some grounds for such concerns but it is worth paying attention to a couple of very important points. In particular, Georgia is an important partner and an important link in the delivery of Caspian oil and gas to the European market. It is quite unlikely that these projects would simply be shut down and relaunched via Armenia. This is especially true as billions of dollars were invested in these projects and their implementation took years. Moreover, if at least some amount of gas from Central Asia passes through Azerbaijan and Georgia, then Tbilisi's revenues from the transit of energy resources will only increase.

Transit from Central Asia to the Black Sea coast (and vice versa) will continue to follow the same routes. The road and rail traffic on the Baku-Tbilisi-Kars railway may be slightly reduced but this will not cause any considerable problems. In ad-

dition, the BTK railway has decent potential in terms of carriage of passengers, in particular during the summer holiday season. Of course, this will become relevant only after the end of the pandemic.

It is also worth stressing the role and interests of Turkey in this issue. In the case of the full-scale functioning of the Zangezur corridor, Turkey would receive logistical opportunities for its exports to Central Asia. Currently, most Turkish exports to Central Asia are transported via Iran. However, since Turkish goods compete with Iranian producers on a range of items, the Iranian side gradually raised tariffs for the transportation of goods from Turkey to Central Asia. Hence, the opening of a shorter and more reliable route to Central Asia and Russia, and even further to China, could serve as a good incentive for Turkish exporters and increase the competitiveness of Turkish goods in these markets.

Naturally, the Zangezur Corridor is also of interest to Beijing. Through this corridor, China can receive cargo from the West and also send its exports to Turkish ports on the Black, Aegean and Mediterranean Seas. In an interview with the Azerbaijani Baku Tribune, Chinese Ambassador to Azerbaijan Guo Ming recently stated that China is willing to cooperate with all parties and seeks to connect the new corridor with its Belt and Road Initiative.

Lastly, it is important to remember the role of Russia in the development of the corridor. The Russian Federation actively uses opportunities offered by the north-south transport corridor. For example, the volume of freight traffic along this corridor increased by 15 per cent last year despite the pandemic. In the first quarter of 2021, growth was measured at 23.5 per cent. The new corridor could increase the importance of the north-south corridor for Russia and its trading partners. In this regard, its economic feasibility could compete with the “geopolitical risks” voiced by some Russian experts. 

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# The South Caucasus after the Second Karabakh War

VALERY CHECHELASHVILI

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The trilateral co-operation format – Armenia, Azerbaijan and Georgia – has inexhaustible potential. Of course, not all external players claiming special interests in the region will be happy about this development. However, the time has come to **encourage a radical increase in the culture of co-operation** and pursue more ambitious goals. This will ultimately lead to the formation of a common vision of regional development as a space belonging to all three of these countries.

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Despite the fact that the South Caucasus is undoubtedly a region with clearly delineated natural borders, it can hardly be called a full-fledged region. For almost 30 years after the restoration of independence, the states of the South Caucasus have not used the opportunity to create an integrated space of stability and security. Nor have they been able to provide their populations with decent levels of prosperity and opportunities for economic growth. Today, we instead face a reality marked by dividing lines and alienation. This is largely due to the fact that the success of these states is rarely associated with regional success. As a result, the prospect of creating conditions for harmonious development is still in decline. Today's reality gives no grounds for optimism. Nevertheless, this opportunity is closer today than it was before the start of the Second Karabakh War, which broke out last year.



## Waiting for the future

Even taking into account the region's conflicts, it is enough just to look at a map to see the potential of the South Caucasus. Overall, it is difficult to find such a compact region with almost inexhaustible resources for development anywhere else in the world. Along with its huge geopolitical and geoeconomic opportunities, the South Caucasus has great potential regarding transit and tourism. The region also possesses natural resources of global importance and an educated, relatively cheap labour force.

It is clear that the area's ability to act as a transit hub has already been developed in spite of several conflicts. This has been achieved through the efforts of Azerbaijan and Georgia and their co-operation together with Turkey. Before the pandemic, tourism was also developing rapidly in Armenia, Azerbaijan and Georgia. For example, thousands of tourists from Japan managed to visit all three countries in one tour despite the conflict between Armenia and Azerbaijan. For these groups, perhaps the greatest motivation for visiting the region was its cultural and civilisational diversity. Otherwise, it would be impossible for tour operators to spark interest in the area among these exacting Japanese tourists.

The region is also losing a lot in terms of foreign direct investment. In conditions of peace, integration and stability, the amount of FDI would naturally be several times higher. Considering the economic potential of its large diaspora, Armenia would perhaps benefit the most from increasing investment. These facts only further suggest that all the necessary prerequisites for the development of the South Caucasus already exist. In the future, the region may well take a prominent place in international relations. It would subsequently be able to ensure the average European standard of living for the population and prospects for further sustainable growth.

Unfortunately, the South Caucasus is still waiting for a better future. After the collapse of the Soviet Union and the restoration of Armenia, Azerbaijan and Georgia's independence, the South Caucasus was primarily associated with conflict, hostility, warfare, closed borders (still happening in the 21st century), tension and negative expectations. Why is this happening? Could all of this have been avoided before and what needs to be done to prevent this from happening again? Do these three nations have the vision, political will and resources to change this situation for the better?

The situation is complicated by the fact that the three states see their future differently. Georgia sees potential membership of NATO and the European Union as its main foreign policy priority. In contrast, Armenia has already become a member of the Russia-led Collective Security Treaty Organisation (CSTO), Eur-

Asian Economic Union (EEU) and Eurasian Customs Union. It should be remembered that such projects naturally limit the country's sovereignty. This is especially clear in terms of Armenia's economic relations with third countries. If we imagine

The South Caucasus remains an arena for **competition** between major players at the regional and global scales.

a hypothetical situation in which Armenia, Azerbaijan and Georgia agree to create a free trade zone, then Armenia will have to coordinate this with the bodies of the EEU.

Azerbaijan, meanwhile, is an active member of the Non-Aligned Movement and the Organisation of Islamic Cooperation, which maintains contacts with both the EU and the EEU. At the same time, the South Caucasus remains an arena for competition between

major players at the regional and global scales. These powers are often guided by their own values and principles of co-operation in pursuit of their goals. Of course, these players affect the development of the region in various different ways. Whilst some encourage regional co-operation and open up new development prospects for the South Caucasus, others act based on the "divide and rule" principle and attempt to minimise the possibility of integration and stability in the region.

### **Missed opportunities**

What are the prospects for the South Caucasus to become a prosperous, attractive region capable of using its practically unlimited and unrealised potential? In general, it seems that the South Caucasus is a champion of missed opportunities. The area's three states could create a unique common space for joint development that would allow them to benefit from all of the aforementioned natural advantages. With regards to stabilising the political situation of the South Caucasus, the international community's interest in the region will grow many times over if steps are made towards this goal. Serious entrepreneurs with billions of direct investments will likely come to the region in such a situation. Billions of dollars from local states' own national budgets could also be spent on development. Today, however, they are forced to spend these funds on military needs.

The total volume of military spending in Armenia for the period 2010–18 amounted to 3.801 billion US dollars, ranging from 2.7 to 4.3 per cent of GDP each year. For Azerbaijan, this figure is 14.905 billion and, accordingly, between 2.2 and 4.6 per cent of GDP. For Georgia, it amounted to 3.041 billion, or 0.7 to 9.2 per cent of GDP. In total, between 2010 and 2018 the three countries spent almost 22 billion US dollars on defence. During the previous 20 years, at least an-

other 30 billion was used for military purposes in the region. All three countries are doomed to similar expenses in the following years. These are huge sums of money even for more successful regions.

In addition to these issues, it is clear that we, as a region, have lost both our authority and reputation in the international arena. We do not enjoy the confidence of international investors and this primarily concerns Armenia. As a result, the main investment projects in the region (the Baku-Supsa oil pipeline, the Baku-Tbilisi-Ceyhan oil pipeline, the Baku-Tbilisi-Erzurum gas pipeline, the Baku-Tbilisi-Kars railway and the Caspian Sea-Black Sea route) have been implemented without the participation of Yerevan.

Instead of regional co-operation, we were drawn into confrontation. External power, along with historical and emotional manipulation, have been skilfully used by various outside interests based on the “divide and conquer” principle. At first, Russia supported Armenia in the Nagorno-Karabakh conflict and helped it establish control over the disputed territory and seven adjacent regions of Azerbaijan. At the same time, Armenia’s overall dependence on Moscow increased. We saw the most dramatic manifestation of this dependence in autumn 2013, when Yerevan refused to sign an EU Association Agreement. Under open pressure from the Kremlin, the state subsequently decided in favour of joining the EAEU.

We must pay tribute to Russian diplomacy – both Armenia and Azerbaijan have declared that they have excellent relations with Moscow. In years past Armenia, for obvious reasons, had more grounds to pursue close ties. Recently, however, Russia disregarded, if not the letter, then the spirit of its agreements with Armenia. This gave Baku a chance to regain control over its internationally recognised borders. Again, both countries talk about their good relations with Russia but now the difference is that Azerbaijan has more reasons to boast.

### **External factors**

The situation in the region has changed radically in the past few years. There is no doubt that the ongoing process of restoring the region’s internationally recognised borders should be assessed positively. This is good not only for Azerbaijan but also for Armenia and, naturally, Georgia. However, the deployment of up to 2,000 additional Russian “peacekeepers” in the region does not give cause for optimism. Georgians know better than anyone else what this means in reality, although Azerbaijan is now in a more advantageous position than Georgia. First of all, the Russian contingent is located in an enclave on the territory of Azerbaijan, having no land access to Russian territory and all the logistical consequenc-

es that come with it. This was not the case in Abkhazia and the Tskhinvali region (so-called South Ossetia). Secondly, the “peacekeepers” entered Nagorno-Karabakh to replace the outgoing Armenian military against a backdrop of good relations between Azerbaijan and Moscow. This reality should be definitely attributed to the success of Baku’s diplomacy.

The Turkey factor is also becoming a very important part of regional politics. This makes the situation even more interesting as Russia has always treated our region as a sphere of its exclusive interests. Moscow has fiercely defended this position in all international formats, especially behind the scenes. Now Russia’s position has changed and it is important to understand why this is happening.

Unfortunately, the EU and the United States lacked initiative and were unable to increase their influence in the region. From the Georgian point of view, this is a very unfavourable development. Tbilisi’s pivotal foreign policy priority remains integration with NATO and the EU, with the ultimate goal of membership in these organisations. The strengthening of the transatlantic partnership and a greater presence of the US and the EU in the region will mean that European standards, traditions, practices and co-operation criteria will be introduced in the South Caucasus. These factors will only help long-term prospects for the final political settlement of conflicts in the region. The EU offers a great example of how this process can be achieved. Hundreds of thousands of French and German soldiers died for the right to possess Alsace-Lorraine during the two world wars. Today, the border has a positive symbolic meaning as Germany and France are strategic allies and form the core of the EU.

If the Nagorno-Karabakh conflict is finally settled on the basis of political consensus, this will have a strong positive impact on the conflict settlement process on the territory of Georgia. This can be realised provided that Russia’s ability to influence regional affairs is reduced. Ultimately, Armenia, Azerbaijan and Georgia will be able to take full advantage of the benefits provided by regional co-operation.

### **Transport corridors**

The November 10th 2020 statement of Azerbaijani President Aliyev, Armenian Prime Minister Pashinyan and Russian President Putin, among other things, refers to the unblocking of all economic and transport links in the region. This development can only be welcomed. The opening of transport corridors in the South Caucasus will help to increase the region’s overall competitiveness in the wider international system. At the same time, the competitiveness of each individual route depends on three main criteria: security, capacity and freight rates. Therefore, there

is still a lot to be done regarding the routes controlled by Russian peacekeepers and FSB-controlled border troops if they are to become international transport corridors in the fullest sense of the word.

Perhaps the best outcome for the South Caucasus would be a future in which it can compete with other corridors. This is especially true regarding the northern corridor, which sees 130 million tonnes of cargo go from China to the EU and back every year. We should also consider Central Asia, Turkey, India, Iran and others. Each year, the potential for freight traffic grows by several million tonnes. This is worth fighting for and is being pursued by Azerbaijan and Georgia. If Armenia joins the process, it would help strengthen the entire region's potential to form a space of integration, stability and security.

The diversity of the South Caucasus is our common heritage and asset. Armenians, Azerbaijanis, Georgians, Jews, Russians, Ukrainians and many others have always lived and will live here. But the space of the South Caucasus will belong to three states: Armenia, Azerbaijan and Georgia. These three, not four, five or six, should decide what the region will look like in the future. In this triangle, relations between Armenia and Azerbaijan are the most problematic due to the status of Nagorno-Karabakh. However, Baku knows that Khankendy is not an ordinary regional centre of Azerbaijan, whilst Yerevan is well aware that Stepanakert will not become the capital of an independent state. It is necessary to build on these realities and reach a compromise.

**Relations** between Armenia and Azerbaijan are the most problematic due to the status of Nagorno-Karabakh.


### **Towards a new atmosphere of tolerance**

Experience can be useful here as well in helping to encourage co-operation. More than 180,000 Azerbaijanis form the largest group living in the Georgian region of Kvemo Kartli. At the same time, more than 80,000 Armenians live in Samtskhe-Javakheti. Although these regions are adjacent to each other, there has been no conflict between these groups in the years since the collapse of the Soviet Union. Even the various phases of the Nagorno-Karabakh conflict have not been able to change this situation.

There have never been any conflicts between these two national minorities in Tbilisi, where tens of thousands of Azerbaijanis and Armenians live mainly in the neighbouring regions of Avlabari and Abanotubani. This is a promising sign and a vivid demonstration that co-operation, good-neighbourliness and even friendship between Azerbaijanis and Armenians is possible.

Such centres of friendship and mutual understanding between different ethnic groups deserve special attention and support as a model that can play an important role in the formation of a new atmosphere of tolerance and co-operation in the region. At least, it will give us additional hope for the future.

The trilateral co-operation format – Armenia, Azerbaijan and Georgia – has great potential. Not all external players that claim special interests in the region will be happy about such collaboration. However, the time has come to strengthen the culture of co-operation and improve regional ambitions. This will ultimately lead to the formation of a common vision of regional development as a space belonging to all three countries and their shared interests. Otherwise, the South Caucasus will lose the chance to integrate into global trends related, in particular, to the processes of pan-European co-operation.

Political leaders and the current generation of diplomats from these three countries must take on the responsibility of realising these goals. A stable and integrated South Caucasus will not only turn into a space of comfortable living for the citizens of our countries, but will also make a significant contribution to broader security and bring greater stability to adjacent regions. 

*Translated by Arzu Bunyad*

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# Understanding the Kremlin's logic after the Nagorno-Karabakh conflict

VOLODYMYR KOPCHAK

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The Kremlin's rationale for helping end the recent Nagorno-Karabakh conflict also explains its attitude towards transportation infrastructure projects that have appeared as a result of the ceasefire agreement. By understanding the Kremlin's strategy, as well as the subsequent challenges and risks, other states may be encouraged to **develop their own effective counterstrategies.**

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Only a simplified comparison of the 44-day war in Nagorno-Karabakh with Russian aggression in Ukraine and other parts of the world could confuse readers more than a question of whether the Kremlin experienced a simple victory or defeat in Nagorno-Karabakh. After all, we first ought to know what criteria Moscow may use to judge its actions during the recent war.

The fact is that the Kremlin considers the current status quo around Nagorno-Karabakh not to be a defeat. Rather, it views the current situation as an open opportunity to pull the region into its sphere of influence. This situation has created a new system of challenges and risks for the South Caucasus. The Kremlin's rationale in moderating the conflict also explains its attitude towards transportation infrastructure projects that are now being talked about as a result of the ceasefire agreement. I would like to point out that I am not insisting that this logic will eventually succeed. Moreover, I personally wish it would not. Yet, understanding the Kremlin's strategy, as well as the challenges and risks resulting from this logic,

ensures that states may be able to create more effective counterstrategies. There are three major outcomes that the Kremlin may have planned for after deciding to help end last year's conflict. These include the effective "defeat of both parties" in the conflict, an absence of a de jure and de facto mandate for so-called "peace-keeping" activities on Azerbaijani territory, and a revitalisation of the OSCE Minsk Group with its old agenda.

### Bet on defeat

Before, during and after the 44-day war, Moscow has built a regional policy that effectively views both parties involved in the war as on the losing side. This is despite the unconditional military victory of Azerbaijan. Such an approach is clear with regards to the Kremlin's interactions with Armenia during the conflict. Yerevan was de facto deprived of any possibility of having its voice heard regarding the agenda surrounding Karabakh. Having taken charge of ongoing talks on the region, Moscow is now attempting to control Armenia's domestic and foreign political discourse. Meanwhile, Russia has developed plans for various potential scenarios in the region and how it may subsequently increase its presence and power on the "Armenian front". These plans directly concern new transport infrastructure corridors and various old projects currently under renovation.

The implementation of these scenarios has already partly begun. For example, Moscow has started to enforce its military presence in Armenia and this is best seen in the Syunik region. With regards to the demarcation of the Azerbaijani-Armenian border, it appears that the Russian Federal Security Service (FSB) may well be involved in securing the line along the entire Armenian border. This could also be a sign of potential escalation. Such actions hint at a possible worst case

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scenario, in which Yerevan is officially tied to Russia through a project such as the Union State. Recent escalations on the border only contribute to the expansion of Russia's military activities, especially the duties of its "peacekeepers". The Kremlin will certainly benefit from any situation in which the two parties attempt to escalate a conflict already under close Russian mediation.

It is important to understand that there is no unanimous opinion in Moscow regarding the South Caucasus in general and the Armenia-Azerbaijan agenda in particular. Different oligarchic power blocs are competing for their own visions. The Armenian front has provided fertile ground for



this internal Kremlin competition and the parliamentary elections in June only further revealed this fact.

As for Azerbaijan, Moscow will likely exploit various opportunities to support and exacerbate a “syndrome of high expectations” that has been provoked by the incomplete liberation of the Karabakh territories. This relates not only to the moderation of tendencies within Azerbaijani society and its influence on Baku’s domestic agenda. Indeed, the Kremlin has taken a “show them who is the boss” approach, and this will soon become evident in international relations and geopolitics. Now it seems obvious that Baku, although strongly reluctant to have “peacekeepers” on its territory, knew from the very beginning that the implementation of this aspect of the agreement was inevitable. It understood and was ready to counter Kremlin hybrid expansion in the context of the new status quo around Karabakh. As a result, out of all three South Caucasian states, it is only Azerbaijan that can exercise influence on the regional processes and the approaches of regional and external players. Baku’s power benefitted strongly from the military victory, but Moscow will systematically attempt to undermine it.

### **“Peacekeepers” mandate**

The Kremlin has been planning to deprive Baku of any real leverage over the military aspects of the “peacekeeping” contingent, as well as any activities related to transport through the Lachin corridor, since the very start. Moscow still has not agreed to establish a clear definition of what its mission or mandate is on the territory of Azerbaijan. The reasons behind this are clear. Any clarification of the mission’s purpose would limit the Kremlin’s chances to control the politics of the separatist government in Stepanakert, which is now effectively a Russian military protectorate. Moscow will not waste its chance to exercise its influence over this issue, as well as the various infrastructure projects in the region.

Despite this, Azerbaijan is still attempting to respond to these steps and promote its own agenda. In particular, it has conducted a series of information operations, which is atypical when compared to the previous stages of the conflict. The case of the Iskandar-M missiles found in Shusha made the most headlines but this is not the only case. The fact that the results of these campaigns are questionable and the motives behind them are not straightforward is less important. What should be noted is the fact that Baku systematically refuses to play along with the rules imposed from the outside (i.e. from Moscow).

At the same time, Azerbaijan has experienced various problems in trying to turn the Russian military contingent into a cooperative peacekeeping force. For



instance, the Kremlin does not tolerate the participation of Turkey in this format. Aligning the activity of Russian “peacekeepers” with the activity of the joint Russian-Turkish monitoring centre has turned out to be an issue as well. This issue is not necessarily a decisive loss for Baku. However, it is clear that the Kremlin does not wish to consider the internationalisation of the mission in any way at all and especially with regards to Turkish participation.

Nevertheless, the Kremlin’s strategy to pretend as if both parties in the conflict were defeated creates a legal uncertainty that benefits Moscow. The Kremlin aims to make Baku vulnerable in the face of its ongoing hybrid confrontation and destroy Azerbaijani national resilience, which was developed and fortified during the 44-day war for Karabakh.

### **Revitalisation of the OSCE Minsk Group and its old agenda**

At this stage, the Russian-Turkish competition for influence in Karabakh is the only game in town. One can consider this a simplified point of view though this format is much clearer than the Astana talks over Syria and more effective than the stillborn OSCE Minsk Group. This situation has proven advantageous for Baku, not least due to Yerevan’s current lack of opportunities. However, this does

not mean that the aforementioned approaches of the Kremlin might preclude attempts to revitalise the OSCE Minsk Group. There are already some clear signs that Moscow may be interested in restarting these talks.

The 3+3 framework of regional co-operation (Iran, Russia, Turkey – Armenia, Azerbaijan, Georgia) was recently revived and has been presented as an alternative to the Minsk Group. In my view, these frameworks of co-operation do not possess the same influence and it would be wrong to view the Minsk Group and the 3+3 format as competitors. This is especially true given the new realities of regional security in the South Caucasus. The Minsk Group has already demonstrated its ineffectiveness. The 3+3 format is amorphous as it does not suggest realistic and consensual scenarios regarding regional defence and security. Proponents of this approach seem to suggest simply ignoring these issues but this is practically impossible.

The Kremlin maintains a military base in Armenia and could use the Minsk format in the case of confrontation with Turkey.


The enhancement of the three regional powers' positions has occurred at the exact same time. Despite this, it is not clear how it may be possible to maintain this reality given the substantial, profound contradictions they face in the region. The Kremlin's "peacekeeping" logic is not difficult to understand. According to it, the transportation infrastructure projects should be controlled by Russia and serve to pull Armenia, Azerbaijan and Georgia into its sphere of influence. This approach aligns with rhetoric surrounding the global US-China confrontation that has already been called a new Cold War. This includes Washington's opposition to Kremlin expansion, the transformation of American policy towards Iran under Joe Biden, and the revitalisation of transatlantic unity regarding policies such as approaches to Ankara. If confrontation proceeds, China (which is in no rush) may simply agree to more "military mediation by the Kremlin" in the post-Soviet space.

Due to this, Moscow's attempts to revitalise the OSCE Minsk Group with its old agenda of negotiations should not be surprising. The Kremlin maintains a military base in Armenia and could use the Minsk format in the case of confrontation with Turkey. In reality, however, it will likely prove difficult to revive the operation of the Minsk Group without completely changing its outdated agenda. Azerbaijan would not agree to such changes for obvious reasons.

So far, Washington has formally approved a renewed focus on the OSCE Minsk Group and expressed a call for restraint. Yet, there has so far been no sign that the US will be returning to the South Caucasus or Karabakh agenda in any meaningful sense. Whilst Vladimir Putin's regime becomes increasingly controversial on the international stage, Washington continues to treat the Minsk Group as prac-

tically the only platform for periodic discussions with the Kremlin about a wide range of issues.

As the most prominent public proponent of the Minsk Group, France could support Moscow's initiatives. This is not only due to Paris's solidarity with Armenia but also Turkey's continued infringement of the Total S.A. oil company's business interests in the eastern Mediterranean. Interestingly, President Emmanuel Macron has recently presented himself as someone who understands the Kremlin and not only with regards to the Karabakh agenda.

Under certain circumstances, especially in the case of escalation, the Kremlin could benefit greatly from the revival of the OSCE Minsk Group. This is because any changes would affect the current line of contact along the borders of the former Nagorno-Karabakh Autonomous Oblast. Moscow understands very well that Baku could move quickly and decisively to repopulate and restore the infrastructure of the seven districts retaken by the country. This includes the cities of Shusha and Gandrut, as well as the settlements of the Khojavend and Khojaly districts. There should be no doubt that the Kremlin sees this new infrastructure and, most importantly, people as potential hostages in a possible new round of pressure and bargaining. 

*Translated by Anna Efimova*

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# Caucasian geopolitics

## Finding a path towards stability and peaceful coexistence

VAKHTANG MAISAIA

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The Caucasus region is a wealthy area in terms of its **geopolitical position, strategic importance and history**. Certainly, the geoeconomic relevance of the region has once again become clear following the end of the latest fighting in Nagorno-Karabakh.

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The Caucasus is the name of a mountain range and geographical region that includes the southwest of European Russia, as well as the territories of Armenia, Azerbaijan and Georgia. This region encompasses a 440,000 square kilometre space between the Black and Caspian Seas and has a population of approximately 30.6 million people. As a result, the Caucasus faces its own distinct geopolitical realities that could become even more important given talks of a new Cold War.

According to some scholars and researchers, the geopolitical landscape of the Caucasus can be divided into three distinct areas: 1) the Central Caucasus, including the three independent states of Armenia, Azerbaijan and Georgia; 2) the Northern Caucasus, consisting of the autonomous border republics of the Russian Federation; and 3) the Southern Caucasus, including areas of Turkey bordering Armenia, Azerbaijan and Georgia (the Southwestern Caucasus) and the northwestern provinces of Iran (the Southeastern Caucasus).

## Approaches to integration

The identification of the Caucasus as a distinct geopolitical unit can be understood within the framework of contemporary integration initiatives. This is despite ongoing political and military conflicts in the region, which obstruct regional security at large. Examples of these conflicts include Georgia and Russia's ongoing tensions and Armenia and Azerbaijan's de facto war. As a result, regional integration projects aim to promote stability and resilience. These proposals can be grouped into the following approaches:

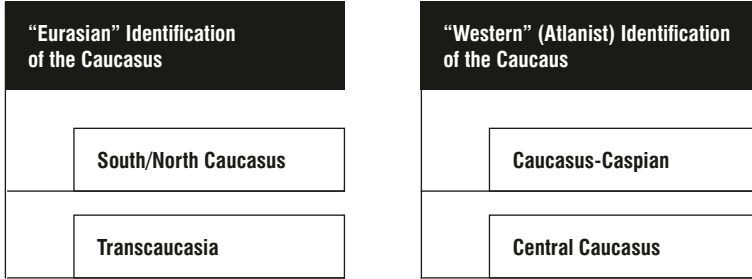
- The Caucasian Home model, which incorporates the autonomous republics of the Northern Caucasus (arguments have been made that these areas should participate in this integration model as autonomous actors) and the independent Caucasus states;
- Models uniting the independent Caucasus states of Armenia, Azerbaijan and Georgia;
- The 3+1 model that unites the independent Caucasus states and Russia;
- Sub-global models, incorporating the three independent Caucasus states, three regional hegemony and global powers and international organisations (3+3+2);
- Modern regional security approach built on a 3+3 format, with involvement of local actors and three regional powers (Russia, Turkey, Iran).

Whilst limited regional integration occurred during the independence period of 1917–22 before the communist era, it is important to remember the Cold War divisions that continue to shape regional security. The confrontation between Russia and the United States at the regional level is happening not only in the military, political, economic, information and psychological spheres. Indeed, there is now even a linguistic aspect to these tensions. In other words, a bipolar linguistic competition has emerged between Russia and the US. This can be seen with regards to the fact that traditional understandings of the Caucasus region as a distinct unit come from a thoroughly Russian point of view. For example, the terms Transcaucasus and Transcaucasia in western languages are translations of the Russian expression Закавказье (Zakavkazje): “the area beyond the Caucasus Mountain Range”.

## Linguistic differences

It should, however, be pointed out that Transcaucasia is being increasingly replaced by the term South Caucasus (*Южный Кавказ*, Juzhnyi Kavkaz). This means that both Transcaucasus and South Caucasus can be found in Russian foreign

**Political Approaches toward the Caucasus Region  
in aegis of Geopolitical Identification form Academic Point**



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policy terminology. These terms are often used in relation to official documents that discuss the state’s doctrine of Eurasianism, such as the 2016 Foreign Policy Concept of the Russian Federation.

On the other side, there is the American or Atlanticist point of view that promotes different ideas related to the identification of the Caucasus geopolitical region. A special institution was even created in the early 2000s in order to create a new geopolitical identity for the area. This “Caucasus-Caspian Region” identity was ultimately meant to help promote US national interests in the region. The name of the institution, the Caucasus-Caspian Commission, reflected this new approach and claimed that “the Caucasus Caspian space is not a precisely defined region either geographically or politically ... the Caucasus-Caspian Commission has decided to look at three concentric circles: inner core, outer ring and global circle”.

Around this time the term Central Caucasus was also introduced into the geopolitical lexicon. This concept of the Central Caucasus is more in tune with Central Eurasia and Central Asia than the concept of the Southern Caucasus. As a result, it seems that the current geopolitical dilemma facing the Caucasus region can be described as Eurasianism versus Atlanticism.

**Geostrata**

Having considered the ongoing geopolitical competition in the region, it is useful to also consider the area’s geoeconomic perspectives and its position in the world

economy and global trade. The transportation connectivity of the Caucasus region occurs along both north-south and east-west axes. Overall, the north-south connection is very complex and this makes it more difficult for Russia to influence the

The north-south connection is very complex and this makes it more difficult for Russia to influence the region through a physical military presence.

region through a physical military presence. With regards to the region's connections with Anatolia and the Middle East (particularly Iran), the contemporary situation is somewhat better. After all, the Caucasus continues to play a significant role on the international stage for various historic, geographic, ethnic and geostrategic reasons. For world powers, its geographical position has been viewed as a natural bridge between regions. The area is connected to Central Asia via the Caspian Sea and to the

Middle East through its border with Iran. Furthermore, the Black, Azov, Aegean, and Marmara Seas all connect the region to Europe. Even Africa can be accessed rather quickly via the nearby Mediterranean.


The Caucasus region is a wealthy area in terms of its geopolitical position, strategic importance and history. Certainly, the geoeconomic relevance of the region has once again become clear following the end of the latest fighting in Nagorno-Karabakh. As a result, the fragile peace in the former conflict zone could provide a new stimulus for development of various corridor systems. These systems include the following transit routes:

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

These geoeconomic transit corridors should be promoted further to strengthen geopolitical stability. In order for these routes to perform at their best, some kind of institutional arrangement should be established. For example, a Caucasus Transport Union could be created that involves various regional actors. This would also provide an opportunity for local/regional societies to cooperate in the framework of the "European four principle". Such work could be based on the so-called Four Society development model, which would involve figures from the media, business and public diplomacy alongside various regional experts.

The dilemma of regional confrontation is by no means an easy one to solve. However, finding a solution remains the sole option available to the Caucasus region if it is to achieve peaceful coexistence as perceived by the geopolitical con-



cept known as the Caucasus Geostrata. As a “geostrata”, the Caucasus is a region where geopolitical projects either synchronise or clash. This remains one of the leading theories of modern Georgian geopolitical thought. Peaceful coexistence should not be promoted among local states alone but also include international actors and representatives. This could result in the founding of a Caucasus Public Chamber, which could help coordinate regional NGOs, academics and media as a community aimed at directing dialogue that promotes rapprochement and open communications. This could lead to peaceful coexistence at the regional level finally becoming a reality. 

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# The Zangezur corridor

## An Azerbaijani perspective

MURAD MURADOV

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The opening of the **Zangezur corridor** will play an important role in the security of Azerbaijan's newly liberated lands. It would cement the implementation of the November agreement and signal that the former status quo is over. This would subsequently help Baku to pursue its most ambitious undertaking in years – rebuilding the war-torn Karabakh region.

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The ninth and final clause of the November 10th tripartite ceasefire agreement stated: “All economic and transport links in the region shall be unblocked. The Republic of Armenia shall guarantee the safety of transport links between the western regions of the Republic of Azerbaijan and the Nakhchivan Autonomous Republic with a view to organising the unimpeded movement of citizens, vehicles and cargo in both directions.” In practice, this condition implied the opening of the so-called “Zangezur corridor” – a 43-kilometre stretch of land along Armenia's border with Iran. In Soviet times, this area used to provide a road and railway connection between Nakhchivan and mainland Azerbaijan. However, these routes were blocked after a war over Nagorno-Karabakh and its surrounding regions erupted in the early 1990s.

The inclusion of this condition into the deal was reportedly obtained with a significant pressure placed on Armenia. Naturally, the text is considered to be a great achievement for Azerbaijan. Recent tensions between the both countries' armies in the borderland regions are directly related to Baku's dissatisfaction with Yerevan and its alleged attempts to disregard any potential transport links. Indeed, Arme-

nian Prime Minister Nikol Pashinyan stated in April that “there can be no corridor for Azerbaijan”. Although it was not entirely clear what exactly these words meant in practice, many Armenians believe that any corridor would effectively constitute handing over land to Azerbaijan. This is obviously not the case.

### Connecting Asia with Europe

Growing tensions over the corridor appeared amidst repeated statements by Azerbaijani President Heydar Aliyev concerning the prospects of restored regional transportation links. For example, he stated that this corridor would constitute an important element in the transportation network connecting Asia with Europe during a session of the United Nations Economic and Social Committee for Asia and the Pacific. This was an important development as the restoration of links has traditionally been discussed as a matter of regional importance.

Despite this, the importance of restoring a direct link with Nakhchivan for Azerbaijan is rarely known to the wider public. This significance cannot be explained through purely economic considerations. Indeed, the railway line that had been connecting the areas before 1990 no longer physically exists, as the rails were most probably sold for scrap metal during the Armenian occupation. The restoration of the railway would not only involve laying track in the relatively short section that falls within the borders of Armenia. Certainly, a much larger section between Horadiz in Azerbaijan (which before 2020 had been the town closest to the line of contact with the so-called Nagorno-Karabakh army) and the border with Armenia would have to be created. This line would measure approximately 120 kilometres.

A study conducted by International Alert in 2014 projected that the construction of the missing parts of the railway along the Kars–Gyumri–Nakhchivan–Meghri–Baku route (KGNMB) would cost USD 433.7. The group estimated that the re-establishment of the Azerbaijani section of the line would cost 277.1 million, while the Armenian and Turkish sections would require USD 104.6 million and 52 million, respectively. Even though the railway price tag now generally exceeds these projections from 7 years ago, a revitalised KGNMB line still seems to make more economic sense than its alternatives. Although Turkey’s transport and infrastructure ministry has estimated that construction of the Igdir–Kars–Nakhchivan railway would cost less (USD between 180 and 240 million) than the KGNMB, it would take much longer (via

The importance of restoring a **direct link** with Nakhchivan for Azerbaijan is rarely known to the wider public.

the more-than-1,000 kilometre Baku–Tbilisi–Kars railway) for transport from Baku to reach Nakhchivan compared to the Zangezur corridor (426 kilometres).

Moreover, it must be remembered that Azerbaijan has already invested an amount exceeding USD 1.4 billion into the construction of the Baku-Tbilisi-Kars railway (USD 750 million of this amount was given as credit to Georgia to cover its construction costs). This was yet another project that was supposed to establish an efficient overland connection with Turkey that could be integrated into global logistical networks, such as China’s One Belt-One Road, Turkey’s Middle Corridor or the North-South line connecting Russia with Iran and South Asia.

Real opportunities lie in the expansion of trade between Turkey and Central Asian countries via the routes passing through Azerbaijan. Currently, this trade amounts to EUR 6 billion. Given Ankara’s obvious interest in intensifying co-operation with the countries of the region on all levels, this figure could grow in a rather short amount of time. This is especially true in the case of the populous Uzbekistan, which is now experiencing an economic boom. Baku takes its potential transport capacity quite seriously. For instance, the capital’s port registered an unexpected surge in traffic last year despite the pandemic. The throughput of large vehicles and containers using the port last year represented a 30-year record. In 2020 the number of trucks passing through increased by 28 per cent, whilst container exports increased by 15 per cent and the volume of cargo transported through the dry cargo terminal grew by an impressive 28 per cent.

### **Seeking a win-win**

Given that there already are existing roads suitable for transport purposes, it is difficult to discuss the potentially expensive Zangezur corridor in purely economic terms. As a result, various political and security issues must also be carefully examined. First of all, it is clear that Aliyev has stressed the importance of the Zangezur corridor as it helps promote Azerbaijan’s image as a state that supports win-win solutions capable of strengthening regional security and co-operation. Speaking at an international press conference on May 20th, Aliyev claimed that he is ready for a comprehensive peace with Armenia and hopes to pursue co-operation as quickly as possible. He even mentioned that the demarcation process can proceed even without the mediation of third parties (obviously, implying Russia).

Aliyev also declared that Azerbaijan stands ready to assist Armenia in its development policies. He has stressed that unblocking transport links would play an enormously positive role for Yerevan as well. “Two people must learn to live in peace side by side”, he concluded.

At the same time, it is worth mentioning that Azerbaijan's president has not publicly touched upon the similar problem of the Lachin corridor. This corridor is made up of a stretch of Azerbaijani land between Armenia and Nagorno-Karabakh that is now controlled by Russian peacekeepers tasked with ensuring the free movement of Armenians. Issues such as the alleged use of the corridor by the Armenian military even after November 10th have remained a source of considerable irritation among Azerbaijanis. However, the fact that the Zangezur corridor is given much more attention and weight by Baku suggests that it hopes to represent itself as a champion of regional integration and development, prioritising such goals over short-term ambitions.


A publication by the government-affiliated Center for the Analysis of International Relations claims that "Azerbaijan is decisively committed to the creation of this corridor and restoration of transport links as it considers co-operation to be the main tool for creating durable peace in the region". The same source also stresses the benefits that Armenia could receive from a new transport line with Russia. After all, transit through Georgia remains unstable and irregular due to the lack of diplomatic relations between Moscow and Tbilisi. Baku's continued attempts to encourage the opening of the corridor in the face of Armenian uncertainty only further strengthens Azerbaijan's image as a benign and cooperative partner. According to a recent analytical paper on the corridor, the belief is strong in Baku that sustainable economic development and peace, spurred on by unblocked transport links, will prevent the spread of harmful nationalistic ideas and the creation of new conflicts in the future.

At the same time, the opening of the Zangezur corridor will play an important role in the security of Azerbaijan's newly liberated lands as well. It would cement the implementation of the 10 November agreement and show that there is a new status quo. By providing serious security guarantees to potential investors in the Azerbaijani territories undergoing reconstruction, Baku could well succeed in restoring the war-torn Karabakh region. Such a move would also signify another psychological victory over the "old foe", whilst demonstrating the country's ability to achieve its goals by non-military means.

### **Obstacles to a breakthrough**

Yerevan seems unwilling to embark on this project despite its earlier agreement stipulated in the November ceasefire statement. Moreover, the timing of the deal is very important. It is hardly a secret that Russia and Turkey's ability to balance their interests was one of the major factors that made Azerbaijan's success possible.

However, there is no guarantee that the complex relationship between the two regional powerhouses will not deteriorate once again. This could possibly create obstacles for Baku and its reintegration strategy. Due to this, Aliyev will try to secure as many gains as possible during the current political climate in the region. Azerbaijan would also gain from decreasing its dependence on Iran, which up to now has provided uninterrupted overland connection with Nakhchivan. While Tehran generally maintained a benign neutrality during the war and officially welcomed Azerbaijan's success, it is unlikely that the fundamental mistrust that exists between the two capitals will disappear. It will be much easier for Baku to pursue relations if Tehran loses one of its major bilateral advantages (anecdotal evidence suggests that Iran has made use of the Nakhchivan issue during previous bilateral crises).

At the same time, Aliyev will also gain domestically if he achieves a breakthrough regarding the transportation issue. Such success would further marginalise the minority view that the 44-day war was not a victory and was imposed by Moscow, which simply replaced Armenia in Nagorno-Karabakh. These voices will face even more challenges should the president overcome these transport problems. Furthermore, Nakhchivan has to some extent long been detached from wider socio-political trends in Azerbaijan and recent reforms have barely touched the autonomous republic. With stronger links and an additional boost to his legitimacy, Aliyev will likely push to enact similar changes in Nakhchivan as well. 

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*Author's note: this text was written in May 2021. Some details may have changed since then.*

# The Armenian view on the opening of the South Caucasus after the 2020 Karabakh War

BENYAMIN POGHOSYAN

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The agreement that ended the 2020 Karabakh War called for transportation links to be put on the geopolitical agenda of the South Caucasus. According to the statement, Armenia should guarantee the security of transport connections between the western regions of the Republic of Azerbaijan and the Nakhchivan Autonomous Republic. However, **recent tensions in the Syunik region** will likely impact the success of these developments.

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The 2020 Karabakh War has caused a significant shift in the geopolitics of the South Caucasus. Azerbaijan naturally strengthened its position, while Armenia was plunged into an acute political crisis without any clear solutions. Even the victory of Nikol Pashinyan's "Civic Contract" party in the June 2021 early Parliamentary elections did not put an end to the domestic instability. Russia and Turkey have also increased their influence in the region. Moscow achieved its crucial goal of deploying troops in Karabakh, while Ankara has sent a clear message that it is now a leading regional powerbroker.

The 2020 Karabakh War has established a new status quo. The Nagorno-Karabakh region is now a de facto Russian protectorate with significantly reduced borders. As a result, Armenia has lost its position as the main guarantor of Karabakh's

security. During the 26 long years of negotiations under the auspices of the OSCE Minsk Group, several settlement plans have been created and offered to both sides: the package deal from the summer of 1997; the phased deal in December 1997; the union state in 1998; the Key West deal in April 2001; the Kazan document in June 2011; and the Lavrov plan since 2014. However, none of these plans were as disastrous for Armenia and the unrecognised Nagorno-Karabakh Republic (NKR) as the trilateral statement of November 10th 2020.

### **New kingmaker**

Previous deals firstly envisaged the gradual return of territories considered a security zone by Armenians against the Azerbaijani military. These proposals explicitly linked these moves to the future status of Nagorno-Karabakh. The status of these disputed regions would then be decided either through future negotiations (such as in the December 1997 deal or Lavrov plan) or through a legally binding referendum (Kazan document). At the same time, the Key West model called for Nagorno-Karabakh to be declared a part of Armenia in line with the 1988 borders. In return, Yerevan would provide a corridor from Azerbaijan proper to the Nakhchivan Autonomous Republic via the Syunik region. Despite this, the November 10th deal envisaged the immediate return of all seven regions outside the former Nagorno-Karabakh Autonomous Oblast to Azerbaijan. The agreement also accepted Azerbaijani control over 1,500 square kilometres of the former oblast. As a result, only 3,000 of the NKR's previous 11,450 square kilometres of territory now lies outside Azerbaijani control.

Overall, the Nagorno-Karabakh Republic lost approximately 80 per cent of its land area, while infrastructure was badly damaged in its remaining territories. Some 90,000 people have left for Armenia and at least 25,000 cannot return as their lands are now under Azerbaijani control. Others are waiting for the reconstruction of civilian infrastructure, which may take months, if not years. Meanwhile, the deployment of 1,960 Russian peacekeepers in Karabakh has effectively made Karabakh a Russian protectorate. Whilst the NKR's de facto government, president and national assembly nominally continue their activities, it is clear that the real kingmaker in Karabakh is now Russia.

According to the November 10th trilateral statement, Azerbaijan or Armenia may demand the withdrawal of Russian peacekeepers after November 2025. This has only caused uncertainty over the future of Karabakh and the nearly 100,000 Armenians still living there. If Russian troops leave the region, the Armenians will have two options: to flee or be massacred. No country or organisation, including



the United States, France, European Union or NATO, could possibly prevent this scenario. Given the severe damage imposed by the war on Armenia's army and economy, Yerevan is not in a position to change the new status quo in its favour over the next ten years. Thus, Armenia will take all necessary steps to ensure that Russian troops remain in Karabakh at least until 2030. During this period, Armenia will seek to revive the OSCE Minsk Group process, stressing that the war did not resolve the conflict and that negotiations should continue over the status of Nagorno-Karabakh. This, of course, was the most important topic during the 26 year-long negotiations between May 1994 and September 2020. Yerevan will likely offer to organise a legally binding vote to establish Nagorno-Karabakh's official status as stipulated in the 2009 Madrid Principles.

### **The potential opening up of links**

The November 10th statement also brought up the issue of opening up transportation links in the South Caucasus. According to article nine of the statement, all economic and transport connections in the area should be unblocked by regional governments. Armenia should also guarantee the security of transport connections between the western parts of Azerbaijan and the Nakhchivan Autonomous Republic (this is a landlocked Azerbaijani exclave separated from the rest of the country by Armenian territory – editor's note). At the same time, the border guard of Russia's Federal Security Service (or FSB) has been made responsible for overseeing these transport connections. Armenia, Azerbaijan and Russia signed another trilateral statement on January 11th, 2021, which focused on transportation issues. All three governments agreed to establish an intergovernmental working group under the joint chairmanship of the deputy prime minister of Azerbaijan, the deputy prime minister of Armenia, and the deputy chairman of the Russian government. According to the statement, by March 1st 2021, the working group should have submitted an approved list and timetable of activities designed to restore or build new transport infrastructure necessary for secure international traffic through Azerbaijan and Armenia.

Naturally, Armenian society has accepted these statements with surprise and suspicion. Almost all of the potential settlements offered by the Minsk Group included a reference to the opening of regional transportation. However, the November 10th document was not a comprehensive agreement to solve the conflict. Instead, it was only meant to stop the war.

In this context, the most pressing issue for Armenia is the security of its southern Syunik region, which provides the country with its only land border with Iran.



Photo: Sun\_Shine / Shutterstock

Following the November agreement, the de facto demarcation of the Armenia–Azerbaijan border in the Syunik region (known for its beautiful mountainous scenery as seen above) was hastily completed. Azerbaijan and Turkey hope to establish de facto control over parts of the region to create an uninterrupted land corridor.

Before last year’s war, Syunik bordered both Nakhchivan and Nagorno-Karabakh. Now, Syunik finds itself squeezed between Azerbaijan proper and the Nakhchivan Autonomous Republic. At its narrowest, the region separates these territories by less than 30 kilometres.

Azerbaijan has claimed since the early 1990s that the Syunik region artificially separates the so-called Turkic world. Baku has pursued this line of argument within the Cooperation Council of Turkic-Speaking States, an intergovernmental organisation created in 2009 by Azerbaijan, Kazakhstan, Kyrgyzstan, Turkey and Uzbekistan. Interestingly, Hungary is the organisation’s sole observer state. The council was officially founded during a meeting in Nakhchivan and this was accompanied by various statements arguing that Syunik (or as Azerbaijanis call it “Zangezur”) separated the Turkic world. It should be noted that Turkey lacks a direct land connection with Azerbaijan proper despite the fact that it possesses a ten kilometre border with the Nakhchivan Autonomous Republic.

### **Doubts in intentions**

Even before the 2020 war, there was a clear perception in Armenia that Azerbaijan and Turkey hoped to establish de facto control over Syunik and create an

uninterrupted land corridor. Following the November agreement, the de facto demarcation of the Armenia–Azerbaijan border in the Syunik region was hastily completed without any legal process. This resulted in the deployment of Azerbaijani soldiers along the Goris-Kapan highway and several roads connecting Goris and Kapan (the regional capital) to several Armenian villages. This situation forced Armenia to ask Moscow to establish several checkpoints along the Armenia–Azerbaijan border, as well as two outposts of the 102nd Russian military base in the Syunik region. These all help to provide security for the roads that are now partly under Azerbaijani control.

This has led to a situation in which Russian border troops protect Armenia's borders with Turkey, Iran and partly even Azerbaijan. Without Russian support and protection, it would be impossible to drive from Yerevan to Kapan and further into Iran, as the Armenia-Iran international highway passes through the Syunik region.

Repeated statements by Azerbaijani President Aliyev regarding the “Zangezur corridor” and Zangezur's status as historical Azerbaijani land has only added to suspicions in Armenia. Yerevan has stressed that there are no mentions about any corridors, except for Lachin, in either the November 2020 or January 2021 statements. Due to this, both sides should rather be speaking about opening up general communications. Aliyev stated that if Armenia was not going to create a “Zangezur corridor”, then Azerbaijan would open the corridor by force. This statement was naturally met with backlash in Armenia. It confirmed Armenian doubts that the real intention of Azerbaijan and Turkey is to establish de facto control over the Syunik region.

Azerbaijan demands that at least two routes be provided to Nakhchivan via the Syunik region. According to Baku's vision, a railway should pass along the Araks river and enter Nakhchivan. This would resemble the railway connection that existed during Soviet times. Azerbaijan has already started constructing the railway on the territories it took during last year's war. Meanwhile, Turkey has stated that it hopes to construct a Kars–Igdir–Nakhchivan railway. If implemented, this route will create another Azerbaijan–Turkey rail connection parallel to the Baku–Tbilisi–Kars route. In addition to the railway along the Aras, Azerbaijan has called for a highway connection to Nakhchivan that would pass through Syunik.


### **Negative perceptions**

Experts in Armenia are now actively discussing other possible routes that could connect Azerbaijan with Nakhchivan. One option is to use the Gazakh–Ijevan railway to connect both areas by rail. Azerbaijani trains may enter Ijevan, then reach

Yerevan and enter Nakhchivan via the village of Yeraskh in the Ararat region. As for a highway connecting Azerbaijan with Nakhchivan, it may be possible to use the Vardenis-Sevan-Yerevan-Yeraskh highway. Azerbaijan's continued insistence that the Syunik region's territory be used to connect Azerbaijan with Nakhchivan has only strengthened Armenian concerns that Baku and Ankara ultimately hope to seize Syunik in the long term.

On May 12th and 13th, The Azerbaijani army made several incursions of up to four kilometres into the Syunik and Gegharkunik regions of Armenia. The Azerbaijani military still refuses to withdraw and this has only contributed to hostile attitudes present among Armenian society. Armenia officially applied to the Collective Security Treaty Organisation on May 13th to start consultations regarding Baku's actions. Prime Minister Nikol Pashinyan even sent a letter to Russian President Vladimir Putin asking for military support. However, after months of discussions, the CSTO described these events as mere border incidents, which did not require the involvement of the organization. The Russian foreign ministry has called for restraint and has offered to help Armenia and Azerbaijan officially start talks regarding delimitation and demarcation.

French President Emmanuel Macron demanded the withdrawal of Azerbaijani troops from Armenian territory, while the US National Security Advisor Jake Sullivan spoke with Pashinyan and Aliyev. He expressed concerns over recent bilateral tensions and emphasised that military movements near disputed borders are irresponsible and provocative. He also underscored the need for both countries to conduct formal discussions to agree on their international border. Simultaneously, Azerbaijan launched a large-scale military drill that involved 15,000 troops on May 16th.

In late August 2021 Azerbaijan closed the Goris-Kapan highway for two days and established police check points. Then, since mid-September, Azerbaijani police have started to check Iranian vehicles driving through this route and to collect taxes. Azerbaijani authorities arrested two Iranian drivers for alleged illegal crossing of the Azerbaijan border. These actions disrupted the transport links between Armenia and Iran and ushered a crisis in Iran-Azerbaijan relations. The recent tensions in the Syunik region have bolstered negative perceptions in Armenian society regarding the opening up of transportation links. After winning the early parliamentary elections, Pashinyan is now forced to find a solution. In the end, he may decide to simply reject any possibility of providing transport routes between Azerbaijan and Nakhchivan via the Syunik region. 

# The position of Georgia within the context of the Nagorno-Karabakh conflict

VICTOR KIPIANI

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Georgia has great interest in advancing **peaceful and neighbourly relations** with the other countries of the South Caucasus. Now, there is an opportunity to strengthen ties among the three countries. However, a realistic approach towards these relations is needed to achieve modest success in the short and medium-terms.

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The main aim of Georgian policy in the South Caucasus is to sustain peace and stability while ensuring neighbourly relations with both Armenia and Azerbaijan. Tbilisi adhered to this approach during the so-called Second Nagorno-Karabakh War last year. In particular, the statement of the National Security Council of Georgia published on October 3rd 2020 serves as a proof of such a commitment. This statement stresses that the active armed conflict should come to an end as soon as possible.

Specifically, Georgia did not allow the transit of military supplies to either state and declared a willingness to take on the role of a negotiator between the conflicting parties. This announcement had two fundamental points. Georgia not only demonstrated its approach towards the conflict, but it also showed its readiness to actively participate in dialogue regarding the situation in the region. Moreover, this statement sent a message to Georgia's two largest national minorities that it aims to maintain stability and uphold the rule of law.

## Regional realities

By briefly evaluating the security council's statement and Georgia's response to the conflict, it becomes clear that Tbilisi responded by doing as much as it could while being aware of regional realities. During the normalisation of the Nagorno-Karabakh conflict, the media frequently raised the question as to what extent Georgia's efforts had been coordinated with western partners. Addressing this question, we should not forget that every step taken by the Georgian authorities was made with regional realities and Georgia's potential in mind. It is also crucial to understand that the Nagorno-Karabakh conflict should not be the only reason for an alignment of western and Georgian policies regarding the South Caucasus. It is important to remember that the roots of this co-operation stem from large-scale transport projects, such as the South Caucasian natural gas and the Baku-Tbilisi-Ceyhan oil pipelines, to name but a few.

A fair evaluation of the West's presence and influence in the South Caucasus matters as much as the quality of its activities. It is impossible to talk about Georgia's efforts to foster western presence in the South Caucasus without admitting that the West must maintain its presence in the region itself, first and foremost, and be willing to respond to Georgia's initiatives. The Nagorno-Karabakh ceasefire agreement signed on November 10th 2020 together with various associated documents discuss the creation of new transport corridors on the territories of Azerbaijan and Armenia. Although an evaluation of these projects does not lie within the scope of this article, I would like to discuss if they could hinder the transit and transport potential of Georgia. Overall, I believe that those who have a pessimistic outlook on the situation may be slightly exaggerating.

Firstly, no large transportation initiative can exclusively be subject to geopolitical ideas and an inflexible line of thinking. It is important to consider its investment model. In other words, any project can safely be set aside in the absence of a clear financial and investment plan. Otherwise, the whole project may come to nothing and be quite an adventure. Geopolitical considerations on their own would not be enough to implement projects such as the Baku-Tbilisi-Ceyhan oil pipeline, the South Caucasian gas pipeline or the Baku-Tbilisi-Kars railway. After all, they have to be financially profitable in the first place. Furthermore, developing trust in a new transport corridor takes years to develop. It also takes time and effort to develop and deal with the various geopolitical and geoeconomic characteristics of a specific project. Any issues associated with Georgia's transport corridors were already settled a while ago.

Moreover, some aspects of the agreement on new transport corridors involving Armenia and Azerbaijan lack precision. Certainly, it appears that various de-

tails have not been settled once and for all. It remains unclear how safe these transport connections will be and if the Russian Federation can guarantee their safety and stay neutral regarding both parties. It should be remembered that the transport corridors that go through Georgian territory guarantee the export of cargo traffic from a nearby seaport on the Black Sea shore. This aspect is also of great economic importance, especially with regards to investment. In general, there are two major reasons why Georgia's transit routes are so attractive. Firstly, the country's political system, although far from perfect, guarantees transparent legislation that creates a welcoming business environment. At the same time, the Georgian market is better integrated with the western markets than those of the other two South Caucasus states. Due to this, Baku and Yerevan could benefit greatly from closer co-operation.

During the conflict, the media frequently asked to what extent Georgia's efforts had been **coordinated** with the West.

### **A factor of regional powers**


It is interesting to follow up on the role of Russia and Turkey in the region in the context of the Nagorno-Karabakh conflict. Russia's impact in this regard is peculiar. Moscow had to be very careful to maintain balance in its relations with Armenia and Azerbaijan. Neither of these states were hostile to Russia and this encouraged Moscow to adopt more sophisticated and complex policies compared to other post-Soviet military conflicts and wars. This could also be the reason behind the rather general and unclear wording of some of the ceasefire agreement statements.

Additionally, Russia had to consider its bilateral relations with Turkey, as their interests overlap not only in this region but in other parts of the world as well. Despite Moscow's tactical interest in cooperating with Ankara, Russia did its best to try and limit the role of Turkey after the end of hostilities. For instance, the November 10th agreement aims to limit Turkish military involvement in a ceasefire monitoring centre. Russia has also managed to neutralise attempts by Turkey and Azerbaijan to expand Ankara's role within the OSCE Minsk Group.

Turkey retains an important position in Georgia's regional outlook and remains one of its most prominent partners. Of course, Ankara is an essential regional security player and has consistently supported Georgia's NATO aspirations. As a result, Georgian-Turkish relations could deter Russian influence over the South Caucasus. While Turkey is mainly interested in a more profound partnership with Azerbaijan, it appears that it is also seeking to normalise its relations with Yerevan.

### Is a tripartite alliance possible?

It is difficult to argue against the potential benefits that a tripartite partnership could bring to all the countries of the South Caucasus. In addition to strengthening peacebuilding and security issues, such a partnership would make the South Caucasus stronger and economically more attractive. Unfortunately, the reality we are living in today does not provide any ground to be optimistic about the situation from a short to medium-term perspective.

Overall, it seems that Tbilisi's individual relationships with Armenia and Azerbaijan are playing a key part in the politics of the South Caucasus region as a whole. Georgia, therefore, has an important role to play in maintaining the general quality of relations between the states in the region. This is the reality of the region today and ignoring it is not feasible. This shows the valuable role that Georgia is playing in the ongoing political processes in the South Caucasus, at least in relation to the economy. This makes domestic changes and the integration of Georgia into a civilised international community even more vital. 

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