



UNIVERSITATEA LUCIAN BLAGA — DIN SIBIU —

GLOBAL STUDIES CENTER

CONFERENCE REPORT

*THE IMPACT OF THE NAGORNO-KARABAKH
ARMISTICE AGREEMENT ON THE SOUTH
CAUCASUS. FUTURE SCENARIOS FOR
SECURITY, ECONOMY AND SOCIAL
DEVELOPMENTS*

14TH OF DECEMBER, 2020



The Global Studies Center of Lucian Blaga University of Sibiu organized on the 14th of December 2020 the International Online Conference entitled: *“The Impact of the Nagorno-Karabakh Armistice Agreement on the South Caucasus. Future Scenarios for Security, Economy and Social Developments”*.

The event benefited from the presence of top international experts who addressed the strategic and security environment of the South Caucasus, as well as the role of economic and energy security in ensuring a potential durable peace in the region. The target audience consisted of approximately 70 think-tank experts, decision-makers, journalists, students, and researchers.

The Impact of the Nagorno-Karabakh Armistice Agreement on the South Caucasus. Future Scenarios for Security, Economy and Social Developments

International Online Conference

Global Studies Center
Lucian Blaga University of Sibiu

Event's concept

Preamble

On November 10th, 2020 the Armistice Agreement signed by Armenia and Azerbaijan, mediated by Russia, came into force. The historic ceasefire deal ends the previously reignited in September conflict in Nagorno-Karabakh. The Agreement stipulates a complete end of all hostilities, the returning of several districts to Azerbaijan and the deployment of Russian peacekeeping presence for the next five years along the line of contact separating the Nagorno-Karabakh region and the Lachin Corridor from the rest of Azerbaijan. Following the signing of the agreement and the deployment of the Russian peacekeepers, a memorandum on establishing a joint Russian-Turkish monitoring centre in Azerbaijan was signed by Russian and Turkish defence ministers.

A new geopolitical configuration that reverberates through the regional security, economy, trade, migration, and social developments. It is certainly the result of continuous disputes over unsettled scores, one whose intensity is heightened by religious and historical subtexts. It is, at the same time, a reconfiguration that is able to trigger far-reaching geopolitical shockwaves.

According to the geopolitical analytical framework put forward in 1997 by Zbigniew Brzezinski, the Caucasus is within the very core of the so-called "Eurasian Balkans," a highly volatile area due to the following reasons: 1) its vast deposits of natural resources, including hydrocarbons and minerals; 2) its heterogeneous blend of peoples whose bitter interethnic rivalries have lasted for centuries; 3) the prevalence of arbitrary borders that are often contested, and 4) its pivotal strategic position in terms of geopolitical influence and international trade flows attract the interest of both local and extra-regional powers.

The "Eurasian Balkans" have indeed witnessed a wave of conflict, rising geopolitical tensions, and strategic competition over the past three decades.

On the other hand, according to Russian strategic thinking, the so-called 'near abroad' – a concept that refers to the whole post-Soviet space – represents a region in which either favourable geopolitical attitudes toward Moscow or at least neutrality must prevail for reasons of national security related to the protection of Russia's vulnerable flanks and the preservation of its strategic depth. The Kremlin's anxieties are motivated by the prospect of contagious anarchy and chaos that might reach into Russia itself or, even worse, the presence of

competitive great powers perceived as potentially hostile toward Russian interests. To manage these concerns, Moscow has been promoting regional collaboration through institutions like the Collective Security Treaty Organization (CSTO) and the Eurasian Economic Union (EAEU).

Conceptual approach

Security Dilemma is seen as consequence of mutual insecurity perceptions which lie at the root of the Nagorno-Karabakh conflict. Since the collapse of the Soviet Union, Armenia and Azerbaijan have been driven into violence in their attempts to guarantee security needs – even through defensive measures. Almost three decades of the conflict resolution process has not borne fruit mainly due to the uncertainty about the opponent's intentions and the absence of mutual trust between the parties.

Political scientists have called an impasse such as the one in Nagorno-Karabakh a security dilemma. This is defined as a situation in which one side in a conflict seeks to strengthen its own security vis-à-vis its opponent by taking steps that the other sees as threatening, leading to an escalation of tensions that undermines the security of both. Referring to the nearest past, the crux of the security dilemma here is that any effort by Azerbaijan to reverse the status quo by recapturing the occupied territories by force only reinforces Armenians' determination to hang on to the territories to protect their own security interests.

Broader context

More than two decades, the Nagorno-Karabakh conflict was a much greater international priority than it is today. Great hopes were placed on the OSCE as the emerging European security organization that would handle it. At one of its earliest meetings in 1992, the organization called for a conference to resolve the conflict, to take place in the Belarusian capital, Minsk. The conference was never convened, but a Minsk group was formed to mediate between the warring parties. Following the 1994 ceasefire, a new framework for the Minsk process was formalized. Russia's failure to become the unilateral mediator gave the responsibility to the OSCE as a whole—an arrangement that also allowed the conflict parties to play the mediators off against one another.

OSCE structures have lost power and prestige in the last twenty years. The international actors have seen Karabakh slip down their agendas and have increasingly focused on managing the conflict rather than resolving it. The rotating one-year chairmanship structure of the OSCE means that the chairman in office lacks institutional memory on the issue. Gradually, the presidents of Armenia and Azerbaijan, for whom the conflict remains the number one national priority, have become the chief conductors of the process and found ways to influence the OSCE mechanisms.

Conflict patterns

In this vacuum, both sides have purchased modern destructive weaponry, with Russia acting as the main supplier of arms.

Azerbaijan has used massive oil revenues to increase its military budget to more than \$4 billion a year. In the recent round of fighting, Baku was able to use tanks, heavy artillery, and attack helicopters, as well as Israeli-produced military drones. One reason why the Azerbaijani

government may have been tempted to use force in April was that it was a moment when the military balance was most in Baku's favour, as the military budget is being cut under pressure of falling oil revenues.

Statistics showed that the Armenians cannot afford the same level of military expenditure, but they counted on the advantage of defending higher ground. At the same time, being a strategic partner of Russian Federation, member of the Eurasian Economic Union as well as a member of the Moscow-led Collective Security Treaty Organization, Armenia used the opportunity to buy Russian weapons at reduced prices and relies more on Russian support. As mentioned in preamble, after six weeks of renewed fighting between Azerbaijan and Armenia over the disputed territory, Russia brokered a ceasefire agreement for Nagorno-Karabakh that changed the map of South Caucasus.

Aim of the project

The current event is aimed to understand various positions and problematizations of international and regional experts from South Caucasus by meeting Romanian academics, officials, analysts, interns and students.

Proposed topics/Issues to be discussed

- ✓ origin of the conflict between the official standpoint and the experts' view;
- ✓ the influence of regional actors on religion, ethnicity & identity patterns;
- ✓ minorities' stand on conflict;
- ✓ role of diaspora in raising awareness;
- ✓ losses and gains following the armistice agreement;
- ✓ the future of Russia-Turkey relations on the background of Nagorno-Karabakh's picture;
- ✓ impact on Iran and the role of Azerbaijani population of Iran;
- ✓ spheres of influence and geopolitical trends between interdependence and contagion (Do we find similar patterns in Belarus, Ukraine, Transnistria, Nagorno-Karabakh, Kyrgyzstan?);
- ✓ presence of foreign fighters in Nagorno-Karabakh;
- ✓ lessons learned from decades of operating in frozen conflict areas and grey-zones;
- ✓ variables for recording a post-conflict success in Nagorno-Karabakh;
- ✓ conciliation and compromise options, mediation & broader perspectives for durable peace settlement;
- ✓ expectations regarding the role of third party mediators like EU and the US.

Key experts

Assoc. Prof. Silviu NATE, Ph.D. – Director, Global Studies Center, Lucian Blaga University of Sibiu;

Richard GIRAGOSIAN – Founding Director, Regional Studies Center, Armenia;

Fuad SHAHBAZOV – Senior Research Analyst, Center for Strategic Communication, Azerbaijan;

Margarita ASSENOVA – Senior Fellow, The Jamestown Foundation, USA;

Leonela LECA Ph.D.c. – Senior Analyst, Global Studies Center, Lucian Blaga University of Sibiu;

András RACZ Ph.D. – Senior Fellow, Robert Bosch Center for Central and Eastern Europe, Germany;

Assoc. Prof. Daniel BUDA, Ph.D. – Dean, „St. Andrei Șaguna” Faculty of Orthodox Theology, Lucian Blaga University of Sibiu;

Eugene KOGAN, Ph.D. – Independent Expert based in Georgia;

Andreea STOIAN-KARADELI, Ph.D. – Global Associate Fellow, Geneva Centre for Security Policy (GCSP), Expert based in Turkey;

Lecturer Antonia COLIBĂȘANU, Ph.D. – Senior Analyst & COO, Geopolitical Futures, USA, lecturer at SNSPA;

Flavius CABA-MARIA, Ph.D.c. – President of Middle East Political and Economic Institute (MEPEI).

Organising Committee

Silviu NATE

Leonela LECA

Daniel BUDA

Key takeaways

- the effort of building and adapting policy tools would contribute on bringing the Eastern Neighbourhood states closer to the democratic core of Europe;
- only by prioritizing a Wider Black Sea Region agenda, Western countries will succeed in making a strategic commitment to project security in the region;
- in Nagorno-Karabakh, Russia maintains strategic privilege by perpetuating regional instability and fuelling contagious vulnerabilities.



Silviu NATE

Director

Global Studies Center
Lucian Blaga University of Sibiu,
Romania

„While disruptive factors can easily become contagious, tending to jeopardize the democratic stability and security of the European space, Europe's Eastern Neighbourhood volatile context demonstrates the need for a comprehensive approach in dealing with geopolitical stakes that already showed a security interdependence between the Caucasus, the Wider Black Sea Region, and the Eastern Mediterranean. Moscow's military presence in Nagorno-Karabakh has the potential to constrain, in the future, energy flows and virtually secure its regional geopolitical advantage by transforming Armenia from a client state to a vassal, but also symbolically undermine Turkey's transatlantic relationship. In the absence of economically persuasive tools and driven by desire to exert regional control, Russia's only option is to keep regional actors below its level of development. Consequently, we get to the conclusion that it is not Azerbaijan that is the big winner in Nagorno-Karabakh but Russia that can disturb stabilizing and development of its neighbours by turning the conflict into a Grey Area with recurrence to clandestine activities, political blackmailing, a shifting ground for proxies, intensification of ethnic and religious cleavages. One thing is clear, the new environment encourages the lack of mutual trust of the actors involved and amplifies the security dilemma amid vague and unclear ceasefire agreements. Europe and its allies must acknowledge and commit to defend the geographical periphery, otherwise, we endanger the stability of the center.”

Key takeaways

- Turkey invested a great deal in military support for Azerbaijan, but at the last minute, Russia took the prize, with a unilateral deployment of military peacekeepers;
- There continues to be an expansion of Russian military power and presence in the region and with the close proximity and forward posture of Azerbaijani forces, the risk of renewed hostilities looms large;
- The future of Nagorno-Karabakh remains uncertain, with Russia possibly intent on either “freezing” the conflict or transforming Nagorno-Karabakh into a Russian protectorate;
- there is an imperative now to return to diplomacy and to transform the ceasefire into a lasting, durable, and resilient peace agreement;
- the restoration of regional trade and transport and the reopening of closed borders presents a unique opportunity to transform the defeat into a new opportunity for greater reintegration and less isolation.



Richard GIRAGOSIAN

Founding Director

Regional Studies Center

Armenia

“The situation on the ground remains very unstable, in terms of the ceasefire implementation and stability. In the diplomatic arena, the return of all prisoners, civilian and military, remains a priority, and there is an imperative to return to diplomacy to negotiate the lasting implementation of the terms of the Russian-imposed ceasefire agreement and to also transform the ceasefire into a lasting, durable and resilient peace agreement.”

This is where the EU comes in and has a significant role to play. In fact, the EU has a chance to catch up with Russia in terms of everything from a donors' conference with the OSCE to stability operations in this new post-war reality.

In the economic-political arena, the implications are profound. Armenia, as a "struggling" democracy after its rare non-violent victory of "people power" in the 2018 Velvet Revolution, has been defeated by the two much stronger authoritarian governments of Turkey and Azerbaijan. Democracy in Armenia is now imperiled and challenged by a lingering domestic political crisis.

The restoration of regional trade and transport and the reopening of closed borders presents a unique opportunity to transform that defeat into a new opportunity to overcome isolation and for greater reintegration. This is where the economics of the post-war situation will be critical to ensure and incentive a lasting peace. Armenia and Azerbaijan were already at war well before September 2020, in a war against the invisible coronavirus. With the fight against Covid-19 far from over, the imperative and necessity for an economic recovery from Covid-19 ensures an economic opportunity for a more constructive regional focus on cooperation.

Armenia is implementing its Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU, despite Armenia's post-war weakness well within the Russian orbit. Armenia could leverage a bridging role between the EU and the Eurasian Economic Union, however.

Although the mission and mandate of the Russian peacekeeping forces in the region remain unclear, Turkish participation in peacekeeping operations are much less than Turkey expected and was promised. Furthermore, throughout the six-week war, Turkey invested a great deal in military support for Azerbaijan, but at the last minute, Russia took the prize, with a unilateral deployment of Russian peacekeeping forces. Clearly, while the pressing imperative is the return of all Armenian prisoners of war and the release of civilian hostages from Azerbaijani captivity, the broader promise and peril will be with the return to diplomatic negotiations. And with a lingering risk of renewed fighting, post-war stability in this 'region at risk' will continue to be a daunting challenge."

Key takeaways

- for over two decades the Minsk group of OSCE largely failed to offer mechanisms to prevent the hostilities and both countries felt abandoned by the West;
- Russia calls Armenia an important ally but names Azerbaijan a strategic partner which means that Russia has deep economic relation and deep military cooperation with Azerbaijan;
- there is no need for international mediation mechanisms and options because Azerbaijan fully restored its territorial integrity within the international law and UN resolutions accepted in the '90s;
- Russia cannot be imagined as a peacekeeper in the South Caucasus but if compared to the Ossetia issue, Azerbaijan is a little bit different, because of the Turkish factor and heavy Western investment in Azerbaijan like pipelines, railway, etc.



Fuad SHAHBAZOV

Senior Analyst

Center for Strategic
Communications

Azerbaijan

“The Western countries ignored a position regarding the conflict, both countries felt abandoned by the West, because the Minsk group of OSCE was supposed to react immediately and offer mechanisms to hold the hostilities but for over two decades the OSCE largely failed to offer mechanisms to prevent the hostilities. When the EU and the USA took a more distant position regarding the conflict, both Azerbaijan and Armenia felt abandoned and betrayed. Armenia itself expected that the long-term ally - Russia to intervene quickly, but we have seen that Russia did not rushed up to hold these hostilities.”

Turkey politically voiced its support for Azerbaijan, which was not a surprise for Azerbaijan, the present active support of Azerbaijan, neutralized Russia from taking provocative steps against Azerbaijan as it did in April war in 2016. Many Armenian experts asked themselves why Russia didn't intervene or reacted, while they put aside the west. There are several reasons, the unpopularity of the present government is one of them. The Pashinyan government's unpopular moves towards Russia made the relation between Moscow and Erevan strange. This was a reason for Russia not openly support Armenia during this escalation. Another reason is that Russia calls Armenia an important ally but names Azerbaijan a strategic partner which means that Russia has deep economic relations and deep military cooperation with Azerbaijan. Russia is dissatisfied with Armenia because Armenia did not manage to ease relations with Azerbaijan. Russia discussed for many years the peaceful settlement of the conflict by Armenia withdrawing from the seven districts. However, Armenian leaders avoided such kind of plan because they were sure that this kind of plan does not give any guarantees that Azerbaijan will not start a full-scale war. Azerbaijan's point of view is very simple: there is no need for the Minsk group, there is no need for international mediation mechanisms and options because it fully restored its territorial integrity within the intern law and UN resolutions accepted in the '90s and now Azerbaijan has made some conclusions for itself regarding the regional states like Iran, Georgia and Russia concerning how did they react. We know that Armenia and Iran enjoyed quite cordial relations and cooperation. As far as Azerbaijan, Iran shares with Azerbaijan historical-cultural roots. There is a huge minority of Azerbaijan living in Iran. Relations between Iran and Azerbaijan could be called very specific. Since the very beginning of the war, Iran took a very complicated position. There were some video materials that showed Russian military equipment passing through Iranian territory going to Armenia. Iran prefers to keep a neutral position from the beginning of the conflict. Azerbaijan society perceived that Iran logistically helps Russia to transfer military equipment to Armenia. The Ayatollah issued a statement saying that Nagorno-Karabakh is an Islamic territory and should be returned to Shia Azerbaijan. In this regard might be several reasons for Iran to take a more unbiased position. The first one is the Turkey factor. The Turkish presence in the region pushed Iran to take a more diplomatic and more balanced position in this conflict. Another reason is the vast majority of ethnic Azerbaijani of more than 20 million living in the Southern part of Iran.

We know that Iran's biggest fear has always been the reunification of Azerbaijani ethnics with the Republic of Azerbaijan. It was a tricky question for Iran. All efforts of Iran were to increase those gaps between ethnic Azerbaijani in Iran and the Azerbaijani population in the Republic of Azerbaijan. The active military campaign resulted in the victory of Azerbaijan forces, Iran took a pro-Azerbaijan position, congratulating Azerbaijan for re-establishing full control of the Iranian border.

I am also very sceptical about Russia's peacekeeping mission, I cannot imagine Russia as a peacekeeper in South Caucasus, a very complicated region. But if compared to the Ossetia issue, Azerbaijan is a little bit different, because the Turkish factor must also be taken into account. In Azerbaijan's case, there is also a heavy western investment in Azerbaijan like pipelines, railway, etc. Therefore, Abkhazia or South Ossetia will not be possible to repeat in Nagorno-Karabakh. I am also very sceptical that Russia will go home after five years because there are plenty of reasons not to go home and to prolong the mission”.

Key takeaways

- in the absence of a legal, durable, abided by all parties peace accord on Nagorno-Karabakh, the conflict will not be resolved, and ceasefire violations could happen again;
- Armenia's energy dependence on Russia, its absent relations with neighbours Turkey and Azerbaijan, complicated relations with Iran, and lack of direct border with Russia puts it in a disadvantaged position;
- the impact of Caspian gas on the Turkish market explains why taking a much stronger position in support of Azerbaijan was so important to Turkey;
- peacekeeping forces in Nagorno-Karabakh must be internationalized by including EU and US contingents to counter excessive Russian military presence in the region.



Margarita ASSENOVA

Senior Fellow
Jamestown Foundation, USA

“Since 1994, when the first Nagorno-Karabakh war ended with the ceasefire agreement, the Caucasus has undergone a dramatic development, particularly in energy and transportation. The formally isolated region became an energy and transportation hub, an important military supply route to Central Asia, a crossroad of strategic interest of Russia, Turkey, Iran, Europe, and the US.

The strategic oil and gas pipelines channelling Caspian energy resources to Europe and other markets away from Russia are extremely important. The Baku-Tbilisi-Ceyhan oil pipeline signified the strategic reorientation of Azerbaijan toward the West. It was a critical national decision made by Heydar Aliyev. That pipeline was supported and promoted by the West. The energy resources transformed the region, making it an energy hub and a transportation corridor of significant importance for NATO's supplies to

Afghanistan and Central Asia. But due to the Nagorno-Karabakh conflict, Armenia remained outside of these critical transportation and energy routes. Armenia depends on Russian oil and gas supplies and relies on Georgia for the transport of goods and energy. Russia has occupational forces in two regions of Georgia that present a constant threat to trade routes' security.

Trade relations with Tehran were essentially bartered deals (swapping electricity for gas), Armenia's gas network is owned by Gazprom, the electric grid was owned by Russian Inter RAO and now by the Moscow-based Tashir Group, and the Nuclear Power Plant, built with Russian technology and renovated by Russian companies, is using Russian nuclear fuel. This kind of energy dependence on one country, in a very complex region, with absent relations with some neighbours such as Turkey and Azerbaijan, a complicated relationship with Iran (because of Western sanctions and the significant Azerbaijan minority there), and no direct border with Russia, put Armenia in a very disadvantaged position. That could change if a durable peace agreement is settled, and it could completely change the situation in the entire region.

How could the conflict impact the security of energy pipelines that are very close to the conflict lines? The conflict zone is almost 60 km away from the pipelines. Any conflict on Azerbaijani territory poses risks to the energy supplies to the West. There should have been much more serious Western involvement in resolving the conflict for many reasons, but some are also the energy and transportation routes.

Armenia remained outside of the major transportation networks, which could present a national security threat. If supplies from Russia were interrupted, Armenia would have minimal options with the neighbours.

The Southern Gas Corridor is strategically important as it supplies Georgia fully and carries gas to Turkey and Europe. Azerbaijan is currently the number one gas supplier to Turkey; Russia has dropped to second place since 2019. When Russia cut gas supply to Georgia in 2006, Azerbaijan saved the country during a freezing winter and showed a need for alternative supply. Due to the Southern Gas Corridor, Georgia has secured its gas supply, but it also became an energy corridor of international importance. Without the development of the Shah Deniz 1 and 2 and Azerbaijani decision to export its energy resources to the West, Georgia would not have been an international energy transit country.

The impact of Caspian gas on the Turkish market explains why taking a much stronger position in support of Azerbaijan was so important to Turkey. The pipelines' completion along with the military and strategic agreement between Azerbaijan and Turkey of 2010 are relatively new

developments in the Caucasus. Although Turkey supported Azerbaijan during the fighting, it did not directly intervene in the military operations.

The conflict has not ended. We have an armistice agreement, but not a peace agreement. The most important thing is to have in place a legal, durable abided by all parties peace accord on Nagorno-Karabakh because if this will not happen, as we have already seen, the conflict will continue, and there will be other ceasefire violations. And that depends on both sides, but also on the international community, which has not taken a prominent role in the efforts to stop the fighting last fall, as it was distracted by the pandemic and the US elections. Not enough attention was paid to the war in Nagorno-Karabakh and having a more decisive role in setting the ground for a future peace agreement. We have a situation now where no Western country is included in the armistice agreement, which was signed between Azerbaijan, Armenia, Russia, and Turkey – the latter two supporting and locating peacekeeping forces. For the time being, we have a Russian peacekeeping mission in Nagorno-Karabakh, and it is the first time in decades when Russian soldiers are present on what is legally Azerbaijani territory. It is very significant because it gives Russia another area of influence, and this is something very relevant also for the security of energy routes in the region. Russia is going to do everything possible to prevent the construction of the planned Trans-Caspian pipeline from Turkmenistan to Azerbaijan, slated to deliver Central Asian gas to Europe. The conflict over Nagorno-Karabakh has not ended. The critical energy and transportation infrastructure continue to be vulnerable. If Armenia has the military capability to strike at a pipeline in Azerbaijan, as it happened during the fighting, Azerbaijan also has the capability of striking at critical infrastructure in Armenia. Just this possibility is a dangerous prospect to peace and to European energy security.

The peacekeeping forces in Nagorno-Karabakh must be internationalized with the inclusion of EU and US peacekeeping contingents if a scenario similar to that in Georgia's North Ossetia is to be avoided.”

Key takeaways

- the 2020 flareup of the conflict showed new patterns of the modern warfare. Using more hybrid tools, mingling conventional capabilities and strategies with modern technology, irregular tactics, cyber-attacks and information means becomes new standard in military operations;
- Russia increased its long-term military and economic presence and room for maneuvering. Despite Turkey's enhanced role in the region, The Joint Russian-Turkish Center will have to prove its operational and cooperation capability.



Leonela LECA

Senior Analyst

Global Studies Center
Lucian Blaga University of Sibiu

Romania

„Azerbaijan needs to diversity its economy and even though a durable peace was not obtained, the post-war regional context offers some opportunities for Baku to enhance its role in terms of logistics, oil, gas, electricity and energy transportation. At the same time, Armenia's main challenge in economic terms is that its economy has not been developed also by the Turkish and Azerbaijani embargo and is highly dependent on Russia. The regional integrational processes are extremely slow and difficult even between countries like Georgia and Azerbaijan and failed to translate into a more institutionalized integration. Economic integration will therefore represent an opportunity but also a great challenge for the region. In terms of humanitarian assistance and reconstruction of Nagorno-Karabakh, Baku could provide a lot more investments compared to what Armenia has done so far. Nevertheless, both countries remain highly under Moscow's regional “peacekeeping” influence. Russia will continue to exert its power to control transportation and logistics projects. Simultaneously, in the absence of a clear peace settlement, this poses new challenges and risks for the region but also for the development of trade and energy corridors that are connecting Asia to Europe”.

Key takeaways

- recently, Nagorno-Karabakh was the evidence of high-intensity conflict, which ended with the ceasefire agreement, but not a peace agreement, and leaves a lot of things unregulated: both in the military and human security sense;
- if Nakhchivan corridor will be realized, it will be run and managed by Russia FSB Border Guard troops, which will constitute a serious choke position in Russia's hands over Azerbaijan and Armenia;
- in Azerbaijan, military forces of Russia and Turkey - as a member of NATO, are stationed very close to each other, showing a major escalation potential with a very short warning time.



András RÁCZ

Senior Research Fellow

German Council on Foreign
Relations (DGAP), Berlin

Germany

"The strategic situation in and around Nagorno-Karabakh is fundamentally changed, in all aspects: military, security, energy and human security. There is no way back to the initial status-quo. The conflict around Nagorno-Karabakh was never frozen but it was largely of low intensity. We know the flare up of 2016 and last summer, and even together with this flare ups the situation was largely stable. The frontline didn't move too much and in strategic sense, the situation was stable.

Now we had a high-intensity conflict, which ended with the ceasefire agreement, but not a peace agreement, that leaves a lot of things unregulated: both in the military and human security sense. When it comes to altered or changed strategic situation first and foremost, Turkey's military presence is now established in the South Caucasus and this is brand new. Turkey had a military agreement signed with Azerbaijan as early as 1995, but close military cooperation is one thing and the lasting presence of Turkish forces in Azerbaijan is completely different.

With the ceasefire agreement, Turkey is in the process of basically getting direct access to the Caspian Sea if the corridor Nakhchivan and Western Azerbaijan can be realized. If Turkey's military presence in Azerbaijan base will become a lasting phenomenon, particularly in the Ganja region, this means that Turkish forces, will be less than 100 km away from the border of the Russian Federation. Russia is usually unhappy watching a NATO member establish military presence close to Russian borders. Moreover, it is not just an average Russian border. This is the border of the Russian Dagestan region which is the most unstable of the Russian region. Considering a highly unstable region and the ambition of a NATO country for establishing a military base less than 100 km from that unstable region, most probably, will have lasting consequences.

From Turkey's perspective, this has been another successful expeditionary war. We have seen Turkey's expeditionary wars in Syria, in Libya and now we see basically the same tools and means operated by Turkey in support of Azerbaijan in regaining control over its occupied territories.

What are the tools and means? It is not only the famous drones. It is the political, intelligence and special operations support, training, and also the drones. But many of those capabilities were employed and used by Turkish specialists, not Azerbaijanis. Here, Turkey conducted a very successful expeditionary operation, and probably set another precedent. It confirmed that these tools and means actually work.

Russia also came out much stronger from the conflict than it actually looked like, and this has been fundamentally Russian designed and Russia executed ceasefire agreement by gaining a stronger military presence in the region than it had before. First of all, there is going to be Russian peacekeeping forces on the Azerbaijan's soil. Officially their number is less than 2000 soldiers, but in fact the contingent is already larger than that and will probably grow even further. Besides, historical experience in the former Soviet Union shows that once Russian peacekeepers arrive, they never leave! There is no single post-soviet conflict where the Russian peacekeeping forces were deployed and they left any time later.. Azerbaijan has done a lot to decrease Russian military presence in particular intelligence related influence of the Russian Federation over Azerbaijan. Now we know for fact that Russia is deploying not only peacekeepers but also a lot of special equipment to Nagorno-Karabakh region including the technology used for signal intelligence. This is something that probably makes a lot of decision-makers in Azerbaijan quite unhappy. Beside getting stronger military influence over Azerbaijan, Russia influence over Armenia increased as well. Right now, the survival of the Armenian community from Nagorno-Karabakh depends of Russia.

It wouldn't be surprising if Russia would increase its military presence in Armenia, claiming the need to provide peacekeeping forces with logistics, background support, etc. Russia is going to have more soldiers in Armenia than it had before. If the Nakhchivan corridor will be realized, it will be run and managed by Russia FSB Boarder Guard troops, which will constitute a serious choke position in Russia's hands over Azerbaijan and Armenia. From the strategic perspective, we are witnessing a situation that is largely unprecedented in the post-soviet space. Just in one country, namely Azerbaijan, we will find a Russian military base and lasting military presence of a NATO member. It is not completely unprecedented, because in Kyrgyzstan we found both US and Russian military bases. Now we have it within Azerbaijan, military forces of Russia and Turkey - as a member of NATO, are stationed very close to each other, showing a major escalation potential with a very short warning time, thus constituting a highly precarious situation. The situation will require a lot of calmness, a lot of professionalism from both sides. The commander of the Russian peacekeeping operation, General Rustam Muradov is a seasoned veteran of Russia's Southern Military District. He is originally from the North Caucasus, he fought in the Chechen wars and also in Syria; all in all, he is a really serious professional. Apparently, Russia is very aware of risks, thus they appointed somebody highly trained and reliable to lead the peacekeeping operation."

Key takeaways

- even if Russia appears to be a stage winner of the conflict, the repositioning of Turkey into a major player in the Caucasus, MENA, and the Balkans basically creates a new reality for Russia;
- both Caucasus and Ukraine are on the strategic agenda for the EU's foreign policy, which must look at this region as a whole;
- the strategic EU framework for defence must consider the Turkish actions in the Western Balkans and the Black Sea. We need to look at the Turkey-US relations which will define the other part of the Black Sea security.
- The Black Sea is becoming the real node of the world.



Antonia COLIBĂȘANU

Senior Geopolitical Analyst
Geopolitical Futures, USA

SNSPA, Romania

“The Caucasus is important because it gathers 3 regional powers: Turkey, Russia, and Iran. It is the place where the Middle East, Europe, and the Eurasian continent come together and meets. Not always peacefully. Taking a very detached, analytical status, Nagorno-Karabakh is one of the belt elements for pushing and influencing eastwards or westwards, depending on what it is intended by the regional powers in the game. In 2020 we had an exceptional conflict in the sense that there was one great power - absent. That is the USA. Since 2019, the US has become less and less involved within the traditionally unstable regions. It is no longer a must for the US to be involved in the Middle East, for instance. And that was underlined by the pandemic year, when the oil price basically decreased to a historical minimum. This happened not only because of the pandemic, but it was also accelerated by the pandemic.”

That happened because the US became a producer and exporter of oil products. So, basically, the disinterest in global affairs - due to economic reasons on one side and to pandemic-triggered reasons on the other side, resulted into a new reality for the regional powers: they were getting into a place where they needed to act in order to secure their position.

So, the pandemic year basically showed us an acceleration of competition between regional powers. Specifically, for Nagorno-Karabakh that is the competition between Russia and Turkey. Obviously with some Iranian flavour, but not directly involved. Russia appeared to be the winner of the current stage of the conflict, but the repositioning of Turkey into a major player not only in the Caucasus but also in other regions (in the MENA and in the Balkans) makes for a new reality for the Caucasus and a new reality for Russia. This leads us to the discussion on the status of the regional powers within the Black Sea, where the USA is currently present and where Russia will have to keep its strategic power status while dealing with its own internal socio-economic problems.

Russia might take stands, as it has taken in the Caucasus elsewhere, or it might want to redefine stands taken before - including in Nagorno-Karabakh. All that makes for a not very peaceful future, considering the new ottoman strategy of Turkey. It also means that Turkey will also take stands on various issues that are not tied but depend on Turkey-NATO relations, Turkey-EU relations and Turkey as a challenging power in Eastern Europe. That will make for an interesting powers' competition in the Caucasus.

I am underlying that the socio-economic elements brought and accelerated by the pandemic of all the countries in the region will play a huge role in the stability and obviously that will affect how the power game will evolve.

We also need to consider circular evolutions in the region. When the Caucasus gets aggressive, we have a relaxation of other key areas in Eastern Europe, in Ukraine. The relaxation began when the Nagorno-Karabakh (NK) conflict started. When the armistice was imposed in NK, we have seen an increase in tensions on the Ukrainian border. The "de facto" frozen conflict came back to life in Eastern Ukraine and it is still ongoing as we speak. Two factors contribute to this reality: 1. The Caucasus calmed down; 2. The US elections – as they ended, the flare-up allows for Eastern Ukraine to still be of interest for the West.

All this only underlines few reasons for which both Caucasus and Ukraine are on the strategic agenda for the EU's foreign policy, which needs to look at the region as a whole.

When it comes to making sure the region remains stable, NATO and its role in the region need to be discussed. When we are talking Eastern Europe, we are talking Eastern Flank from NATO's perspective. This is, in fact, the new containment line from the Baltic to the Black Sea. And, considering EU membership of all countries on the Eastern Flank, we are also talking about the EU involvement when it comes to maintaining stability, even if we are not having an extended Eastern partnership in place or in the discussion. The EU must look at this region as a whole because of the tensions both in Caucasus and in Ukraine. Because of Nagorno-Karabakh, we have now the EU thinking more seriously than before about tightening up the two regions for a strategy when it comes to its Eastern borderline.

When we are talking about the wider Black Sea region, we are talking about the relation between Turkey and the EU (aside from Turkey's relation to NATO). In the next years, we have to monitor relations within NATO and those between Turkey and the EU, specifically those between Turkey and France, and Turkey and Germany. The whole picture gets increasingly complicated because of the ambition, promoted particularly by France, to build an EU that is "military active", and not necessarily an EU that is following NATO path in being military active. All this translates into the fact that France is not very much concerned about Eastern Europe in the sense that Romania, Hungary, or Poland are concerned about Eastern Europe. For them, the situation in Ukraine, that in Nagorno-Karabakh are not on top of their agenda, but they are merely a political item. At the same time, France and Germany need to address together the strategic EU framework for defence, which, in theory, means that they must consider all Turkish actions in the Western Balkans and the Black Sea, while France's first focus remains the Mediterranean.

It is an interesting matrix that we are seeing taking shape. We need to look at Turkey, France, Germany. We need to look at Turkey-US relations that will define the other part of the Black Sea security. It is getting more and more complicated and complex. The Black Sea is getting to be the node of the world - even if this could hurt the region in the short term."



Key takeaways

- the military assistance of Turkey will make its strategy in Azerbaijan easier to implement, and favours Turkey to adopt the slogan “One Nation, Two Countries”;
- controlling Armenian infrastructure by the border service of the FSB, Moscow hopes to dominate regional projects trajectory in South Caucasus;
- political settlement of the crisis is undermined by the EU's small expertise on the issue of minorities in the South Caucasus and the current paralytic functions of the Minsk Group;
- regional success is directly dependent on the willingness to resort to compromise and reconciliation on the part of Armenia and Azerbaijan.



Eugene KOGAN

Security & Defence Expert
based in Tbilisi, Georgia

“It should be stressed that the situation on the ground has profoundly changed. They are Russian peacekeeping troops based in what was left from the Nagorno-Karabakh and Turkish troops based in Azerbaijan. Neither Russian troops nor Turkish troops will leave territories voluntarily. The famous Azerbaijani-Turkish slogan “One Nation, Two Countries” may turn into One Nation, One Country. We need to remember a case of China and Hong Kong namely, “One Nation, Two Systems” that in the meantime has become One Nation, One System. Therefore, there is nothing that can preclude from Turkey to change slogan “One Nation, Two Countries”. In addition, military assistance of Turkey during the war will be remembered and emphasised in Azerbaijan and it will make strategy of Turkey in Azerbaijan easier to implement.

As for the Russian troops based in what was left of Nagorno-Karabakh, the Nagorno-Karabakh territory has become a Russian protectorate like South Ossetia. In other words, while Russian troops are quick to enter, they

seldom exit. We need to bear in mind not just the case of Transnistria but also of Abkhazia, South Ossetia, Donetsk and Luhansk.

And the international community has no levers to change the situation on the ground but to accept it at face value or rather fait accompli.

The new post-war realities expose vulnerability of Armenians and Azerbaijanis. The two nations are controlled by Moscow and Ankara. Moscow and Ankara are likely to find a joint formula for the economic restructuring of what was left from the Nagorno-Karabakh territory and Azerbaijan. That brings me to presentation of three scenarios:

A. Trust but Verify – Economic Scenario

The economic restructuring in Armenia, Nagorno-Karabakh and Azerbaijan with assistance of Russia, Turkey and other foreign countries will show to what extent a deep lack of trust between the two nations may gradually turn into a bit of trust. However, with every twist and turn Armenians will carefully analyse and draw lessons for themselves.

Russian Foreign Ministry Spokesperson Maria Zakharova said in December 2020 that “9 November trilateral agreement between the leaders of Armenia, Azerbaijan and Russia stipulates the construction of new transport routes that connect the Nakhichevan Autonomous Republic and the main territory of Azerbaijan would be ensured. Control over transport communication is carried out by the border service of the FSB of Russia.”

Prime Minister of Armenia Nikol Pashinyan repeated what he has been saying in defence of the 9 November agreement that “for Armenia’s future economic prosperity namely, opening of the transportation routes with Azerbaijan would be vital.”

The prime minister framed this issues by arguing that “Open rail link with Iran and Moscow would greatly benefit Armenia’s economy. The railroad to Iran goes through Nakhichevan, while the one to Moscow must go through Baku. If we are to think about the future, we must think about the possibility of new factors emerging in economic life. Resumption of the Armenia-Russia and Armenia-Iran railway communication will contribute to the significant changes in our economy.”

The aforementioned transportation project may become a turning point in relations between Armenia and Azerbaijan. However, we cannot take success of such project for granted. This leads to the second scenario: distrust and enmity.

B. Distrust and Enmity – Political Scenario

Distrust and enmity will remain a prevalent factor in relations between the two nations. Whether the resuscitated Minsk Group with three new co-chairs such as Finland, Germany and Poland may help to overcome distrust and enmity between the two nations is indeed a big question mark.

However, in a new Minsk format, the Minsk Group should be given mandate to implement difficult decisions. Otherwise, the Minsk Group should be discarded altogether.

This requires extreme patience and detail planning including timetable on behalf of the Minsk Group to find a solution to the most difficult issue namely, the current and future status of what is left of the Nagorno-Karabakh region. Such solution should be seen in the historical context of South Caucasus. The EU experience in dealing with minorities issues on the territory of the EU may not be applicable to the case of Nagorno-Karabakh. And the case of the Balkan countries is likely to differ from the South Caucasus framework. This leads to the third scenario: waiting for the right moment to seize the opportunity.

C. Waiting for the Right Moment – Military Scenario

This is a long-term scenario that underlines patience and tenacity on behalf of Armenians in Armenia and Armenians in what was left from the Nagorno-Karabakh to regain Shushi and Lachin Corridor in a hard fought war against well-prepared for such scenario Azerbaijan. This scenario depends on the level of trust and enmity between the two nations. If the trust increase and the enmity decrease over time there is a good chance that the proposed scenario will not materialise.”



Key takeaways

- an armistice agreement is not enough for setting peace in Nagorno-Karabakh;
- Turkey and Azerbaijan search for a multilateral approach is aimed to bring a fresh perspective in achieving strategic development in Nagorno-Karabakh;
- a variable that will shape the dynamics of cooperation will be given by reactions from countries that are subject to the multilateral platform but haven't been vocal yet.



Andreea STOIAN-KARADELI

Independent expert
based in Turkey

“The new status of Nagorno-Karabakh represents an armistice agreement which is not enough for peace, consequently, we need to clarify that the proper regulation is in place, beyond the peacekeeping missions.

Considering the strategic and diplomatic stakes of Turkey and Azerbaijan for the Nagorno-Karabakh region, presidents Erdogan and Aliyev proposed the six countries' regional cooperation platform, by bringing to the table Armenia, Russia, Iran, and Germany.

Turkey's view on the new cooperation framework has the aim to set regional peace and establish a bridge for enhancing security and development. The suggested political tool is not brand new because there have already been different bilateral and multilateral cooperation frameworks. What is aimed from this platform is to replace the existing one and bring a fresh perspective with a focus on infrastructure, policy, diplomacy, and strategic development. The dispute of Turkey is with Armenian officials, not with the people of Armenia. Learning the lessons and detaching Armenia from the emotion of conflict is important to overcome differences and new strategic realities that occurred and work further for sustainable peace.

Although a multilateral platform can help clarify the regional agenda, a variable that will shape the dynamics of cooperation will be given by reactions from the countries that are subject to the platform but haven't been vocal yet.”

Key takeaways

- the conflict typology of Nagorno-Karabakh is ethnic-territorial, but has the potential to transform itself into an ethnic-religious one;
- due to its passiveness, the European Union diminished its chances to be a game-changer for this region;
- the special situation in the Southern part of the Caucasus raises new regional strategic concerns to Iran which are impossible to be ignored.



Flavius CABA-MARIA

President
Middle East Political and
Economic Institute
Romania

“Many problems that perpetuated during the 27 years were solved in 44 days. The security landscape has fundamentally changed in the region and became obvious that Iran will pay more attention now than in the past on the South Caucasus region. The Minsk Group whose effort for 27 years has continued to be ineffective, left a window of opportunity for regional players like Turkey to step in as an assertive power, against Russia’s interests which have been active on the ground so far.

Due to the EU’s lack of involvement in the recent situation of Nagorno-Karabakh, we can assert that the Union diminished its chances to be a game-changer in the future for this region. Azerbaijan and Turkey’s unity integration was realized on the basis of this conflict. The US did not put forward a clear stance so far, which might affect the relations in the Russia-Turkey alignment.

Iran has a special situation in the Southern part of the Caucasus where almost the whole fighting was concentrated and has a common border with Azerbaijan and Nakhchivan Autonomous Republic. There are at least few major concerns to Iran: (1) the violation of the country territorial integrity, where the recent conflict directly affected northern-eastern areas - several rockets landed inside Iran and many other drones fallen down along the border; (2) Azerbaijani drones and Israel provided drones;

(3) the danger of takfiri and jihadi groups alongside the Iranian border, the spread of news around the member Syria Free Army and Syria Turkmens to the Nagorno-Karabakh conflict. This conflict is ethnic-territorial, but due to the latter factor could transform into an ethnic-religious one.

15 million Azerbaijanis are living in Iran and a possible recurrence would escalate the possibility of inflicting the Pan Azeri and Pan Turkish currents. While Iranian MFA denied that Iran transferred weapons to Armenia, Aliyev dismissed news by some media outlets concerning the military transfer through Iran to Armenia. On the contrary, Iranian and Georgian governments closed their airspace and land borders to ban weapons selling to Armenia.

If paying attention to Iranian foreign policy towards the Nagorno-Karabakh conflict, they tried to be neutral and maintain the balance between the two countries. Iran opposed the interference of trans-regional powers in the conflict resolution of the Nagorno-Karabakh crisis.”



Final remarks

The role of the international actors in the recent developments of the Nagorno-Karabakh conflict

- √ *The Nagorno-Karabakh conflict has not ended. In the absence of a legal, durable, abided by all parties peace accord on Nagorno-Karabakh, the conflict will not be resolved, and ceasefire violations could happen again. A peace agreement depends on both sides, but also on the international community which has been absent from this conflict, being busy with conducting the pandemic and the elections in the United States.*
- √ *The Western countries ignored a position regarding the conflict and the common sense of Azerbaijan and Armenia has been that both nations felt abandoned by the West.*
- √ *Since 2019, the US has become less and less involved within the traditionally unstable regions. It is no longer a must for the US to be involved in the Middle East, for instance. And that was underlined by the pandemic year when the oil price basically decreased to a historical minimum. This happened not only because of the pandemic, but it was also accelerated by the pandemic. That happened because the US became a producer and exporter of oil products. The disinterest in global affairs - due to economic reasons on one side and to pandemic-triggered reasons on the other side, resulted into a new reality for the regional powers: they were getting into a place where they needed to act in order to secure their position. The pandemic year basically showed us an acceleration of competition between regional powers. Specifically, for Nagorno-Karabakh that is the competition between Russia and Turkey.*
- √ *The European Union has a chance to catch up with Russia in terms of everything from a donors' conference with the OSCE to stability operations in this post-war reality. The OSCE failed to offer mechanisms to prevent hostilities.*
- √ *Russian Federation appeared to be the winner of the current stage of the conflict. Nevertheless, Russia did not take an active role in de-escalation and did not intervene as Armenia expected. One of the reasons is the unpopularity of the present government along with Russia's double support both for Armenia as its important ally, but*

also for Azerbaijan – its deep economic cooperation strategic partner.

- ✓ *The repositioning of Turkey into a major player not only in the Caucasus but also in other regions (in the MENA and in the Balkans) makes for a new reality for the Caucasus and a new reality for Russia. This leads us to the discussion on the status of the regional powers within the Black Sea, where the USA is currently present and where Russia will have to keep its strategic power status while dealing with its own internal socio-economic problems. It also means that Turkey will take stand on various issues that are not tied but depend on Turkey-NATO relations, Turkey-EU relations and Turkey as a challenging power in Eastern Europe. That will make for an interesting powers' competition in the Caucasus.*

Final remarks

The impact of the Nagorno-Karabakh conflict on the regional strategic military and security environment

- ✓ *The situation on the ground remains very unstable, in terms of the ceasefire implementation and stability. In the diplomatic arena, the return of all prisoners, civilian and military, remains a priority and there is an imperative to return to diplomacy to negotiate the lasting implementation of the terms of the Russian-imposed ceasefire agreement and to also transform the ceasefire into a lasting, durable, and resilient peace agreement.*
- ✓ *For the time being, we have a Russian peacekeeping mission in Nagorno-Karabakh, and it is the first time in decades when Russian soldiers are present on what is legally Azerbaijani territory. It's quite significant because it gives Russia another area of influence, and this is something very relevant also for the security of energy routes in the region.*
- ✓ *The strategic situation in and around Nagorno-Karabakh is fundamentally changed, in all aspects: military, security, energy and human security. There is no way back to the initial status-quo. The high-intensity conflict, which ended with the ceasefire agreement, but not a peace agreement, leaves a lot of things unregulated: both in the military and human security sense.*
- ✓ *When it comes to altered or changed strategic situations first and foremost, Turkey's military presence is now established in the South*

Caucasus and this is brand new. With the ceasefire agreement, Turkey is in the process of basically getting direct access to the Caspian Sea if the Nakhchivan corridor and Western Azerbaijan can be realized. If Turkey's military presence in Azerbaijan base will become a lasting phenomenon, particularly in the Ganja region, this means that Turkish forces, will be less than 100 km away from the border of the Russian Federation. Turkey conducted a successful expeditionary operation and this has probably set another precedent.

- √ *Russia also came out much stronger from the conflict than it looked like. This has been fundamentally Russian designed and Russian executed ceasefire agreement and now, Russia has a stronger military presence in the region than it had before.*
- √ *Russian influence over Armenia increased as well. Right now, the survival of the Armenian community from Nagorno-Karabakh depends on Russia.*
- √ *If the Nakhchivan corridor will be realized, it will be run and managed by Russia FSB Border Guard troops, which will constitute a serious choke position in Russia's hands over Azerbaijan and Armenia.*
- √ *There is a major escalation potential with a very short warning time thus constituting a highly precarious situation. A very dangerous precedent has been set and the main strategic lesson is that the disputes could be altered by military force. Crimea was also such an example - that borders can be altered illegally by military force.*
- √ *The proliferation of non-technology. The novelty is that not a big power has successfully used a drone-based air superiority, but a mid-sized country – Azerbaijan. Baku employed highly advanced drone technology if not to win, but to decisively shape the outcome of the war. And this might set another precedent for other mid-size countries to acquire similar cheap, easy employ and highly efficient strike capabilities. This might have negative consequences for regional security in many other regions in the world.*

Final remarks

The role of economic cooperation and energy corridors in ensuring sustainable peace

- √ *The socio-economic elements brought and accelerated by the pandemic of all the countries in the region will play a huge role in the*

stability and obviously that will affect how the power game will evolve.

- √ *Russia increased its long-term military and economic presence and room for maneuvering. Despite Turkey's enhanced role in the region, The Joint Russian-Turkish Center will have to prove its operational and cooperation capability.*
- √ *The restoration of regional trade and transport and the reopening of closed borders presents a unique opportunity to transform that defeat into new opportunity to overcome isolation and for greater reintegration. This is where the economics of the post-war situation will be critical to ensure and incentive a lasting peace. Armenia and Azerbaijan were already at war well before September 2020, in a war against the invisible coronavirus. With the fight against Covid-19 far from over, the imperative and necessity for an economic recovery from Covid-19 ensures an economic opportunity for a more constructive regional focus on cooperation.*
- √ *Armenia is implementing its Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU, despite Armenia's post-war weakness well within the Russian orbit. Armenia could leverage a bridging role between the EU and the Eurasian Economic Union, however.*
- √ *The regional integration processes are extremely slow and difficult even between countries like Georgia and Azerbaijan and failed to translate into a more institutionalized integration. Economic integration will therefore represent an opportunity but also a great challenge for the region.*
- √ *When it comes to the status of the regional powers within the Black Sea, the USA is currently present, and Russia will have to keep its strategic power status while dealing with its own internal socio-economic problems.*
- √ *Due to the Nagorno-Karabakh conflict, Armenia remained outside of the critical energy transportation routes. Armenia's gas network is owned by Gazprom, the electric grid was owned by Russian Inter Rao and now by the Moscow-based Tashir Group, and the Nuclear Power Plant, built with Russian technology and renovated by Russian companies, is using Russian nuclear fuel. This kind of energy dependence on one country, in a very complex region, with absent relations with some neighbours such as Turkey and Azerbaijan, a complicated relationship with Iran (because of Western sanctions and the significant Azerbaijan minority there), and no direct border with Russia, put Armenia in a very disadvantaged position.*

- √ *The conflict zone is almost 60 km away from the pipelines. Any conflict on Azerbaijani territory poses risks to the energy supplies to the West. There should have been much more serious Western involvement in resolving the conflict for many reasons, but some are also the energy and transportation routes.*
- √ *Armenia remained outside of the major transportation networks, which could present a national security threat. If supplies from Russia were interrupted, Armenia would have minimal options with the neighbours.*
- √ *The impact of the Caspian gas on the Turkish market (Azerbaijani gas represented 23% of the total imported gas in the first quarter of 2020) also explains why Turkey took a much stronger position in supporting Azerbaijan.*



Future scenarios and recommendations

- √ *This is a very dynamic, not static issue and the conflict remains far from being resolved. The imperative is to secure in bringing the broader stakeholders for peace and stability. There is a need in setting up a different format for a durable peace agreement.*
- √ *NATO and the EU must bring to the forefront of talks with Russia respect for the sovereignty of the states it has violated. Flagrant aggression must be sanctioned, otherwise, similar incursions will not be discouraged in the future. While the EU failed in projecting security in its Eastern Neighborhood and Eastern Partnership seems to be a semi-adequate policy tool, for the South Caucasus, she needs to show more determination and commitment to bring this area closer to the Union's functional and democratic core by engaging proper political and economic instruments. In order to create a secure environment in the Wider Black Sea Area, it is extremely important that the Alliance prioritize this region and that the United States take on the role of becoming a great power in the Black Sea. From a geopolitical perspective, we can thus understand that if we do not control the geostrategic periphery, we endanger the stability of the democratic and functional core of the Euro-Atlantic society.*
- √ *The most important part will be to internationalize the peacekeeping of Nagorno-Karabakh. A different format to forge a peace agreement must be established. The Minsk group failed in negotiations. Armenia did not take it seriously that Azerbaijan will fight for Nagorno-Karabakh.*
- √ *There is a need to really work with Baku and Yerevan. The region will need many years of reconstruction and an international plan reinforced by many countries to support the region must be established.*
- √ *An immediate return to diplomacy is imperative. In two keyways: a return to diplomatic negotiations to make this a lasting peace based on Azerbaijan's victory and Armenia's reality. Also, a return to diplomacy not only with official summits but with people-to-people contact is necessary. A return to diplomacy should be not limited to Armenia, Azerbaijan, or Nagorno-Karabakh but also Armenia -*

Turkey normalization. Moreover, a return to diplomatic solutions is needed in cases like for example the status of Nagorno-Karabakh within Azerbaijan.

- √ *Focus on economics and trade should represent a positive opportunity. Reopening the border bet Armenia and Turkey not only for transit through Armenia for Azerbaijan and Nakhchivan but also bringing Georgia and the Black Sea ports. This could represent a win-win solution.*
- √ *Investing in institutional democracy. As attractive as geopolitics is, focus should be given to local politics and economics when addressing peace and peacebuilding. And in this context, strengthening the independence and sovereignty of Armenia and Azerbaijan under the mutual threat from Russia's unilateral peacekeeping deployment is needed. Investing in democratization including in Azerbaijan is imperative. Democracy is essential to last peace.*
- √ *Armenia and Azerbaijan need confidence building. There have been many nationalistic sentiments that should be abandoned. It is a good time to establish normal relations with Turkey and Azerbaijan.*
- √ *Trust building between the two nations. Both countries had a long history of coexisting. These are the only ways to prevent a new escalation based on ethnic identity and nationalism.*
- √ *It will probably be useful to reactivate the OSCE Minsk group. This will allow bringing more players. While the EU is not a member, France is one of the co-chairs and the US is evidently an important ally. A point might come when Russia might be interested in reactivating the OSCE Minsk group to a certain extent. For Russia, might be useful to benefit the other co-chairs (the US and France) to keep Turkey's ambitions at bay. Therefore, Russia might be not entirely against reactivating the Minsk Group.*
- √ *Humanitarian Assistance for both sides. There are tens of thousands of Karabakh Armenians right now in Armenia facing logistic hardship, serious problems with supply, education, healthcare also within the Nagorno-Karabakh territory of Azerbaijan. The Red Cross will also need support in terms of financial resources, human and technical assistance to conduct the very basic post-conflicts to does: finding the dead bodies, managing the exchange of prisoners, both civilian and military. When it comes to humanitarian assistance, Azerbaijan is going to face a massive challenge of reconstruction of the 7 districts, and before reconstructing, demining needs to get done at an unprecedented scale. Azerbaijan will most probably need both financial and tech assistance in conducting these operations.*

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| web: <https://centers.ulbsibiu.ro/csg/> | e-mail: centru.csg@ulbsibiu.ro |

