

# **“Risks and Opportunities of the Emerging South Caucasus Regional Order”**

## **GENERAL**

- **Nine months after the end of the 44day Karabakh war, there is the feeling that the South Caucasus is not moving towards peace and regional stability. But it looks like it’s going the other way around. The outcome of this war has had many impacts. The ceasefire agreement has created a new geopolitical reality founded upon a Russo-Turkish partnership. However, the news of the Turkish-Azerbaijani mutual security declaration (known as the Shusha Declaration) has been met with sharp warnings from the Russian Federation, ever cautious about potential NATO flanking moves.**
- **The trilaterally signed Statement of November 10<sup>th</sup>, 2020 is far away from a peace agreement. It left open key issues, such as:**
  - *the (interim and final) status of Nagorno-Karabakh*
  - *what happened to the status if the initial five-years mandate of the peacekeepers was not prolonged?*
  - *the future role of the OSCE Minsk Group and of other international organizations and actors (other than Russia and the UNHCR) in its implementation*
  - *the conditions for the return of the displaced persons to Karabakh*
  - *how existing mistrust and animosities between the Armenian and Azerbaijani communities would be overcome.*
  - *the delimitation and demarcation and of the international borders between Armenia and Azerbaijan;*
  - *demining the fields along and across the former Line of Contact and the exchange of prisoners of war.*
- **Some of those open issues have become bones of contention to the signatories and have made for “A Precarious Peace for Karabakh”<sup>1</sup> and an uncertain future not only for the population of Nagorno-Karabakh itself, but**

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<sup>1</sup> Thomas De Waal, “A Precarious Peace for Karabakh”, published on November 11, 2020 by Carnegie Moscow Centre, <https://carnegie.ru/commentary/83202>.

also for the wider South Caucasus region. Yet, while the Russian peacekeeping mission remains the better guarantee of Armenian-Azerbaijan stability, it did not deliver yet the much needed way ahead for an eventual relaxation of tensions.

#### **PANEL 1: The South Caucasus after a “Summer of Summits”**

- As discussed at the Third Extraordinary Virtual Roundtable held online on June 7<sup>th</sup> 2021, multilateral efforts which had been deployed by the UN and the OSCE since the beginning of the South Caucasus troubles some 30 years ago have now fallen into irrelevance. There seems to be a great power contest brewing over the South Caucasus which might have substituted multilateral diplomacy. We could detect an increase in the attention of the United States regarding Georgia’s challenging territorial integrity. Elsewhere, and following the recent NATO Summit, Turkey and Azerbaijan have embraced the “Shusha Declaration”, while Presidents Biden and Putin were concluding their first bilateral Summit in Geneva, which might have moved U.S.-Russia confrontation into the next stage, where restoring the predictability and stability in relations seems to be aimed at by both parties.
  - *overall, the two presidents were on different strategic pages in their visions on the future of U.S.-Russia relations. From Washington D.C., short-term common strategic interests for more stable and predictable relations with Russia might be conflicting with the long-term perspective on the global distribution of power (which should rather contain than accommodate the geopolitical expansions of Beijing, Moscow, Teheran, and other authoritarian regimes). President Biden might have eventually decided to favor policies supporting U.S. short-term interests to the temporary detriment of his longer-term vision on the “Alliance of Democracies”. On the other hand, as seen from Moscow, “a renewed format of Cold War–era relations, when the two sides operated in full recognition of their obvious differences, contained each other’s expansion, and together wrote the rules needed to avoid a fatal collision” would be highly desirable. (<https://carnegie.ru>) However, for America the return to a “Cold-War era” pattern of relations, even if it was strategically attractive and short term economically most viable, a redrawn bipolar system might be highly*

*counterproductive against its long-term political, technological, ideological, trade, and military interests. The inherent additional difficulties in fighting the new set of global security threats, such as climate change, pandemics, illegal immigration, cyber security, dis- and mis- information, as well as the older scourges of international terrorism, organized crime, and WMD proliferation, could make even less attractive the prospects of a new “Cold War”-like global order for Washington.*

- The NATO Summit held in Brussels on 14 June 2021 has produced interesting statements. First, China is named as a clear and present danger to Alliance members. This increases the value of the South Caucasus exponentially. It is well known that China has economic interests in the South Caucasus, and Armenia and Georgia, in particular, have been seen as receptive to China as a potential regional balancer. Second, the Russo-Chinese rejuvenated strategic partnership is a geopolitical move that Euro-Atlantic actors cannot ignore. Little surprise then that the Biden-Putin Summit was hastily convened.
- These developments indicate a sea change in the structure of relations in the South Caucasus. It is clear that the West, supported by an alliances-restoring Biden administration, seeks to take advantage of the opportunities that are emerging. At the same time, change is the harbinger of risk.
- How should Georgia, Armenia, and Azerbaijan read the NATO Summit Communique and the outcomes of the latest Geneva US-Russia summit? Georgia’s NATO membership aspirations are clearly a source of tension between Russia and the West. If it is felt that Georgia is getting closer to its goal of NATO membership, what can we expect security-wise? Should we be worried about the Shusha Declaration? In this context, can we interpret the dispatch of Russian border guards as peacekeepers as a response to an anticipated challenge owing to a stronger NATO presence in the region (at least as perceived by Russia)? While the OSCE Minsk Group has re-formed, it is but a shadow of itself. One would naturally wonder what is the future of that framework for the South Caucasus

protracted conflicts and whether new models cannot be developed. Can the West help mitigate adversarial inroads and still foster engagement with Russia?

- To this end the **co-Chairs have proposed the following questions to spur thinking among invited speakers:**
- How could the June 2021 G7 and NATO summits decisions influence the regional powers' interests in the South Caucasus?
- How did the regional states perceive the recent Biden-Putin summit and how would they assess its possible implications for the region?
- What are the possible regional implications of the electoral success of the Armenian Prime-Minister Nikol Pashinyan in the recent snap elections?
- What is the content of the "Shusha Declaration" and what does it mean for NATO and for the other regional players?
- How close is Georgia from acquiring NATO and EU memberships and how should it fill the gap between now and then?

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## **PANEL 2: Regional Risks and Opportunities at Times of Great Power Rivalries**

- Small powers have frequently been the victims of great power machinations in the past. This is why we have frequently argued that the South Caucasus should unite to better defend its interests, rather than cosy up to this or that great power. As the saying goes, great powers have no friends. Only interests. And these may be short-lived.
- So what are the Chinese and Iranian games in the South Caucasus? Speaking of NATO stakes in the South Caucasus region, if Armenia and Azerbaijan were to consider the recommendations made at the Third Extraordinary Virtual Roundtable on June 7th, 2021, could the DEEP programme be adapted to cement the new stability so that NATO holds better stakes in the region?

To this end the **co-Chairs have proposed the following questions to spur thinking among invited speakers:**

- What is the geopolitical significance for the South Caucasus region of the change at the helm of the Iranian presidency?

- What is the likeliest way ahead for the Armenia-Azerbaijan relations within the emerging South Caucasus regional order? In that context, what is the meaning of Georgia's suggestion of a "trilateral dialogue"? As the RSSC SG has been tasked with helping shape an integrated "strategic regional personality" for the South Caucasus, this may be a promising opening to make good on that study group objective
- Can NATO increase its stake in the South Caucasus through the DEEP programme?
- What can be expected from the Georgian De-Occupation Commission?