



საქართველოს პოლიტიკის ინსტიტუტი
GEORGIAN INSTITUTE OF POLITICS

POLICY BRIEF

May 2021 / Issue #32

Georgia After Karabakh: New Realities Demand New Answers

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Executive Summary

The Second Karabakh War has fundamentally reshaped the politics of the South Caucasus. While the influence of Russia and Turkey has expanded further, Iran has sought to secure its share of regional power, and Georgia has remained traditionally passive and neutral. Yet, the new geopolitical reality poses fundamental challenges for Georgia's foreign and security policy. This policy brief has sought to analyze the main challenges faced by Georgia in this new geopolitical reality and identify key courses of action that ought to be pursued by the Government of Georgia in foreign policy, as well as economic development.

Key words: Second Karabakh War; Georgia; Russia; Turkey; South Caucasus; foreign policy; geopolitics; Middle Corridor; Caucasus Six.

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Introduction

The Second Karabakh War has fundamentally altered the politics and geopolitical landscape of the South Caucasus. While Russia and Turkey have both derived very considerable strategic gains from the war, Western institutions and diplomacy have failed to show a clear response to the situation – a matter that the US and the EU will have to address if they are to maintain influence upon the region. The results of the conflict weaken the soft power of democracy in the South Caucasus. On the one hand, Turkey and Azerbaijan, as well as Russia, are essentially illiberal powers. On the other hand, on the vanquished side is Armenia with its attempts in recent years to modernize and democratize. This could have serious implications on governance, as well as the public perceptions of democracy in regional politics. In the meantime, in continuation of its traditional foreign policy, Georgia has remained neutral. However, the results of the war could affect the political and economic fate of Georgia in most profound ways. This policy brief intends to determine to what degree, and in what ways, the new regional reality in the aftermath of the Second Karabakh War will affect Georgia, and what strategy the Government of Georgia should pursue in response to the new geopolitical reality.

The New Reality

The new geopolitical reality will have implications for the entire Black-Sea-Caspian basin. Firstly, Turkey and Russia have demonstrated that power-politics is back with renewed energy – the fate of the conflict was decided not by diplomatic means, but by hard power. The illiberal tandem has stressed that power politics matter, and they are ready to use force to defend their strategic interests. Moreover, Turkey and Russia have claimed that they have their autonomous visions to shape the future of the region, in so doing entirely excluding the OSCE Minsk Group, founded in 1992 to resolve this very conflict. While engineering a new regional architecture, Russia ignored the US and France, the other co-chairs of the Minsk Group, while Turkey sidelined its NATO allies. Of course, Russia and Turkey have competing interests in the region. In her pursuit of expelling the West from the region, Russia has no use for multilateral formats. On the other hand, Turkey's aim is to expand her sphere of influence in the region and in doing so also test how far she might go with Russia. This is a heavy blow to Western institutions and diplomacy, especially in a region where the Kremlin's propaganda has nurtured Euroscepticism by perpetrating the image of the West as a passive, slow and indecisive political agent. The Trump administration's absence from the South Caucasus, and the lack of a coherent regional policy by the EU, has also contributed to giving way to forces like Turkey and Russia (Smolnik 2020). While Erdoğan and Aliyev have acquired additional political capital, and are set further to consolidate their authoritarian power, the ideas of international mediation, Western efficiency and institutional conflict resolution have not fared well.

Russia, which sees itself as a regional and global power, has gained considerable benefits from the conflict. Firstly, the Kremlin has increased its military presence in the South Caucasus. For the first time, there are now Russian troops on the sovereign territory of Azerbaijan - for the duration of at least 5 years. Nearly 2,000 Russian peacekeepers will be stationed in the Upper-Karabakh territory that remains under Armenian control, and also control the Lachin Corridor

that connects Stepanakert to the Armenian territory. Moreover, the agreement does not specify the size of the Border Troops of the Russian Federal Security Service, that will control the safety of the route connecting Azerbaijan with its Nakhichevan exclave. Secondly, Russia will control vital roads and infrastructure that are of strategic importance both to Armenia and Azerbaijan, as well as to Turkey and Iran. On the one hand, the Russian troops will control the safety of the road that connects Nakhichevan, via Armenia, to mainland Azerbaijan. On the other hand, Russia will also oversee the road that connects mainland Armenia with Upper Karabakh via the Lachin Corridor. Such a configuration of control reflects the best of the Soviet foreign policy tradition. Russia attains greater leverage over both countries, and especially over Azerbaijan for having remained neutral in the conflict. Moreover, by establishing such dual control on the most important roads, Russia has also reserved instruments for reversing the *status quo* should it be deemed necessary. Consequently, Russia has sent the US and the EU a clear message that the South Caucasus is a “strategic backyard” where Russia intends to remain hegemonic.

The importance and weight of Turkey in the affairs of the South Caucasus has also been increased significantly by the Second Karabakh War. Unlike Russia, Turkey engaged in the conflict by siding with Azerbaijan and, accordingly, represents a victorious party. Not only has Turkey achieved its long-time goal of strengthening her closest strategic partner in the region, but Erdoğan has also exploited the momentum to reassert Turkey’s national strategic priorities and to develop further opportunities for advancing Turkey’s regional hegemony. It has been rightly remarked that in the aftermath of the conflict ‘Turkey moved further away from the role as a channel of Western interests to the role of pursuing sovereign Turkish interests in the South Caucasus and wider Black Sea-Caspian region (Tsereteli 2020). In fact, Turkey is now seen by many as the only state that might be able to balance Russia in the region.

Erdoğan has, indeed, already made moves towards capitalizing on the recent strategic victory. In December 2020, just a month after the Trilateral Agreement was signed, Erdoğan proposed the creation of a new Platform of Six during a visit to Baku, citing that the region's history would henceforth take a new direction (Daily Sabah 2020). The proposed platform would potentially unite Turkey, Azerbaijan, Georgia, Iran, Russia and possibly Armenia as well. In January 2021, Mohammad Javad Zarifi, Iranian Foreign Minister, completed a tour of the South Caucasus, citing that he had been inspired by the “‘3+3” formulation that has been mooted as a new post-war regional integration platform - the three Caucasus countries plus Russia, Turkey, and Iran’ (Kucera 2021). For his part, Sergey Lavrov, Russian Foreign Minister, declared that: “Not only Russia, Azerbaijan and Armenia, but also Iran, Turkey, Georgia, are interested in the region living in peace, good-neighborly and prosperity.” And in general, initiatives are already being voiced for the three Transcaucasian states with the participation of three neighbors - Russia, Iran and Turkey - to seek to build new relations here, taking into account the new reality’ (Trend News Agency 2021). Strategists in Ankara, apart from advancing the Turkish hegemony, also hope to employ the new format in order to integrate Armenia into the new regional reality, which is now in the Turkish benefit not just due to the consequent opening up of a new potential market, but also from the possibility of a more direct connection with Azerbaijan via Armenia. Citing ‘regional peace’, Erdoğan noted that, ‘If Armenia joins this process and takes positive steps, a new page can be turned in Turkey-Armenia ties too.’ (Reuters 2020). While different actors have different interests at stake in this so-called Caucasus Six format that has evolved in the new regional reality (which is a subject of separate analysis) it is clear that the very architecture of

this geopolitical idea implies the creation of a political platform that excludes Western involvement, while strengthening the positions and regional influence of Russia and Turkey as key decision-makers. Both Turkey and Russia have expressed interest, while Georgia has ruled out participation in such a format (Publika 2021).

The Nakhichevan Corridor - A New Regional Hub?

Russia and Turkey stand to gain in yet another way – the possible construction of a direct railway through the Armenian Meghri region that promises to reactivate the old, unused transportation network. For nearly three decades, connections between Turkey and Azerbaijan have depended on using the land and air space of either Georgia, or Iran as transit corridors. Consequently, the Azerbaijani exclave of Nakhichevan, landlocked between Turkey, Armenia and Iran, has been practically excluded economically and politically. Should the Ninth Clause of the Trilateral Agreement come into force and ‘all economic and transport links in the region’ be restored, the Nakhichevan corridor may fundamentally alter the transit routes of the region.

Map 1. The Exclave of Nakhichevan and Enclave of Nagorno Karabakh



Source: Turkey Gazette, November 2020. Available at <https://turkeygazette.com/corridor-between-azerbaijan-and-nakhchivan-worries-tehran-iran-a-crossroads-in-trade-between-turkish-countries-may-lose-this-feature/>

The Nakhchivan Corridor is 340 kilometers shorter than the traditional Baku-Tbilisi-Kars route - the traditional connection between Azerbaijan and Turkey via Georgia. Under the new geopolitical arrangements Armenia will now have a railway connection with Russia via Azerbaijan, Turkey will have a railway connection with Azerbaijan via Armenia and therefore Russia and Turkey will be connected by rail. This promises to alter Georgia's *de facto* monopoly over regional transits and also affect Iran for the same reason (Rahimov 2021; Cutler 2021). In

some ways, Nakhichevan, which is likely to become the new regional hub, is perhaps the single best symbol of the new geopolitical reality of the region. Not only is the Nakhichevan route faster and cheaper, but it also grants Turkey an opportunity to connect to the Caspian basin without having to make use of either Georgian, or Iranian land and air space. Importantly, the Nakhichevan Corridor also enables a direct connection between the two Turkic states - as Erdoğan likes to put it, 'one nation, two states' (France 24) Not surprisingly, Ankara has been swift to announce plans to construct a new railway link from Turkey to Nakhchivan (Caspian News 2020). This will boost economic relations between Azerbaijan and Turkey, which have been deepened further by the recent opening of the Trans-Adriatic Pipeline (TAP). This is a part of the Southern Gas Corridor and delivered Azerbaijani oil to Europe via Turkey for the first time in history in January 2021 (Pipeline Technology Journal 2021). Russia also stands to gain from the Nakhichevan corridor. Firstly, as has been mentioned, Russia already enjoys military control over the key transport routes. Secondly, Russia can use its railway connections with the Azerbaijani rail network – there are regular trains from Moscow to Baku – to connect to the Nakhichevan Corridor and, through that network, with the rest of the region as well, including Turkey and Iran. Last but not least, Russia will benefit from the Russian Railway's thirty-year ownership of the Armenian rail that expires in 2038 (Rahimov 2021). However, a number of impediments are still in place. For one thing, these routes are old and their recovery will take time and considerable financial resources. No less importantly, the functioning of these routes necessarily implies restoration of trust in place of historic enmity, which will take greater efforts. Lastly, Russia's decisive control over so much of the transit routes could well play against Russian interests. Turkey and Azerbaijan are well aware of the negative aspect of reliance over routes controlled by Russia. Security aspects will also play a role and many companies who invest will first of all monitor if there can be a stable peace between Armenia and Azerbaijan, which is very unlikely.

Quo Vadis Georgia?

The new reality poses a number of challenges for Georgia. Firstly, with approximately 20% of Georgian territory occupied by Russia, as well as the continued "creeping annexation of Georgian lands", the increased Russian military presence in the region is problematic in and of itself. Russia already had a considerable military presence in the Caucasus. This has included two military bases, in violation of international law, on the sovereign territory of Georgia: the 7th Military Base in Abkhazia and the 4th Guards Military Base in the Tskhinvali region, as well as further two military bases in Armenia, at Gyumri and Yerevan Erebuni Airport. Now, Russia has yet another base in Stepanakert, Nagorno-Karabakh. Apart from the very obvious military risks posed by increased Russian military presence in the region, it has been rightly observed that Georgia may find itself pressured to open air or land access for Russian military supplies' (Tsereteli 2020).

Secondly, this decisive victory for Turkish-Russian power-play could lead to the further isolation of Georgia from the Euro-Atlantic political space and its gradual drawing into the Caucasus Six platform. Unlike Russia, Turkey is a friendly power that has sound diplomatic ties and deep economic links with Georgia. However, Turkey too is an illiberal power that renders Ankara

potentially unpredictable. At any rate, the value system expounded by Erdogan is clearly at odds with the ideals that Georgia aspires to represent in her quest to join the European Union. The new situation presents Georgia not only with a geostrategic choice, but also a value choice. Georgia cannot become engaged in a platform constituted of illiberal forces. This goes against the value system of Georgia's foreign policy priorities that include the pursuit of democracy, political freedom and rule of law. Moreover, Georgia cannot be a member of a new political initiative that includes Russia, so long as the occupation of Georgian sovereign territory continues. Thirdly, joining a platform that strengthens the Turkish-Russian-Iranian hegemony in the region directly confronts the course of Georgian foreign policy that aims to achieve integration into the European Union and NATO. Moreover, sooner or later the Caucasus Six will bring up the matter of reopening the break-away Abkhaz section of the railway, which is also problematic due to the questions of status. Not only will it pose the question of rail border controls – Psou, or Inguri: is there a border that Russia and Georgia will agree upon – but it will also grant Russia an additional route to Iran that might strain relations between Tbilisi and Washington.

Thirdly, Georgia might also stand to lose the transit function that has contributed to its economy. Should the Nakhichevan Corridor become functional, the demand on the Baku-Tbilisi-Kars route is likely to decrease sharply. In any case, should the new corridor become operational, Armenia will have a connection to Russia not just via Lars in Georgia, but already also via Azerbaijan. Effectively, all regional actors stand to benefit from the possible construction of the Nakhichevan connection except for Georgia, which stands to lose at best a part of its transit functions.

Conclusion and Policy Recommendations

The outcome of the Second Karabakh War poses a number of challenges for Georgia. For one thing, Georgia will have to continue democratization and Europeanization in an atmosphere increasingly hostile to the idea of democracy. The proposed Caucasus Six platform, too, is not just a geopolitical idea, but a fundamental choice between differing value systems. Moreover, Georgia is faced by a more hegemonic Russia with increased military presence in the region, as well as the possibility of losing its traditional transit corridor. In the conditions of greater political irrelevance of Georgia on the international stage, these developments could further isolate Georgia and give way to greater political apathy. In response, under the new regional setting, Georgia ought to revise its foreign policy and national security strategy, re-engage the Western partners in a novel way, seek to diversify its foreign relations, and construct new high-tech infrastructure, especially the Anaklia Deep-Sea Port. Below are a number of policy-oriented recommendations regarding the correction of certain drawbacks mentioned in the policy brief are provided.

To the Government of Georgia

- In order to escape political irrelevance and economic loss, as well as mitigate risks stemming from increased Russian military presence in the region, **Georgia ought to intensify its efforts to draw closer to integration in multilateral formats of cooperation.**

Primarily, these are NATO and the EU. The Ministry of Foreign Affairs needs to **construct a revised argument** for the country's integration into the Euro-Atlantic space that would correspond to the new realities of the region. The Georgian government must **proactively lobby** the new Georgian case with von der Leyen's suitably named "geopolitical commission", and in particular Georgian diplomatic missions, especially those in Brussels, Berlin, Paris and Rome need to engage the attention of their respective national chancelleries. To this end, it is vital that the Georgian foreign policy argument be ever more **value based**, rather than traditionally limited by the geopolitical strategy argument.

- The Georgian government ought to strengthen institutional links with Washington and establish **revised strategic communication** with the administration of President Biden and in particular, the incoming leaders at the Bureau of European and Eurasian Affairs, to intensify talks of Georgia's Euro-Atlantic integration and create greater guarantees for Georgia's military and economic security. Likewise, the Ministry of Foreign Affairs ought to engage the attention of the **expert community** in the most influential think-tanks of Washington D. C. in order to promote the formation of proactive US foreign policy on Georgia and South Caucasus that has been wanting in recent decades.
- Apart from multilateral cooperation and integration, **Georgia ought to seek deepening her bilateral relations as well**. One way for that is establishing greater political and commercial links with the **Ukraine, Moldova, as well as the Baltic States and the Visegrad Four**. Georgia would be well-advised to lobby for a form of close cooperation, if not outright membership, of the Three Seas Initiative constituted by 12 member states of the EU. These links are conducive not just in terms of increasing Georgia's foreign trade, but also in helping the country to realize its Black Sea potential. Moreover, by forging closer links with the Balkan and V4 states, Georgia is also rightfully claiming membership of a **European political and economic space** that is not reduced by the limitations of "South Caucasus".
- The Georgian Government needs to work more proactively along with Ukraine and Moldova to demand greater benefits from the EU for progress on the path of implementing Association Agreement reforms.
- Below, a number of policy-oriented recommendations regarding the correction of certain drawbacks mentioned in the policy brief are provided: **Georgia ought to proceed with the construction of Anaklia Deep Sea Port** that would increase the country's economic, military and political profile, render Georgia the new hub of the region and ensure that the country maintains its important role in the Middle Corridor.
- **Georgia needs to work actively to increase her appeal as a transit country**. For that, the government ought to finish the construction of the country's main East-West S1 highway, as well as modernize North-South road connections to Russian Federation.

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Georgian Institute of Politics (GIP) is a Tbilisi-based non-profit, non-partisan, research and analysis organization. GIP works to strengthen the organizational backbone of democratic institutions and promote good governance and development through policy research and advocacy in Georgia.

This publication was produced in cooperation with the **Heinrich Boell Stiftung Tbilisi Office – South Caucasus Region**. The contents of this publication are the sole responsibility of the author and can in no way be taken to reflect the views of the Heinrich Boell Stiftung Tbilisi Office – South Caucasus Region and Georgian Institute of Politics.

HOW TO QUOTE THIS DOCUMENT:

Grigol Gegelia, “*Georgia After Karabakh: New Realities Demand New Answers*”, Policy Brief No. 32, Georgian Institute of Politics, May 2021.

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