

# Geopolitical Echoes of the Karabakh Conflict

The capture of Nagorno-Karabakh by Azerbaijani forces in September 2023 signaled a regional power shift. The Armenian military stayed out of the conflict, and Russian troops stationed on the ground to maintain peace failed to prevent hostilities. As Russian influence declines, Armenia is reassessing its relationship with Moscow. Prospects for peace are uncertain and fears of renewed conflict persist.

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The Karabakh conflict, which has its roots in the great power struggles of the early 18th century, has escalated whenever the imperial control of the surrounding great powers – including Safavid Persia, the Russian Empire, and the Soviet Union – waned. In 1921, after the Red Army had conquered the entire South Caucasus, the Moscow-controlled Caucasus Bureau of the Communist Party declared Armenian-populated Nagorno-Karabakh an autonomous region. However, this region was administratively part of the newly created Soviet Republic of Azerbaijan, which led to frequent tensions between Karabakh Armenians and Baku. The current phase of the conflict began during the perestroika era in 1987, when Karabakh Armenians attempted to join Soviet Armenia, prompting a violent response from Azerbaijan. Full-scale war broke out after the dissolution of the Soviet Union. Tens of thousands died on both sides, and hundreds of thousands were displaced. When a cease-fire was reached in 1994, the Karabakh Armenians emerged victorious, controlling territories well beyond the original borders of the Soviet Autonomous Region of Nagorno-Karabakh.

The search for a resolution to the conflict within the OSCE Minsk Group, co-chaired by the United States, Russia, and France, began almost simultaneously with the outbreak of the war in 1992. By the mid-2000s,



A Russian checkpoint in Stepanakert city, known as Khankendi by Azerbaijan, on October 2, 2023.  
*Karimov / Reuters*

the sides had agreed on basic principles of conflict resolution, including ones for the non-use of force, Karabakh's self-determination through a future referendum, and Azerbaijan's territorial integrity. The latter included the return to Azerbaijan of territories captured by Armenian forces outside of Nagorno-Karabakh during the war, with the provision of a land corridor linking Armenia to Nagorno-Karabakh, the return of displaced persons, and the deployment of an international peacekeeping force.

None of these proposals has ever been implemented. For more than two decades, an asymmetrical military balance maintained relative peace. While Azerbaijan was the larger power overall, the Armenians benefited from a strategic geographic advantage, holding the higher ground. However, this balance was increasingly disrupted in Azerbaijan's favor. One factor was the support Azerbaijan received from Turkey. Under their "one nation, two countries" formula, Turkey and Azerbaijan signed a

comprehensive military agreement in August 2010 and have since held regular joint military exercises. An increasing number of Azerbaijan's military officers are trained in Turkey – reaching approximately 85 per cent by 2020. Ankara has also played a significant role for Azerbaijan in operational planning and military intelligence, and Turkey emerged as a key supplier of arms to Azerbaijan. In particular, the latter includes the supply of “Bayraktar” drones, which diminished Armenia's strategic geographic advantage. Other major arms suppliers to the Azerbaijani military include Israel, Russia, and the United States.

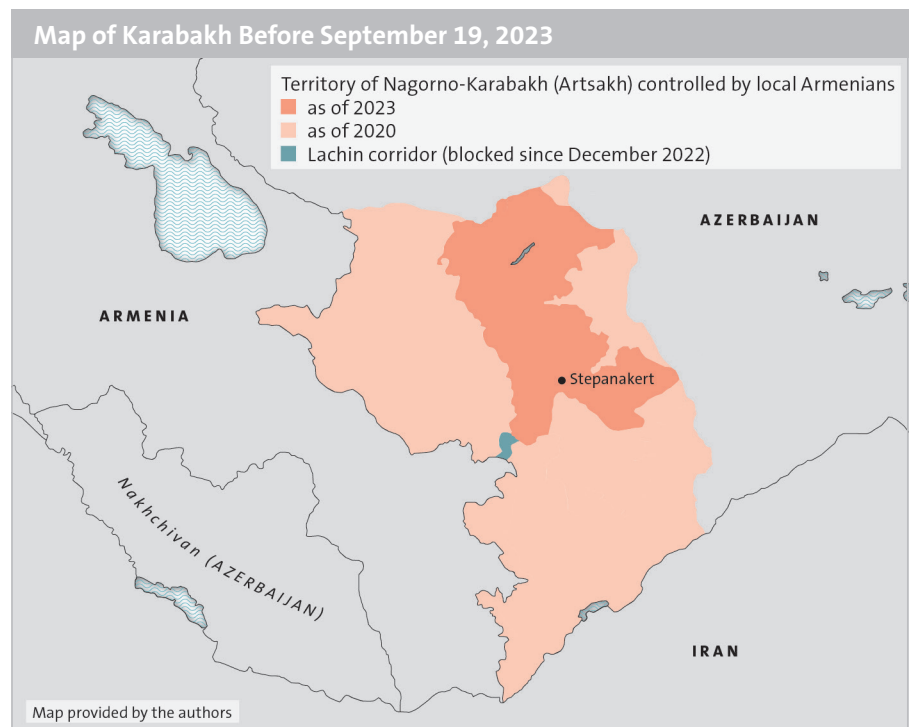
Since 2005, Azerbaijan has seen a dramatic increase in its military spending, which has swollen almost eightfold in ten years. From 2006 to 2022, Azerbaijan spent a staggering 40 billion USD on its military (in 2021 prices). In contrast, Armenia placed less emphasis on modernizing its armed forces, allocating a comparatively modest 8 billion USD over the same period, with about 1.5 billion USD earmarked for Karabakh.

While Azerbaijan strengthened its military capabilities, Armenia primarily pursued a strategy of maintaining the status quo through diplomatic negotiations and relying on Russia to prevent large-scale military

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conflicts. However, this approach faced challenges after 2014 due to deteriorating relations between Russia and the West and Turkey's growing influence in the region. In 2018, Armenia's “Velvet Revolution” ushered in a new generation of relatively inexperienced leaders. They believed that Armenia's democratic path would be supported by the West while still maintaining a security partnership with Russia. However, the dynamics changed in 2020 with the outbreak of the coronavirus pandemic, which diverted the attention of external powers to domestic issues. Russia also increased its focus on Ukraine. These global events created a strategic void in the region, leaving Armenia increasingly isolated and Russia less inclined to intervene in the face of potential attacks.

Azerbaijan sought to take advantage of this state of affairs and resolve the situation in Nagorno-Karabakh unilaterally by force. In



2020, Azerbaijan started a large-scale military operation. Many international observers initially saw this as yet another escalation of violence, similar to past events, and believed that the Armenian army could maintain the status quo. Within two weeks, however, Azerbaijan's resource superiority and Armenia's mismanagement of its armed forces became apparent, and the Armenian army began to retreat. After 44 days of intense warfare, a Moscow-brokered ceasefire led to the signing of a statement by the official heads of state of Armenia, Azerbaijan, and Russia.

While Russia celebrated the signing of this trilateral statement and the deployment of its peacekeepers to Karabakh as a triumph, Moscow was reluctant to acknowledge the potential consequences of Armenia's military defeat. Armenia lost about 3,800 square kilometers of Nagorno-Karabakh during the conflict. Another 4,700 square kilometers were ceded after the ceasefire. Moreover, the agreement tragically failed in its mission to prevent further violence. In the wake of Russia's full-scale military invasion of Ukraine in February 2022, Azerbaijani forces conquered further territories. In December 2022, Baku initiated a blockade of Nagorno-Karabakh, and major hostilities erupted on 19 September 2023. By the

following day, Azerbaijani forces had essentially recaptured the remaining Armenian-populated territory of Nagorno-Karabakh. Local Armenian leaders were forced to dissolve their long-standing de facto independent republic of Nagorno-Karabakh in exchange for permission to evacuate civilians. The subsequent population flight has been described as “ethnic cleansing” by various human rights organizations, as well as by a European Parliament resolution adopted on 5 October 2023.

### Geopolitical Dynamics

Official Russian rhetoric portrayed the events during 2020–2023 as punishment for the Armenian government's increasingly pro-Western stance. However, Armenia's defeat over Nagorno-Karabakh underscored Russia's inability to maintain stability, despite its direct military presence. Moscow failed to respond even after several of its own soldiers were killed during hostilities. These events severely damaged Russia's image in the eyes of Armenians. It has led to the withdrawal of Russian ground troops from Karabakh, as there are no longer any sides to divide, and has raised the question of the continued presence of Russian military bases located in Armenia proper.

Russia's diminishing military influence faces further challenges. Armenia is seeking closer ties to the West, participating in

NATO military exercises, buying weapons from France, and openly questioning Russia's role as the country's long-standing formal security guarantor under the Moscow-led Collective Security Treaty Organization (CSTO). Russia still maintains a military presence in Armenia, as well as in Georgia's separatist territories of Abkhazia and South Ossetia. However, Russia's ability to play a role in developments in these parts of the South Caucasus is waning, and Moscow risks losing a strategic foothold in a region that has traditionally served as a gateway for projecting Russian influence in the Middle East and the Caspian region.

At the same time, Turkey's influence in the South Caucasus has increased dramatically since Azerbaijan's military triumph in Nagorno-Karabakh. However, while Turkey's support is crucial for Azerbaijan, it would be wrong to view Baku as a mere tool in Ankara's efforts to extend its influence in the Caspian and Central Asian regions. Azerbaijan celebrates its alliance with Turkey, but Baku has also been careful to maintain good relations with both Russia and the West. Turkey also faces significant competition in Central Asia from China, Russia, and Iran.

Russia's response to its waning hegemony has been to impose collective governance through the so-called 3+3 regional platform, initially proposed by Turkey in the mid-2000s and subsequently supported by Iran. The goal of this platform – which brings together the three South Caucasus states of Armenia, Azerbaijan, and Georgia with the three outside powers of Russia, Turkey, and Iran – is to limit Western and, potentially, Chinese influence. Initially, Russia was not interested in establishing this platform, but with its declining influence in the region, it began to lobby for the format as well. However, the South Caucasus states remain skeptical. They are wary of reviving past imperial controls and reducing Western involvement in the region.

Economic factors also play an important role in this complex geopolitical environment. Armenia's Crossroads of Peace project, unveiled by the government in October 2023, aims to reopen the borders with Turkey and Azerbaijan, which have been closed for three decades. Historically involved in the North-South transport corridor, Armenia also now aims to participate in the East-West corridor, where Georgia has served as the main transit route to Turkey for Azerbaijani oil and gas. Turkey, as the key beneficiary of the East-West corridor, is trying

to leverage its position as an energy transit hub for its foreign policy objectives *vis-à-vis* Europe. Iran has recently agreed to join this corridor as well. Conversely, the North-South corridor, which aimed to connect India and Iran to the West and Russia via Armenia and Georgia, has faced challenges such as limited budgets, geographical constraints, and political obstacles. It is likely that this corridor will now bypass Armenia and instead run through Azerbaijan and the Caspian Sea.

Against this broader geopolitical and economic backdrop, it is essential to consider the role of the West. Over the past two decades, there has been a growing tendency to bring the region closer to Western institutional structures. NATO made an informal membership commitment to Georgia as early as 2008. It has also worked with Azer-

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bajian and Armenia through Individual Partnership Action Plans, signed in 2004 and 2005 respectively. Despite Armenia's participation in the Russian-led Eurasian Economic Union, the country's Comprehensive and Enhanced Partnership Agreement with the EU entered into force in 2021. In addition, the EU signed a full-fledged Association Agreement with Georgia in 2016, and in November 2023, the EU Commission recommended that Georgia, along with Moldova and Ukraine, be granted candidate status for EU membership.

Despite these trends, there is no guarantee of a rapid integration into Western structures, nor is there a unified Western stance concerning the individual countries within the South Caucasus, the approach to specific conflicts, or the handling of other external powers. Even the United States does not have a single policy. Republicans often prioritize the benefits of the oil trade and do not object to Turkey's increased role in the region. Democrats tend to take a more nuanced stance, emphasizing human rights concerns and raising questions about the regional ambitions of Turkish President Erdogan. There is also no unified stance in Europe. For example, both the United Kingdom and Italy are involved in Azerbaijan's energy trade. However, while Italy's approach is primarily economic, the United Kingdom seeks to support Turkey as a means of countering the influence of Russia and Iran. France, an original participant

in the Minsk Group, has competing interests with Turkey in the Mediterranean, and wants to contain Turkey in the South Caucasus. Moreover, the EU position is largely motivated by opposition to Moscow and the need for gas imports. It has prioritized Azerbaijan's territorial integrity and gas contracts with Baku over the Karabakh Armenians' right to self-determination.

### Regional Perspectives

Notwithstanding the role of external actors, the three states in the South Caucasus are important actors in their own right, and the Armenian-Azerbaijani wars of 2020–2023 have left a deep impact on each of them. In Georgia, these events have given rise to different interpretations in public and political discourse. One perspective, based on the experiences of the wars with Abkhazia and South Ossetia in the early 1990s, sees

Georgia as a country also affected by separatism. This perspective suggests that Azerbaijan's military success could open the door for Georgia to regain its territorial integrity. Others view

the Karabakh conflict as unrelated to Georgia's own situation. Those holding this perspective emphasize the need to prevent refugee flows and ease ethnic tensions between the large local Azerbaijani and Armenian communities in Georgia. The third perspective interprets the latest Karabakh wars as an instance of a weaker nation being overpowered by a stronger one. Those who hold this view fear that Georgia could also become a target, especially if Russian-Turkish relations continue to strengthen, leaving the country in a geopolitical void. Currently, Georgia's reluctance to engage in the 3+3 platform, while avoiding direct confrontation with Russia, reflects the authorities' "escapist" approach. This involves keeping a low profile in regional affairs while trying to integrate into both NATO and the EU.

Two main interpretations of recent events have emerged in Armenia. The first views the defeat in the war against Azerbaijan and the expulsion of the local Armenian population from Nagorno-Karabakh as a national catastrophe. It also sees this situation as being indicative of an identity crisis, possibly foreshadowing the demise of Armenia itself. The second perspective, however, sees the end of Karabakh as a potential opportunity for Armenia to resolve its long-standing conflict with Azerbaijan (and Turkey), pursue regional integration, and enhance trade relations with all its neighbors, despite the challenges associated with this path. Public opinion largely

aligns with the first interpretation. However, the second is supported by some pragmatic factions within society and it is actively promoted by the current government. This divergence has led to a deep internal political divide. This divide stems not only from policy differences but also from fundamental value-based disagreements about Armenia's future geopolitical orientation, especially its relation to Russia.

These interpretations have yet to be tested in the face of geopolitical uncertainties and fears of renewed conflict. Prime Minister Nikol Pashinyan continues to emphasize

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the potential risk of an Azerbaijani invasion of Armenia itself. Other challenges include the significant economic damage resulting from Armenia's defeat, the loss of control over key transportation routes due to Azerbaijani activities, and increased economic pressure from Russia. Thus, in the coming years, Armenia will grapple with a multidimensional crisis of potentially existential importance. The goal is to preserve the country's autonomy and avoid further territorial losses.

For Azerbaijan, the decades-long confrontation with Armenia over Nagorno-Karabakh has been an important marker of its national identity. Moreover, unlike Armenia and Georgia, whose Western aid was conditional on democratic progress, Azerbaijan could afford to reject such conditions because of its substantial oil and gas revenues. Over the decades, Azerbaijan has gradually moved toward a harsh form of authoritarianism, much like some Middle Eastern regimes. According to Freedom House's 2023 Nations in Transit report, Azerbaijan scored a mere 1 out of 100 on democracy, compared with Armenia's 35 and Georgia's 34. The country has also witnessed intense militarization and anti-Armenian propaganda, with some of these narratives even finding their way into

school textbooks. Today, authoritarianism, militarism, nationalism, pan-Turkism, and Armenophobia define the political atmosphere in Azerbaijan, alongside its growing regional role.

While Azerbaijan's victory has boosted President Ilham Aliyev's popularity, the event may also prove to be a challenge for the regime, as popular mobilization against the Armenian enemy and the injustice of the occupation has been a key unifying factor for decades. Thus, despite the end of the war, Aliyev continues to focus on the "past misdeeds" of Armenians and emphasizes the threat of "revanchism." In the absence of the Karabakh issue, he may rely on a sustained commemoration of the victory, increased statism, and the long-standing rivalry with Armenia to maintain legitimacy in the eyes of his own people. All of

this carries the risk of future conflict, which could include possible moves by Baku to establish control over a direct land corridor between Azerbaijan and its exclave of Nakhchivan through Armenian territory.

### Consequences for Western Policies

The 2020–2023 Karabakh wars have significantly changed the power relations in the South Caucasus region. While there are hopes for stability, the way the Karabakh issue has been handled may also set a precedent for unilateral and violent solutions that could be attractive to other regional actors. As global tensions and instability continue to rise, it is imperative for the West to define its role in a region marked by conflict and evolving geopolitical dynamics.

To date, US and European interests in the South Caucasus have focused primarily on tangible benefits. These include pursuing economic advantages, exploiting the region's transit potential (especially for transporting Caspian oil and gas through pipelines), and fostering bilateral relations to facilitate integration into European and Euro-Atlantic organizations. Achieving these goals, especially integration, will depend on the political will of Western powers to establish themselves as key players in

the region. Their room for maneuver is significantly influenced by their relations with the major regional powers – Russia, Iran, and Turkey. However, Turkey, in particular, has become increasingly critical of its Western counterparts' activities in the region and is pursuing its own strategy, at times aligning itself with Russia and Iran.

The way forward will largely depend on the West's desired level of normative engagement in the region. A normative approach includes opposing authoritarianism, upholding human rights, and discouraging violent conflict resolution. Beyond political considerations, this normative approach also encompasses broader issues such as promoting green energy, supporting minority rights, and fostering civil society through NGO support. It is important to recognize, however, that relying solely on a normative approach to diplomacy risks obscuring the underlying realist calculations at play. Initiatives such as the emerging 3+3 platform could potentially limit Western influence, prompting the West to explore alternative strategies in an increasingly authoritarian context.

In sum, the evolving situation in the South Caucasus underscores the need for the West to reevaluate its approach to the region. As power dynamics shift and new challenges emerge, Western policymakers must carefully balance their strategic interests with normative values to effectively navigate this complex geopolitical landscape.

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