

**FEBRUARY 2024**



**GEOPOLITICAL TIGHTROPE IN  
THE SOUTH CAUCASUS: EU'S  
STRATEGIC INTERESTS AMID  
ESCALATION ON THE ARMENIA-  
AZERBAIJAN BORDER**

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## Introduction

Azerbaijan, backed by Russia, has made clear that it will not hesitate to use force to open the Zangezur Corridor (also known as Meghri Corridor) through the Armenian territory to its exclave of Nakhchivan and its 'brother' Turkey (BBC, 2024). The attack occurred from Azerbaijani positions within Armenian territory that had been previously invaded (Zellmi, 2024). The fact that the incident occurred within the sovereign state borders of Armenia fuels the growing security concerns of the Armenian population, sceptical about the peaceful coexistence alongside Azerbaijan.

On 13 February, the Armenian Ministry of Defence released a statement that four soldiers were killed and one was wounded in an Azerbaijani open fire at a post in the southern region of Armenia's Syunik (Armenian Ministry of Defence, 2024). In return, the Azerbaijani Ministry of Defence claimed that Armenian troops fired on the village of Kokhanabi in Azerbaijan's Tovuz District on the evening of 12 February, injuring one border guard and prompting the launch of a "retaliatory operation" (Commonspace EU, 2024) in revenge. Armenian authorities have launched an investigation into the claim, accepting that they will bear responsibility if the claim is confirmed (Commonspace EU, 2024). Although both sides hold each other responsible for the incident, the issue has an underlying complexity stemming from the larger geopolitical context. This incident, rooted in the longstanding conflict over the Nagorno-Karabakh region, has been the most severe outbreak since peace negotiations began in September 2023. The skirmishes took place only days after Azerbaijani President Aliyev won the snap elections and started his fifth term as president enjoying a huge wave of popularity due to his victory over Nagorno-Karabakh (BBC, 2024).

The Nagorno-Karabakh conflict is deeply rooted in historical and ethnic complexities. Azerbaijan's military operation in September 2023, followed by claims of full territorial control over the region, resulted in the displacement of thousands of ethnic Armenian people. Prior to the siege, Azerbaijan's nine-month blockage of the Lachin corridor linking Nagorno-Karabakh to Armenia resulted in a severe humanitarian crisis, causing a shortage of food items, medication, and hygiene products, and a suspension of the essential natural gas supply for heating schools and houses (European Parliament, 2023). This had a huge impact on Azerbaijan's overall image and reputation in the international arena. In fact, four leading EU representatives called on Member States "to fundamentally reconsider the EU's relations with Azerbaijan and consider imposing sanctions against responsible Azerbaijani authorities" and more than sixty parliamentarians from the EU called for sanctions in a separate statement (Joyner, 2023). Azerbaijan's victory in the 44-day Nagorno-Karabakh War in 2020 shifted the power dynamics and made Azerbaijan a much more influential actor in the region. Any additional escalation in the region can further destabilise the existing power dynamics, and an attempted military attack on the Armenian territory will diminish the negotiation processes and complicate the EU's ability to pursue its long-term interests in the region.

Baku's growing demands and conditions are complicating the progress of peace negotiations. The Azerbaijani rhetoric, in particular referring to southern Armenia as "western Azerbaijan" raises concerns about a potential military attack on Armenia itself (Gressel & Gustav, 2023). As argued by Deen et al. (2023), the fact that Azerbaijani forces are currently occupying land within Armenian territory is a violation of international law that Baku justifies with the argument that there has not been border demarcation yet. It is in the EU's interests to help resolve this border demarcation issue, requiring Azerbaijan to withdraw its forces from Armenia's sovereign territory, and securing a long-lasting peace agreement (Deen et al., 2023).

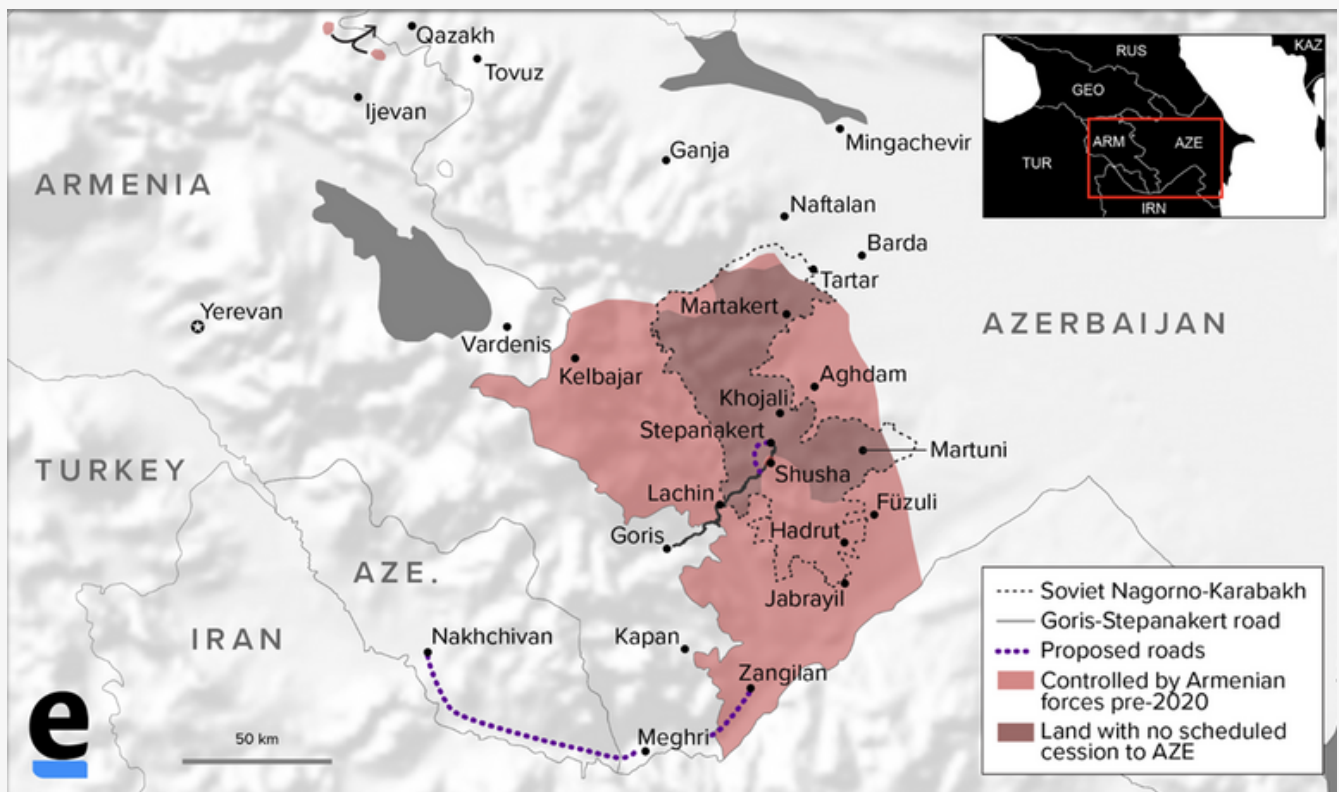


Figure 1 - "Zangezur corridor" Credits: Eurasianet[1]

The Zangezur corridor is a concern for the EU because it would either be established by force or by negotiations led by Russia. In the latter scenario, Turkey and Azerbaijan, likely backed by Russia, would have de facto control over the corridor linking the Black Sea to the Caspian Sea, which is crucial for connecting Europe and Asia (Dumoulin & Gressel, 2023).

While the South Caucasus Region has gained increasing importance for the European Union due to its natural energy resources, its historically unstable internal dynamics can have a severe impact on the EU's pursuit of its foreign policy objectives.

[1] Figure 1 - Isayev, H. (Mar 18, 2022). Azerbaijan, Iran sign transport deal bypassing Armenia. Eurasianet. <https://eurasianet.org/azerbaijan-iran-sign-transport-deal-bypassing-armenia>

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## EU's Strategy in the South Caucasus: Energy, Stability, and Human Rights

Traditionally, the EU did not play as significant a role in the South Caucasus region as Russia or Turkey, which have historically demonstrated their strategic interests in dominating the region for numerous reasons. Since the Russian invasion of Ukraine in 2022, the power dynamics have shifted and the South Caucasus Region is gaining increasing importance for the European Union.

In 2021, the EU's involvement in peace negotiations grew with an agreement brokered by EU Council President Charles Michel to reinstate a direct military communication link between Armenia and Azerbaijan. This was followed by a summit between the Prime Minister of Armenia Pashinyan and Azerbaijani President Aliyev in Brussels in December 2021 (Deen et al., 2023). Peace talks have not made progress in light of the recent escalation and growing demands.

In an attempt to minimise and consequently free itself from its dependence on Russian gas imports, the European Union signed a new gas deal with Azerbaijan in July 2022, increasing its gas imports from 2% to 3%, which resulted in €15.6 billion profit for Azerbaijan in one year alone (Pécout & Vincent, 2023). The contract also aims to double gas imports by 2027, making Azerbaijan an essential trading partner for the EU (O'Byrne, 2022). While the gas deal is a significant step for the Union in establishing long-term cooperation with Azerbaijan and pursuing its strategic goals in the South Caucasus Region, Azerbaijan's authoritarian regime and reputation for human rights violations do not complement the EU's goals and attempts to establish a democratic influence in the region (Meister & Delcour 2023). Despite the EU's attempts to facilitate the process of democratisation in the country, Azerbaijan has been moving away from democracy since Aliyev came to power in 2003 (Boonstra, 2008). Azerbaijan's one-man rule has fostered corruption of key state institutions which has become an obstacle to the country's advancements towards EU integration (Alieva, 2014).

On the other hand, Armenia experienced a significant shift after its 2018 Velvet Revolution, which overthrew the pre-existing corrupt and pro-Russian government, establishing a democratic rule (Lanskoy & Suthers, 2019). Given Armenia's systemic suffering due to its geopolitical dependence on Russia for national security, this was seen as a major threat to the long-standing Russian-Armenian relations. The European Union not only supported this democratic change, but it also mobilised efforts to show its commitment to the democratisation process in the South Caucasus Region (Sammut, 2020). Subsequently, in the aftermath of the Nagorno-Karabakh conflict, the Union set up a civilian mission in Armenia with a two-year mandate in border regions, which announced its full operational capability, operating from its headquarters in Yeghegnadzor, with six Forward Operating Bases (FOBs) in Kapan, Goris, Jermuk, Yeghegnadzor, Martuni, and Ijevan, and a planned Liaison and Support Office in Yerevan (EUMA, 2023).

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The objective is to observe and report on the situation on the ground affecting human security, in an attempt to help peacebuilding efforts between Armenia and Azerbaijan. Considering the deteriorating relations with its military ally Russia, Armenian authorities have increasingly leaned toward the West in their policy. While the EU's overall strategic interests in the region include helping Armenia and Azerbaijan reach peace, minimising the Russian influence over the region, and promoting democracy in Azerbaijan, its immediate focus revolves primarily around the energy deal, amidst the rising tensions between Russia and the West (Joyner, 2023).

## **Russia's Influence: Shifting Alliances and Armenian Security**

The Kremlin, a historically relevant actor in the South Caucasus Region, did not hesitate to release a statement on 13 February, calling the incident alarming and urging both sides to refrain from violence and continue peace talks (AzeMedia, 2024). Russia's role in brokering a ceasefire in 2020 was yet another way to establish more influence over the region. Since Russian peacekeeping troops entered the conflict area, Russia's interests have evolved, turning the tables in favour of Azerbaijan. Armenia's continuous requests for support from Russia and the Collective Security Treaty Organization (CSTO), which brokered the first peace agreement in 1994, have received no answer, causing a further change in Armenia's foreign policy. Subsequently, after the start of Russia's war on Ukraine and its growing trade interests with Azerbaijan, its relationship with Armenia began to deteriorate. Finally, Armenia took the definitive step of ratifying the Rome Statute and formally joined the International Criminal Court (ICC, 2024). Although this resulted in a major shift in Armenia's foreign policy, there are several reasons why the country is still vulnerable in its attempts to cut ties with Russia.

Firstly, Russia has a significant military presence in Armenia with around 4000 soldiers stationed at a military base in Gyumri, expanding its operational scope to the south of Armenia as of 2021 (Deen et al., 2023). Secondly, Russia's border guards oversee two of Armenia's four external borders, namely Iran and Turkey, and the connection with Nakhchivan, if it becomes operational (Deen et al., 2023). Lastly, Armenia's air defence system is entirely integrated with Russia's, implying that without an alliance Armenia would struggle to safeguard its airspace (Deen et al., 2023). Moreover, the economic prosperity of Armenia predominantly depends on its trade partnership with Russia. Specifically, Russia controls critical infrastructure including railways, energy infrastructure, and supply, with 85% of Armenia's gas consumption coming from Russia's Gazprom (Deen et al., 2023). For these reasons, it is nearly impossible for Armenia to break away from Russia without the help of the West.

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## **Toward Peace and Stability: EU's Role in the South Caucasus**

This incident is a reminder that Azerbaijan is going to continue pushing its agenda in the ongoing peace talks through fearmongering tactics. Its demand to open a corridor is central to understanding the complexity of continuous border skirmishes and its geopolitical implications (International Crisis Group, 2023). The Armenia-Azerbaijan tensions transcend the boundaries of a bilateral dispute, revealing intricate geopolitical dimensions and implications for other key actors, such as the European Union and Russia. The EU's response in condemning Russia's authoritarian regime in its aggression against Ukraine and cutting economic ties by posing sanctions suggests that the EU will not tolerate such aggressive behaviour, which raises the question: will the EU adopt a similar response toward Azerbaijan or will it pursue its energy interests instead?

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## Images

Figure 1 - Isayev, H. (Mar 18, 2022). Azerbaijan, Iran sign transport deal bypassing Armenia. Eurasianet. <https://eurasianet.org/azerbaijan-iran-sign-transport-deal-bypassing-armenia>