



Indian Council
of World Affairs

CHANGING DYNAMICS IN SOUTH CAUCASUS AND ITS IMPLICATIONS

An ICWA Conversation

INDIAN COUNCIL OF WORLD AFFAIRS

SAPRU HOUSE, NEW DELHI

2024



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CONCEPT NOTE

The Eurasian region is experiencing swift developments that impact regional polity, economy and regional and inter-regional connectivity patterns. Considering that the South Caucasus is a vital connecting point between Europe and Asia, changes in either region's geopolitical or geoeconomic landscape will have an impact in the South Caucasus region and beyond. Even though the region's small size, proximity to big international actors, and internal tensions limit its influence in regional and international affairs, the second half of 2023 suggests some significant changes are imminent. After the recent military action, Azerbaijan is reintegrating the breakaway Nagorno-Karabakh region. Armenia appears to be making peace with it looking forward to economic growth, integration with the region, and collaboration with the West. In a major development, in December 2023, the two nations jointly declared their intention to bring about peace and normalized relations. Russia, Iran and Georgia also contributed to the developments, demonstrating the regionalization of the dialogue process.

What has led to the change of the course between Armenia and Azerbaijan and how their relations are going to pan out in the future needs to be analysed. It is also to be analysed if the shifts are going to impact the region's engagement with other big economies, including India, which apart from having deep historical connections, has robust engagement with all the three regional countries mandated by political, economic and cultural prerequisites and opportunities.

Indian Council of World Affairs, New Delhi, proposes to host a Panel Discussion to discuss the current state of affairs in the South Caucasus, its likely course, the effects it will have on the region and beyond, and appropriate policy responses.

Points for discussion are:

- South Caucasus - Strategic Overview in Global Context
- Local & Regional Perspectives of South Caucasus Dynamics
- India-South Caucasus Political, Economic and Cultural Interactions

March 2024
New Delhi

Indian Council of World Affairs
Sapru House

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The South Caucasus.

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Good afternoon and a warm welcome to everyone to the Indian Council of World Affairs, Sapru House. I would begin by thanking Ambassador Achal Malhotra, who was former Ambassador of India to Armenia, and the author of this absolutely wonderful book, *South Caucasus: Transition from Subjugation to Independence (Tracing India's Footprints)* for agreeing to Chair the session. I would also like to welcome Professor Sanjay Pandey, Professor Ajay Patnaik as well as Professor Akhlaque Ahmad for agreeing to be panellists on this discussion on *Changing Dynamics in South Caucasus and its Implications*.

The world is so much engrossed currently on the three major conflict points, and one is Ukraine, the other is Gaza, and third is the developing situation around Taiwan. The fact is that you are today seeing a lot of significant shifts in the South Caucasus region as well, and that would have implications not only for the three countries of the region, Armenia, Azerbaijan, and Georgia but also for the regional and geopolitical environment.

The South Caucasus has a long and a complex history, and you have seen that since independence in the 1990s, there have been the conflicts between Russia and Georgia over South Ossetia and Abkhazia, but there have also been multiple conflicts between Armenia and Azerbaijan over Nagorno-Karabakh region, and in which, of course, you have seen displacement of populations as well, apart from the fact that so many people have died. But quickly coming to September 2023, when a military operation was launched by Azerbaijan and it took control of Nagorno-Karabakh, and again, you saw the displacement of, I suppose, the last remaining ethnic Armenians moving to Armenia.

Post September 2023, there was a meeting in December 2023 where the two countries spoke of a peace prospect, but clearly, the ground situation had remained very fraught.

And in February, you saw there were some soldiers that were killed on the border. Armenian soldiers were killed on the border, and this brought to the fore once again the very contentious nature of relationship between Armenia and Azerbaijan. Armenia feels and is concerned that Azerbaijan, probably emboldened by its success in September, might invade Armenian territory again, and for the purposes of creating a land bridge with the Nakhchivan Enclave. So, that is the concern of Armenia.

Azerbaijan, of course, has insisted that they have no plans to attack further, and they've in fact accused the European Union and France, in particular, of demonizing the leadership of the country. So that is where the two of them are. But at the recent Munich Security Conference, the Presidents of these two countries met and we are seeing since yesterday some discussion between the Foreign Ministers of the two countries in Berlin, Germany.

The question, of course, which I do hope will be discussed in the panel today, what are the issues that will figure in the talks? What are the prospects of the resolution of these issues? So, I hope we are going to look at that, Ambassador. One other thing is that traditional partnerships are changing, and Armenia, which was very close to Iran and Russia, is today moving more towards the West. It continues to be a member of the Eurasian Economic Union and also of the Collective Security Treaty Organization, CSTO. But the fact is that it skipped some meetings of CSTO, and there are speculations that it might consider moving out of CSTO because it is now moving closer towards the West. And you are seeing Georgia. Georgia has opened up talks about it joining the European Union.

Now, all this will be viewed by Russia. How will Russia view it in the context of the Ukraine conflict? So, that is a big geopolitical development that we would need to watch.



And separately, of course, you are seeing Azerbaijan, which actually did not enjoy very good relations either with Iran or Russia, today is re-engaging with those countries. So, these are the changes taking place and we need to keep a watch on them and how Russia would react, how Iran would react, in fact, I would go a little further and say Moldova because it is there, very much there. And then there's the Turkic influence in the region. How would that happen?

So, those are the broad questions. India, of course, has old relationship with the region and Ambassador Achal Malhotra could probably tell us more maybe in the broader context. But South Caucasus has emerged as a very important connecting point between Europe and Asia because of the war in Ukraine and because countries are today looking at multiple connectivity options. So, that region assumes importance for global connectivity options as well. So, I would stop here and once again thank the panellists and Chair for coming to join us and thank you so much.

Amb. Achal Malhotra

Thank you Amb. Singh. The South Caucasus has drawn the attention of the international community in the wake of violent conflicts between Armenia and Azerbaijan in 2020 and more recently the Azerbaijan's military offensive in Nagorno-Karabakh in September 2023. In this presentation, I propose to draw a pen picture of the region, brief history of its evolution during the past several decades, tug of war between global players since 1992 for foothold and influence in the region and region's response to their overtures. The main focus will be on the regional conflicts and the implications thereof not only for the region but also for global geo-political equations. I also propose to share my views on the likely developments in near future. In addition, I will discuss India's footprints in the region.

Three former Soviet Republics and now independent States namely Armenia, Azerbaijan and Georgia comprise the modern South Caucasus region, also described as Trans Caucasus (Za Kavkazie in Russian). Within the region there are breakaway / disputed territories particularly, Abkhazia, South Ossetia and Nagorno-Karabakh. With a total estimated population of 17 million people spanned over about 1,86,000 square kilometres, the South Caucasus is diverse in terms of ethnicity, religion and languages. The Armenians follow Apostolic Armenian Church, the Georgians are followers of Georgian Orthodox Church and Azerbaijan is predominantly an Islamic country.

Azerbaijan is rich in oil and gas, Armenia has significant deposits of copper, molybdenum, gold and smaller deposits of zinc, silver and uranium. Georgia's primary domestic energy resources include hydropower and the country has developed a stable and reliable energy sector. It also has huge deposits of manganese, silver, lead and zinc ores, coal and marble. Georgia is on the way to integration with EU as a single market.

The region is geographically contiguous but counted as one of the least integrated regions, where break away/ disputed territories have been the cause of repeated military conflicts since independence in 1991.

The region lies on the crossroads of Asia and Europe and provides connectivity between North and South and also East and West. It has drawn the attention of the regional and global players in its pre -and -post-independence history.

Historically, during the medieval period, the South Caucasus region was an object of intense tug of war between the then regional powers namely the Tsarist Russia, Ottoman Empire (Turkey), and the Persian Empire (Iran) who fought several wars for control over the region; their main objective was



the expansion of their empire and to have territorial gains. The outcome of the World War I and the Russian Revolution of October 1917 changed the scenario. The entire region was gradually incorporated into the evolving USSR and the borders were re-drawn between USSR on the one hand and Turkey and Iran on the other.

The disintegration of the USSR in 1991 resulted in the emergence of modern South Caucasus. The first five years were the most turbulent period in the history of independent Armenia, Azerbaijan and Georgia, marked by violence, civil wars, coup attempts, intra-State and inter-State conflicts and near collapse of economy. By 1995 there was some semblance of political and economic stability in the region.

The race for a strong foothold in the region began almost from the very beginning. With the exception of Russians, the players, however, were different this time, Turkey and Iran took a back seat. The Russians were now in competition with USA and European Union. The objectives were different from territorial expansionism. The West (European Union and America) had three major objectives. First objective was ideological i.e. to westernize the entire region in terms of polity, and economy and make the demise of communism irreversible in the region; in other words, they wanted to promote Western values such as democracy, market economy, rule of law, and in this context, they wanted to assist all these countries in developing the relevant institutional mechanisms for achieving those objectives. The second objective was economic, particularly the abundant energy resources of the Caspian Sea in possession of Azerbaijan. The idea was to explore the possibilities of investing in the energy infrastructure and sourcing energy from Azerbaijan for the energy-deficient Europe and thereby also reducing dependence on Russia to the extent possible. The third was the security dimensions

in terms of the resolution of regional conflicts, particularly Armenia-Azerbaijan conflict over Nagorno-Karabakh and Georgia's conflict with its breakaway regions of Abkhazia and South Ossetia. The resolution or at least effective management of the conflicts would have ensured an environment conducive for achieving the other two objectives. For Russia, the entire post-Soviet space was its "Near Abroad" - a sphere of its natural influence.

In the initial stages, all the three countries appeared inclined towards acquiring European identity. Over a period of time, each of them developed a unique foreign policy trajectory. Georgia continues to adhere to its policy of complete integration with Euro-Atlantic structures (EU and NATO memberships). Azerbaijan – a democracy in form but autocracy in content and ruled by the same family from the very beginning – is opposed to any socio-political or economic integration with the West but is not averse to economic cooperation and collaboration. The net result is the sizeable American and European investments in energy sector of Azerbaijan. Armenia got stuck with both the West (by choice) and Russia (by compulsion). Russia has deep penetration into Armenia's economy and strong military presence by virtue of a military base and security personnel who guard Armenia's borders with Turkey with which Armenia's relations are strained. Armenia is also a part of Russia-led economic (Eurasian Economic Union: EEU) and security (CSTO) structures. A sizeable Armenian Diaspora in Russia is an important source of significant remittances to home country.

In short, each of the three global players has managed to acquire some political and economic foothold in the region but no single global player can claim to be in sole control of the region.



One area in which the competing forces (US+EU and Russia) worked together from the very beginning was the mediation /intervention to resolve/manage the regional conflicts. However, the eruption of military conflicts (Russia-Georgia/2008 and Armenia-Azerbaijan/2020 and 2023) exposed the inability of the global powers in this context, which has encouraged other players, particularly Turkey to reactivate its role in the region. This has also resulted in some erosion of confidence amongst the countries in the region in the global powers. I will discuss this in detail subsequently.

During the formation of the USSR, a certain number of autonomous Republics/ Regions) (Oblasts) were created on the territories of the constituent Soviet Socialist Republics; this was done in recognition of their distinct ethnic, religious and linguistic identities. Of these territories Abkhazia and South Ossetia (within Georgia) and Nagorno-Karabakh (within Azerbaijan) became the source of prolonged armed conflicts in post-independence period. The leadership of Adjara -another autonomous region within Georgia on the Black Sea bordering Turkey - had scant respect for the central authority in Tbilisi during the initial years of independence. The then newly elected Georgian President Saakashvili applied skilful diplomacy and threat of use of force and created such conditions that the leader of Adjara, Aslan Abashidze, was pushed into resigning from his position on 5 May 2004 and leave for Russia amidst popular agitation against him. Adjara is now an “Autonomous Republic of Adjara” within and part of Georgia.

Abkhazia and South Ossetia, created as autonomous territorial units within Georgia broke away from Georgia in the backdrop of the rising nationalism and impending disintegration of the USSR in 1991. This resulted in armed conflicts halted through ceasefire agreements in 1994

brokered by Russia, with the UN, OSCE, EU involvement, while Russia was in the driver's seat. The agreements were followed by protracted negotiation with the primary objective of the political status of Abkhazia and South Ossetia, which incidentally declared unilaterally independence in October 1999 and May 1992 respectively amidst the ongoing conflict between Georgia and the breakaway territories and international mediatory efforts. The international community including Russia (whose support the two territories enjoyed) did not recognize the independence.

The period between 2004- 2008 saw deterioration of relations between Georgia and Russia caused by the Georgian President's determination to integrate with the Euro-Atlantic structures, NATO's announcement in April 2008 that Georgia (and Ukraine) will be admitted into NATO though no firm time framework was indicated. Russia was irked over the possibility of NATO's eastwards expansion right up-to its borders. Further, the US and certain European countries' decision to recognize Kosovo's unilateral declaration in 2008 of its independence despite Russia's opposition was not to the liking of Russia.

Against the above backdrop, emboldened by his success in reining in delinquent Adjara in 2004, President Saakashvili of Georgia made certain moves in South Ossetia, which ultimately led to a full-scale war between Russia and Georgia (7-12 August 2008) halted through mediation by the French President on behalf of EU. An implementation agreement followed on 15 September 2008. One of the fall outs was the Russia's recognition of Abkhazia and South Ossetia as independent countries on 26th August, 2008. Three allies of Russia-Venezuela, Nicaragua and Nauru Island- also followed Russia in according recognition, while rest of the international community stayed away. The other important outcome was the creation of a new



platform namely Geneva International Discussions (GID) to address the consequences of the war and issues related to the conflict. The GID are co-chaired by the representatives of UN, OSCE, EU, at which representatives from Georgia, Russia, USA, as well as Abkhazia and South Ossetia also participate. The discussions are held in two working groups meetings in parallel on security and humanitarian issues. The 59th round of the GID took place on 5-6 December 2023. No substantive breakthrough has been made despite deliberations spread over 15 years. One can safely categorize it as a “frozen conflict” with a potential to flare up at some point of time.

The genesis of the Armenia – Azerbaijan conflict over Nagorno-Karabakh lies in the flawed creation in July 1921 of an autonomous region namely Nagorno-Karabakh (NK), historically predominantly inhabited by the Christian Karabakh Armenians as an enclave within the territory of a Muslim-dominated Azerbaijan during the incorporation of the South Caucasus in then evolving USSR; this was done in a manner that NK came geographically close to the Armenian Soviet Socialist Republic but did not share borders with Armenia. Seventy years later, in the backdrop of rising nationalism in the region and imminent fall of the Soviet Union, Nagorno-Karabakh proclaimed its independence, which resulted in a full scale war between Armenians and Azerbaijanis (1991-94) as a result of which not only Nagorno-Karabakh but Azerbaijan’s seven adjoining districts also came under the control of Armenians. The de-facto elected government in NK remained unrecognised by the international community. The 11-Member OSCE Minsk Group co-chaired by the USA, France and Russia made several futile efforts to resolve the conflict for over 25 years during which, the Group could barely manage the conflict and at times it failed even in that role.

Meanwhile, Azerbaijan built up its military capacities on the strength of its petrodollars and apparently Azerbaijan decided to settle the matter through military means. Thus the second Armenia-Azerbaijan war started on 27 September 2020 and ended with a tripartite agreement concluded on 10 November 2022 between Armenia, Azerbaijan and Russia; this was brokered by Russia. The war is also referred to as the 44 days war. This war and the terms on which it ended had implications not only for Armenia, Nagorno-Karabakh and Azerbaijan but also for geo-political equations of the region.

- For Armenians of Republic of Armenia and Nagorno-Karabakh, the war meant a humiliating defeat, leaving them bruised for ever. The Armenians were forced into not only vacating the occupied territories of Azerbaijan but also to accept the control of Azerbaijan over some parts of Nagorno-Karabakh. Further the Lachin corridor, which the Armenians had created to link the Republic of Armenia with Nagorno-Karabakh came under the Russian peacekeeping forces. Armenia also agreed to provide through its territory a transportation link between Azerbaijan and its Autonomous exclave Nakhichevan, which is geographically separated from mainland Azerbaijan by the Armenian territory. More importantly, the Agreement was completely silent on the root cause of the conflict i.e. the political status of Nagorno-Karabakh;
- The war shifted the balance of power hugely in favour of Azerbaijan. Armenia here onwards was to negotiate with a position of weakness;
- The failure to prevent the war was a loss of face for the global mediators, particularly USA

and Europe, who either made no or only half-hearted efforts or failed in their efforts;

- Russia succeeded where others failed, though serious damage in terms of human and material loss could not be prevented;
- In accordance with the November 2020 agreement, Russia deployed a contingent of 2000 military personnel as Peace Keeping Forces in the conflict zone. Russia already has a military base in Armenia, besides a 4500-strong contingent of Russian soldiers guarding Armenia's borders with Turkey and Iran. Russia has established its military presence also in the breakaway regions of Georgia namely Abkhazia and South Ossetia since its war with Georgia in August 2008. Russia thus further consolidated its military presence in the region;
- Turkey, despite being a member of the OSCE Minsk Group, could not play any meaningful role in the past due to strong reservations by Armenia in view of Turkey's proximity with Azerbaijan and enmity with Armenia. However, Turkey is believed to have played an important role in motivating Azerbaijan to take the military route to retrieve the territories Azerbaijan lost in 1992-94 war. Turkey also extended considerable moral and material support to Azerbaijan during the 2020 war. Turkey thus expected to be allowed some role in the region. Russia, however, did not allow Turkey any role beyond a point. The November 2020 agreement provides for the presence only of Russian Peacekeeping Forces in conflict affected areas. However, under a separate MoU between Russia and Turkey, a joint Russia-Turkey Centre was established (30 January 2021) to monitor the implementation of the November 2020 agreement;
- Armenia did not conceal its disappointment with Russia and Russia-led security structures over

the lack of adequate support to Armenia during the war-a pretext which Armenia may use to drift away from Russia and look elsewhere;

- Azerbaijan was explicit in stating that the role of Minsk Group was over, the conflict stood resolved and the Karabakh Armenians could continue to live on the Azeri territory along with the native population;
- Azerbaijan's relations with France-one of the three Minsk Group Co-Chairs- began to deteriorate as Azerbaijan accused France of a bias against Azerbaijan and in favour of Armenia. In December 2023, Azerbaijan expelled two French Diplomats.

The ground situation after the 2020 war was that the de-facto government in NK continued to operate. Focus shifted to addressing humanitarian issues arising out of the war. Simultaneously, Armenia and Azerbaijan were engaged by the global players so as to help them conclude a Peace Treaty and implement the decisions under the tripartite agreement of November 2020. Russia's "special military operation in Ukraine" strained Russia's relations with the US and its European allies, and it was their endeavour to exclude Russia from the mediation processes. Armenia and Azerbaijan could not reach understanding on Peace Treaty.

Against the above backdrop, Azerbaijan sprung a surprise by launching a swift military offensive on 19 September 2023 against the NK Defence Forces describing it as an action against what it called "anti-terrorist activities". Russia expressed its concern while the US and Europe condemned the offensive.

The Russian peace keeping forces stationed in the region intervened and a ceasefire agreement was reached quickly on 20 September. Much damage from the perspective of ethnic Armenians had been done within the short span of

time. Almost the entire population of Karabakh Armenians fled to Armenia, while Nagorno-Karabakh fell under the control of Azerbaijan. The Defence forces of Nagorno-Karabakh were made to surrender and were disbanded. The de-facto government of NK announced its decision to cease to exist from 1 January 2024 but subsequently changed their mind and are reported to have formed a government-in-exile. In short, Azerbaijan's offensive caused a fatal blow to the aspirations of the ethnic Karabakh Armenians to have an independent home.

Unlike in 2020, Armenia maintained distance and did not act in retaliation. Armenia was also not a part of the ceasefire agreement reached within twenty four hours through Russia's intervention.

Armenia appears prima-facie to have abandoned the cause of Karabakh Armenians and moved on to engage Azerbaijan in search of a lasting peace in the region through normalisation of relations; this is reflected in the Joint Armenia-Azerbaijan Statement of 7 December 2023 which says inter-alia: "The Republic of Armenia and the Republic of Azerbaijan share the view that there is a historical chance to achieve a long-awaited peace in the region. *Two countries reconfirm their intention to normalize relations and to reach the peace treaty on the basis of respect for the principles of sovereignty and territorial integrity*".

The joint statement was a landmark document as it was the first of its kind where no mediator is a party to the statement. For a while it appeared that the two countries had decided to do away with third party mediation and deal it on bilateral basis.

However, by available indications, the Germans have moved into the space claimed by the OSCE Minsk Group. The German Chancellor facilitated a meeting between the Prime Minister of Armenia and President of Azerbaijan

(17 February 2024) on the sidelines of Munich Security Conference and assured Germany's commitment to assist (along with the President of European Council) the two countries in the conclusion of peace talks. Within a short span of time, the Foreign Ministers of Armenia and Azerbaijan met in Berlin at a meeting hosted by Germany to take the process further.

India's links with the region are historical. Literary evidence points towards the presence of Hindu settlements in Armenia as early as 149 BC. The Fire Temple near Baku with inscriptions in Devnagari and Gurmukhi and symbols of Lord Shiva's Trishul (Trident) is the living architectural evidence of Indians' presence in the region in the medieval period largely for the purposes of trade. Armenians, Georgians and Azeris were palpable in their presence in India, particularly from the medieval to pre-independence period. The churches and cathedrals built by the Armenians in India have survived till date and are symbols of their glorious past in India.

The modern history of India's relations with the region began in 1992 when India accorded recognition to Armenia, Azerbaijan and Georgia as independent States and established diplomatic relations. During the period since 1992, India has forged close political and defence relations with Armenia; this is reflected in three Presidential visits from Armenia and an equal number of visits at the level of Vice President from India to Armenia. Armenia is the only country in the region with which India has concluded a "Treaty on Friendship and Cooperation" (1995), besides over 30 other bilateral agreements and MoUs.

In contrast, some external and extraneous reasons appear to have obstructed the development of political relations with Azerbaijan and Georgia. Not a single high-level exchange at Head of State / Head of Government level has



occurred. Bilateral interaction is restricted to senior officials' level institutional mechanisms, such as Foreign Office Consultations/ Inter-Government Commissions.

In Azerbaijan's case, the most plausible explanation for the lack of sufficient high level political understanding is that Azerbaijan is very close to Pakistan and frequently acts as a proxy for Pakistan in raising the Kashmir issue within and outside the OIC. The two countries also have close defence ties.

Georgia's relations with Russia remain strained particularly since 2008 war and over Russia's support for Georgia's two breakaway regions (Abkhazia and South Ossetia). Probably, in deference to Russia's sensitivities India slow-peddled its relations with Georgia for a considerable time, There are now some oblique indications, reflected in India's External Affairs Minister's visit to Georgia in July 2021, that India is considering to provide some momentum to bilateral relations. The establishment of a Resident diplomatic mission in Tbilisi could be the next step. No such signs are visible in the case of Azerbaijan.

Interestingly, there is no co-relation between the levels of political proximity and the level of trade and economic relations. Trade and investments in the region have been guided more by private sector's assessment of the overall business opportunities. Georgia's relatively stable democracy and higher international ratings in matters such as ease of doing business have attracted the Indian corporate sector in investing in steel, infrastructure, agriculture and other sectors. In Azerbaijan, the Indian private sector has invested in pharmaceutical sector whereas the Public Sector company ONGC Videsh Limited have invested in energy sector in Azerbaijan. In October 2023, a tripartite MoU was signed between Azer Gold, Azerbaijan Investment and a Surat-based company in

Gujarat namely Devngi Innovations LLP to identify the opportunities to launch the lab-grown diamond production industry and natural diamond processing infrastructure and establish a joint venture between India and Azerbaijan.

From India's perspective, the region offers good opportunities. Both Georgia and Azerbaijan now have direct air links with India, an enabling factor for the enhancement of trade and tourism. Georgia assumes importance in view of its Association Agreement and Deep and Comprehensive Free Trade Area with EU which is meant inter-alia to facilitate Georgia's progressively complete integration with EU as a single market. In this context, India's decision to negotiate Free Trade Agreement is futuristic and its conclusion needs to be expedited.

Besides an important source of energy, Azerbaijan enjoys a strategic location on the intersection of two major international transport projects: International North South Transport Corridor (INSTC) and East West Transport Corridor. The two international transport corridors are meant to link North with South and East with West. India has stakes in INSTC, which links Mumbai with St. Petersburg in Russia via Central Asia and Azerbaijan. Further the Baku (Azerbaijan)-Tbilisi (Georgia)-Kars(Turkey) rail link (which became operational in 2017) can also be made use of for transportation of goods to Turkey and Europe via Azerbaijan. India is also pushing for Armenia's case to add the Chabahar Port in Iran (developed with India's assistance) to INSTC.

Armenia is emerging as a buyer of made-in-India defence equipment. In addition, there are opportunities in the mining sector (gold and copper), for exploration and imports into India.



In summing up, I would like to say:

- The South Caucasus is a complex region, where intra-regional and inter-regional conflicts have hampered its integration. Its location on the cross roads of East and West and its natural resources imparts geopolitical and economic importance to the region and has drawn the attention of global players;
- For a considerable period since 1992, Russia, USA and Europe shared the strategic space.
- The 2020 Second Nagorno-Karabakh War and 2023 military offensive by Azerbaijan has changed the equations. The role of the USA and France in conflict management/ resolution has diminished but they would continue to strengthen their footprints in the region in other sectors while remaining involved in Geneva International Discussions on Georgia-Abkhazia/South Ossetia conflict;
- Russia will make every effort to remain relevant in the region considered by it as a sphere of influence;
- The possibility of the strategic space in South Caucasus getting more crowded in near future cannot be ruled out. Germans have already moved in to mediate negotiations between Armenia and Azerbaijan towards a Peace Treaty. Turkey is waiting in the wings to get a larger role. Iran is closely monitoring the developments. France is loud and clear in its determination to strengthen Armenia's defence capabilities;
- The road to Peace Treaty between Armenia and Azerbaijan may turn out be long and arduous, particularly if Azerbaijan pushes its claim for sovereignty over the transport corridor passing through the Southern province of Syunik. Azeris have started calling it Zangezur corridor (Zangezur

is the alternate name given by Azerbaijan to Syunik). Under the November 2020 agreement, Armenia did agree to providing a road link between Azerbaijan mainland and Azerbaijan's exclave Nakhichevan separated by the Armenian territory. No details on the alignment of the route were mentioned but the route through Syunik is the shortest and was operational during the Soviet era. There are apprehensions that Syunik may turn out to be another flashpoint between Armenia and Azerbaijan.

- Normalization of relations between Armenia and Azerbaijan may pave the way for the normalization of relations between Armenia and Turkey; at present the two countries do not have;
- Georgia's conflict with its breakaway regions remains unresolved and likely to remain so in foreseeable future;
- India realizes the importance of the region as an important source of raw materials, defence supplies destination, energy sources and connectivity with Russia and Europe. Unlike Neighbourhood First, Act East, Act West, Central Asia Connect, India does not have a specifically articulated South Caucasus policy; perhaps one is not needed. In the foreseeable future, the political relations with each of the three countries are likely to continue to evolve on the bases of merits. Besides Azerbaijan's rhetoric on Kashmir on behalf of Pakistan, there are no other serious bilateral irritants with Azerbaijan or for that matter with any of the three countries. In near future one can see some elevation in the level of



political interaction with Georgia; no such signs are visible in the case of Azerbaijan at the moment.

- The level of trade and economic ties with individual countries in the region is likely to be guided by market forces and both Azerbaijan and Georgia will get their due share, despite low levels of political closeness at high levels.

Prof. Ajay Patnaik

Sincere thanks to Amb. Vijay Thakur Singh, Director General, ICWA for holding a Panel Discussion on Changing Dynamics in South Caucasus and its Implications. Dr. Athar Zafar deserves special thanks for bringing together scholars to participate in the Panel Discussion.

In the last about three and half decades, the South Caucasus, also known as Trans-Caucasus, has witnessed wars affecting all the three states – Georgia, Armenia and Azerbaijan. The conflict between Armenia and Azerbaijan, which became a full-scale war in early 1992, resulted in mass migration of Armenians and Azeris. Both Republics have become almost ethnically homogenous, with no Armenians in Azerbaijan and no Azeris in Armenia. Conflicts affected their links to the outside world. Azerbaijan has no border with Turkey and Armenia having a border with Turkey does not allow Azerbaijan access through its territory. Georgia remains the only option for Azerbaijan, due to which the longer route through Georgia was considered for the Baku-Tbilisi-Ceyhan (BTC) pipeline to take Azeri oil to Europe.

When Soviet Union was in its final days, nationalism became a major problem in the country and subsequently determined politics within each constituent post-Soviet Republic. Leadership in each state tried to build statehood on the basis of majoritarian cultural identity. When the minority population contested these developments, they were either ignored or repressed. Demands for independence and separate statehood among the minority

population followed. Nationalism also challenged the Soviet drawn borders leading to wars and border conflicts.

In Georgia two former autonomous areas, Abkhazia and South Ossetia, with different nationalities rebelled after losing their autonomy under the new nationalizing leadership in Tbilisi. Following a frozen conflict since the early 1990s, the escalation of 2008 led to a war with Russia resulting in Georgia losing its sovereignty over the above two regions, which have become independent, expressing their desire to be parts of Russia. Though Russia has not incorporated these two entities, Moscow has practically expanded its defence borders by keeping troops there. Georgia's border with Russia has shrunk and so did the trans-border connections. Russia not only recognised the independence of Abkhazia and South Ossetia, but placed troops and military equipment in both.

As Georgia moved away from Russia, the West stepped in. Georgia benefitted when the West supported the BTC pipeline taking Azeri oil from Azerbaijan to Turkey. As the transit country having borders with the other two, Georgia economically benefits from this route. It also joined the American sponsored GUAM (Georgia, Ukraine, Azerbaijan and Moldova) regional grouping. Following Russian Special Operations in Ukraine since February 2022, there has been growing pressure on Georgia to actively cooperate with Ukraine against Russia.

Armenia-Azerbaijan conflict: In 1923, the Soviet Union established the Nagorno-Karabakh Autonomous Oblast with 95 percent ethnically Armenian population, within the Azerbaijan Soviet Socialist Republic. Nagorno-Karabakh's regional legislature passed a resolution in 1988 declaring its intention to join the Republic of Armenia, despite its official location within Azerbaijan. Armed fighting between the two republics, which have a long history of ethnic



tension, was kept under control during Soviet Rule. But as the Soviet Union began to disintegrate, so did peace in the region. Amid Soviet dissolution in 1991, just as Armenia and Azerbaijan achieved statehood, Nagorno-Karabakh officially declared independence. War erupted between Armenia and Azerbaijan over the region, resulting in thousands of casualties and creating hundreds of thousands of refugees. By 1993, Armenia had gained control of Nagorno-Karabakh. In 1994, Russia brokered a ceasefire known as the Bishkek Protocol, leaving Nagorno-Karabakh de-facto independent, with a self-proclaimed government in Stepanakert, but still heavily reliant on close economic, political and military ties with Armenia.

When fighting ceased in 1994, Nagorno-Karabakh and seven adjacent districts were wholly or partially controlled by Armenian forces. More than a million people had been forced from their homes: Azerbaijanis fled from Armenia, Nagorno-Karabakh and the adjacent territories, while Armenians left their homes in Azerbaijan.

Negotiation and mediation efforts, primarily led by the Minsk Group of the Organization for Security and Cooperation in Europe (OSCE), failed to produce a permanent solution to the conflict. The Minsk Group was created in 1994 to address the dispute and was co-chaired by the US, France, and Russia. Although the group successfully negotiated a ceasefire, territorial disputes remained intractable.

Due to the efforts of the Minsk Group, Armenia-Azerbaijan war became a “frozen conflict”, though sporadic incidents of fighting went on including four days of intense fighting in April 2016 that killed hundreds on both sides. But it was on 27 September 2020 when full-fledged war again erupted that went on till 10 November. The Russian-brokered agreement brought the war to an end, which resulted in

gains for Azerbaijan including substantial parts of Nagorno Karabakh and seven adjacent districts. Armenia agreed to return to Azerbaijan all occupied territory outside of the former Soviet Nagorno-Karabakh Autonomous Oblast. Russian peacekeepers were deployed to monitor the ceasefire, and also to ensure safe passage through the so-called “Lachin corridor” that separates Nagorno-Karabakh from Armenia.

There is another area, Nakhchivan Autonomous Republic, that has been the focus of negotiations. A landlocked exclave of Azerbaijan, Nakhchivan is bordered by Armenia, Iran and Turkey. However, the exclave has no border with Azerbaijan. Due to the war, Azerbaijan found it difficult to have economic and transportation links with the exclave.

As part of the 2020 ceasefire agreement which ended the Second Nagorno-Karabakh War, Armenia agreed to allow movement of persons, vehicles and cargo in both directions, thus facilitating western regions of Azerbaijan to connect with Nakhchivan. The safe movement through the corridor linking the exclave with Azerbaijan would be patrolled by Border Service of Russia.

However, the ceasefire was only temporary; war started again on 13-14 September 2022, resulting in large numbers of casualties and detentions. Finally in September 2023, after a months-long blockade of the Lachin corridor, Azerbaijani forces rapidly seized the region. The majority of ethnic Armenians fled Nagorno Karabakh, which by the beginning of 2024 had been fully incorporated into Azerbaijan.

The politics of nationalism in the post-Soviet space affected not just inter-state but relation within states by deepening the schism among nationalities/ethnic groups living in each republic. The division among and within states brought external power to meddle in the internal politics to further



their geopolitical and strategic objectives. The US and its Western allies are the main protagonists. In Armenia-Azerbaijan context, Turkey and Iran have been involved due to cultural and regional factors. Russia as a Eurasian power has been a constant factor in the geopolitics of post-Soviet space.

There was a dramatic shift in US strategic interests in the Caucasus and Central Asian regions since late 1994, soon after the US Department of Energy produced a report estimating the potential of Caspian Sea oil reserves to be around 200 billion barrels, which made it comparable to Saudi reserves.

The US policy subsequently veered round to integrate the Caucasian/Central Asian states into the Euro-Atlantic zone by increasing American involvement including military engagement, promoting regimes and policies that are US-friendly and encourage free market, trade liberalisation and Western investments. Energy became a geopolitical commodity to achieve the larger objective of controlling/influencing the “Eurasian heartland” through pivotal non-Russian states.

From the time when Washington under Clinton created a Caspian task force headed by then Deputy Secretary of State, Strobe Talbott (with representatives from Energy and Commerce Departments, the National Security Council and the CIA), the aim was to marginalise Russia in the region. Since then American moves in Central Asia and the Caucasus regions include an all-out effort to find alternative oil routes as well as explore the possibility of future NATO enlargement to these regions. Such moves directly undermine Russian, Chinese and Iranian interests. Since the days of the Clinton administration, the US National Security Strategy has made the integration of the former Soviet

republics into Western economic, political and military institutions and structures a fundamental policy objective.

The joint NATO-PfP (Partnership for Peace) programme held military exercises since 1997 in the region. NATO also created the North American Co-operation Council (NACC). Significant in this process was the formation in December 1995 of the Central Asian Battalion under NATO auspices and US CENTCOM (Central Command) with a mandate in peace-keeping and conflict-management. The Battalion was set up with the participation of troops from the PfP and NACC and from Uzbekistan.

In the tug of war between two global powers, Russian and the USA, the newly independent states of Eurasia have found themselves lured or coerced to tilt to this side or the other. The game is Zero Sum. Gain by one power is perceived as a loss in equal measure for the other. While Russia picked up more stakes in the region, the US made efforts to bring these states under its influence by a more subtle method, creating non-governmental networks to effect regime change. The successful regime changes in Georgia (Rose Revolution 2003), Ukraine (Orange Revolution 2004) and Kyrgyzstan (Tulip Revolution 2005) were as much a result of internal discontent as that of external manoeuvrings.

After the so called 'Rose Revolution', a pro-US regime in Georgia came to power with Mikheil Saakashvili as President. It strongly pushed for NATO membership. Russia-Georgia relations deteriorated, so much so that there was a war between them in August 2008. Some of the frozen conflicts came to life again. Energy and pipeline routes turned into geopolitical issues. The US unleashed an arms race in the Caspian region. This was made possible through American and NATO military aid to the region, which kept on increasing. While the US military assistance helped Azerbaijan build its naval capabilities, it also laid



the 'ground work for a lasting US presence in the Caspian'. Moreover, arming Azerbaijan helped counter Iranian influence in the Caspian and the Caucasian regions.

Azerbaijan's leadership, like that of Georgia, showed a keen interest to have NATO involvement including military bases. Following introduction of American military trainers and combat helicopter into Georgia, hopes of a bigger US presence in Azerbaijan grew, especially if the US had plans for combat activities against Iran in the Persian Gulf. Beginning with bilateral military consultations in Baku in late March 2002, both focused on naval defence in the Caspian, standardisation of air controls, and military training of Azerbaijani forces.

When Armenia joined the Russia-led Collective Security Treaty in May 1992, the same month Azerbaijan withdrew from the Commonwealth of Independent States (though it again joined the organisation later). Similarly, the desire by South Ossetians and Abkhazians to join with the Russian Federation was construed by Georgia as a ploy by Russia to divide and weaken the country. Even joint peace-keeping under an agreement with Georgia did not leave Russia unscathed. It was accused of using peace-keeping as a means to prevent integration of the two break-away regions with Georgia. The inability of Azerbaijan and Georgia to win in the conflicts created gulf between Russia and these two Caucasian states. This provided an opportunity for the US to give shape to its strategy of containment of Russia.

Turkey and Iran have strong interests in the Caucasus both due to cultural and geographical factors. Iran borders Azerbaijan, which has majority Shia population that is ethnically Turkic. Turkey borders Armenia, which constantly raises the issue of 'genocide' of Armenians in 2013 under the Ottomans. Since Soviet disintegration, Turkey followed a policy of reaching out to Turkish communities in the

1990s. ‘Turkish Model’ appeared as an attractive potential instrument to fill the geopolitical vacuum in Central Asia. With more than sixty million ethnic Turkic peoples living in the former Soviet Republics of Central Asia, there was talk even of the twenty-first century becoming a ‘Turkic century’. During the 1990’s there was also speculation that Turkey would offer a role model for nation-building throughout Central Asia.

Azerbaijan, which was in a war with Armenia, was naturally favoured by Turkey. This process was helped when the West preferred Turkey as the route for Caspian energy to Europe bypassing Russia. Multiple projects, especially Baku-Tbilisi-Ceyhan oil, Baku-Tbilisi-Erzurum gas pipelines, Baku-Tbilisi-Kars railway, have only contributed to the growing relations between Baku and Ankara. Armenia held no such advantage for Turkey in the region.

Iran is another player in the geopolitics of the South Caucasus. Its relations with Azerbaijan deteriorated due to Tehran’s reluctance to be guided by religious considerations. Iran’s policy towards the conflict is influenced more by ethnic considerations. One-third of Iran’s population is Azeri and Baku’s support for irredentist activities of Azeri nationalists in Iran has angered Tehran.

Despite these problems, Iran-Azerbaijan relations were moving in positive direction and till the beginning of 1995 Iran was the leading external economic partner of Azerbaijan. Iran was also a participant in the “contract of the century”, that was awarded to an International Oil Consortium formed to explore Azerbaijan’s Caspian oil resources. Iran helped Azerbaijan during a difficult period of its war with Armenia when Tehran negotiated a ceasefire on 21 March 1992 following Armenia’s successes in the battlefield. Peace talks were held in Teheran in May 1992,



which, however, floundered as Armenia captured Shusha and thus expanded its control beyond Karabakh.

Relations between the two took a negative turn when, under the US pressure, Azerbaijan decided to drop Iran as a partner in the Consortium and provide instead more shares to the US and Turkish companies. (Exxon was given 5 per cent share by transferring Azerbaijan's share and Turkish Petroleum's share was increased from 1.7 to 5 per cent). This move confirmed that American moves in the Caspian could only be Zero Sum for Iran. Instantly, Iran raised the issue of legality of the Consortium since the legal status of the Caspian Sea was unresolved. As Azerbaijan moved closer to the US, the issue of division and use of Caspian resources became complicated.

Given Iran's fear then of a possible American assault on its country in the mid-1990s, Azerbaijan's military overtures to the United States prompted Iran to take countermeasures to secure itself from future aggression. Azerbaijan had the potential to help project American military and political influence both into Central Asia and West Asia. Iran's sea and land border with Azerbaijan made it feel even more vulnerable to the US designs and moves.

The US push into the Caspian and its neighbourhood also damaged improving Azerbaijan-Russia relations. Azerbaijan was instrumental to the creation of the BTC pipeline, GUAM Grouping, stationing of American troops, trainers and equipment in the Caspian. With the US troops and bases then in Central Asia since 2001, Russia had natural security worries if Azerbaijan's wish to join NATO materialises or it becomes a host to US troops and bases.

However, despite these developments Russia never broke off relations with Azerbaijan. In fact, it continued to have strong trade and economic relations with Azerbaijan.

According to a Chatham House Research Paper, Azerbaijan's balancing act between Russia and the West, pursued since independence in 1991, seems to have changed in Russia's favour. This could be due to the belief of the Azerbaijan's ruling dispensation that Russia can resolve the issues that are critical for Azerbaijan. Russia seeks to strengthen and entrench this perception through the use of its soft-power tools, among other things. As Russia has strengthened its power projection in the South Caucasus after 2008 war with Georgia, the leadership in Azerbaijan began to believe that it could benefit from Russia's rising geopolitical assertiveness. Russia's soft-power tools also makes it easier for Moscow to influence Baku. More than one million Azerbaijanis live in Russia, half of whom have Russian citizenship or permanent residence, excluding the other half that comprised both legal/illegal labour migrants and seasonal workers, according to data in late 2000s. Remittances from the diaspora are a significant source of income for millions of people in Azerbaijan. This diaspora creates both leverage for Russia and Azerbaijan's outreach to Moscow.

In last few years alignments have seen some changes that has come to the fore before and during the war in Ukraine. Russia's refusal to be actively involved in stopping Azerbaijan aggression since 2020 has not gone down well with Armenia. As Azerbaijan's stock with the West declined, Moscow warmed up to Baku. Georgia, which faced Russian aggression and loss of territory in 2008, has moved on to engage Moscow while courting the West at the same time for its EU membership. In fact, West's response to Georgia's EU membership has not helped.

Following Russian Special Operations, Ukraine and Moldova were given EU candidate status in 2022. Though the EU has adopted a more positive stance since the Ukraine war, Georgia was granted the candidate status only in December



2023. Tbilisi apparently fell short on democracy parameters. The major issue seems to be the ‘Saakashvili factor’.

Saakashvili issue has been raised by Europe to highlight Georgia’s democracy-deficit. In the 2000s, Georgia and Ukraine experienced a period of close relations under Presidents Saakashvili of Georgia and Yushchenko of Ukraine. However, following the loss in 2013 elections, Saakashvili’s UNM party was replaced by Georgian Dream Party.

Twice President (2003-2013) after the “Rose Revolution”, Saakashvili left Georgia upon defeat in 2013 and was sheltered in Ukraine, where he was appointed the governor of Odesa and then head of President Volodymyr Zelenskyy’s National Reform Council. In Georgia he was tried for abuse of power in absentia and convicted. Upon his return to Georgia in 2021 Saakashvili was imprisoned. The West has made Saakashvili’s prison treatment and release a test for Georgia’s democracy credentials. This issue comes in the way of Georgia’s EU membership.

From the Georgian Dream government’s perspective, the involvement of UNM, especially Saakashvili, in Ukrainian politics was a major point of contention in their bilateral relations. The Georgian government was particularly irritated by Ukraine granting Saakashvili citizenship and appointing him as the governor of Odesa Oblast. Meanwhile, the Ukrainian government argued that this issue should not affect their overall bilateral relations. However, “Saakashvili factor” emerged as a significant disruptive element in Georgia-Ukraine relations.

The other issue that has come up after the war in Ukraine is Tbilisi’s ambivalence towards sanctions on Russia. Georgian government refused to join international sanctions against Russia. The government also grounded a plane of Georgian volunteers headed to Ukraine to fight against Russia.

Georgia did not prevent the influx of Russians, which in 2022 was estimated at around 100,000. Georgia's open-door policy allows both entry and transit for Russians. This was a trend even before the Ukraine war. A few years after the 2008 Russia-Georgia war, the number of Russians visiting Georgia grew steadily since 2011. According to the Georgian National Tourism Administration, in 2019, one and a half million people travelled there, generating about US\$ 700 million in revenue. An economically weaker Georgia did not want to lose that income, even if it meant influx of Russians into Georgia.

In the summer of 2019, when violent protests erupted in Tbilisi over what some deemed undue Russian interference in Georgian affairs, Russia suspended direct flights to the country. At the time, Russian officials urged their compatriots to leave Georgia, and advised against traveling there. As a result, the number of Russian tourists in Georgia plummeted, dealing a serious blow to Georgia's tourism industry. However, later, Russian officials sought to revisit the issue of the flight ban. In mid-January 2023 Foreign Minister Sergey Lavrov was asked about the issue and said he hoped flights could resume soon, adding that Georgia's decision not to impose its own sanctions against Russia inspired "respect."

Georgia's land border with Russia (more than 890 km) remains open though. Allowing many Russians to come into the country. Reportedly, the streets, restaurants, bars, and museums of Tbilisi are full of Russian-speakers. At the same time, Georgia's growing economic ties with Russia are a major of concern for Ukraine: "From Ukraine's perspective, any state engaged in economic activity with Russia risks boosting Russia's ability to evade sanctions and sustain its military efforts... A particularly alarming example in this regard is Georgia's decision to renew direct flights with



Russia, including by companies sanctioned by Ukraine for operating flights to temporarily occupied Crimea”.

An interesting example that makes a mockery of sanctions is the trade through Georgia’s land border with Russia. In January 2022, before the war in Ukraine, Armenia imported US\$ 2.8mn worth of cars from the US, which a year later rose to US\$ 29.5mn. Since then, the rate has continued to climb. In April 2023, Armenia imported US\$ 34mn worth of US cars. These cars (mostly second hand) are ultimately meant for sales in Russia. They arrive primarily from the US via the Black Sea port of Poti in Georgia, then brought to Armenia, which shares a customs-free zone with Russia as a member of the Eurasian Economic Union. From Armenia, the vehicles head to Russia by road, crossing through Georgia again.

Some changes are also visible in the Armenia-Azerbaijan context of in recent times and especially since the war in Ukraine. Russia and Azerbaijan relation has significantly improved over recent years with strategic partnership relations and regular mutual visits of the heads of the two states. As per statistics, between 2017 and the first quarter of 2021, Russia has been one the main trading partners of Azerbaijan (one-third in total trade turnover and first in the non-oil sector). Russia is the largest exporter of Azerbaijani non-oil products.

Moscow’s desire to improve ties with Azerbaijan has indirectly helped Baku. For example, in December 2022, Azerbaijani activists blocked the Lachin corridor protesting environmental degradation caused by illegal mining in Nagorno-Karabakh. Apart from issuing only a mild statement, Russian peace keepers did nothing to secure and reopen the highway when residents in Nagorno-Karabakh faced severe shortages. Such instances show that Moscow was not willing to take sides in the conflict; Moscow wanted

both sides to negotiate a peace settlement that will ensure security and stability in this part of the South Caucasus.

Despite Baku leaning closure to the US in the 1990s and first decade of 2000s, Moscow tried to balance its relations with both Yerevan and Baku. Armenia is a member of CSTO (Collective Security Treaty Organisation) and Eurasian Economic Union. But it has not received overt support from Russia in its war with Azerbaijan. Each time the conflict flared up, Moscow intervened as a peace-maker, bringing both the parties to ceasefire agreements and placing Russian troops along the border between both the warring troops. This balancing act has put Russia in a tight spot, even creating tension with its regional ally Armenia, which threatened to suspend its membership in the CSTO. Yet, despite its focus on the conflict in Ukraine, Russia mediated a truce that brought an end to the 2023 war.

On the other hand, the US that was seemingly bolstering Azerbaijan against Russia, has put pressure on Baku in recent times. In the days that followed the 2022 war, then U.S. Speaker of the House of Representatives Nancy Pelosi led a congressional delegation to Armenia on 17 September 2022 as a display of renewed U.S. commitment. She “strongly condemned” the “illegal and deadly attacks by Azerbaijan,” which Azerbaijan rejected as “Armenian propaganda” that could re-escalate the conflict. Her visit was said to have disrupted U.S. and international diplomatic efforts to reinitiate peace talks with Azerbaijan.

Not just the US, but even France jumped in on the side of Armenia. Though Baku in the past had criticized France of bias in favour of Armenia, the latest series of losses by Armenia has sparked more active support by France. Since Azerbaijani takeover of Karabakh in September-October 2023, France concluded a number of military deals with Armenia, that include providing armoured vehicles, arms,



equipment and munitions, as well as improving air-defence capabilities.

This has obviously not gone down well with Azerbaijani leadership. Commenting on French policy at an international conference in Baku on 21 November 2023, President Ilham Aliyev said, this “(France) is pursuing a militaristic policy by arming Armenia, encouraging revanchist forces in Armenia, and laying the groundwork for provoking new wars in our region”. Baku also refused to participate in normalisation talks with Armenia that were planned in the United States in November 2023 over what it said was Washington’s “biased” position. The US and France were co-chairs along with Russia that led the OSCE Minsk group, which provided a framework for the peace process from the end of the first conflict in the 1990s until 2020. Armenia’s defeat in the latest Karabakh conflict soured Yerevan’s relations with Russia. Not willing to let this geopolitical opportunity go, the US and France have accorded much more importance to relations with Yerevan.

Having lost in the latest round of wars since 2020, Armenia is looking to bolster its military capability in the hope to prevent further losses and hoping to gain back the territories it lost. Apart from France, it is also approaching New Delhi for defence cooperation. Though India has no desire to be a player in the geopolitics of South Caucasus, Armenia hopes to take advantage of New Delhi’s resentment against Turkey and Azerbaijan for backing Pakistan on Kashmir. To further improve cooperation, a Defence Attaché has been appointed by Yerevan in Delhi. In 2020, India sold the Swathi weapon-locating radar system to Armenia. After this, a bilateral deal was struck to supply Yerevan with anti-tank munitions, Pinaka multi-barrel rocket launchers and ammunition. In November 2022, Kalyani Strategic Systems won a US\$ 155 million contract to supply artillery guns to Armenia, according to media reports citing

Defence Ministry sources. Armenia's Defence Minister Suren Papikyan visited India in October 2022, followed by Armenia's top military commander Maj-Gen Edward Asryan's visit and meeting with India's Chief of Defence Staff Gen. Anil Chauhan in Delhi. Next was the meeting of Armenia's secretary of the security council Armen Grigoryan and India's National Security Adviser Ajit Doval in August 2023. Such high-profile visits symbolise the growing trend to deepen cooperation.

With major powers divided, diplomacy could not achieve much. In May 2023, the US, EU, and Russia all hosted peace talks. US Secretary of State Antony Blinken hosted four days of talks with the Foreign Ministers of Armenia and Azerbaijan. Shortly after, European Council President Charles Michel mediated discussions between Armenian Prime Minister Nikol Pashinyan and Azerbaijani President Ilham Aliyev. In late May, President Putin hosted a trilateral meeting to discuss the reopening of transportation links between Armenia and Azerbaijan, though no agreement was reached. Three days of US-initiated talks were held on Nagorno-Karabakh in late June 2023. However, every statement of progress after the talks were followed by escalation. Azerbaijan was not willing to stop when it was so close to winning. The US was also not considered an impartial negotiator. When Azerbaijan offensive began and it swiftly recaptured Nagorno-Karabakh, the US, which diplomatically supported Armenia, was not clearly happy about it. In a call to Blinken, President Aliyev said that Baku has taken note of American support to Armenia that has jeopardised relations. He also took note of the Asst. Secretary of State James O'Brien's statement in a Congressional hearing that "There is no business as usual" with Azerbaijan after the offensive.

Lack of trust about the interest, intentions and objectives of major powers in the South Caucasus region has affected



the prospects for durable peace in the region. Domestic concerns also factor into peace prospects. After the 2020 truce, Pashinyan faced popular backlash and a standoff with the Armenian military over the loss of territory. Protestors took to the streets in Yerevan after 2023 war, accusing the government of failing to protect ethnic Armenians and demanding the resignation of Pashinyan. This means that the tension might remain and continue in future if there is a leadership and government changes in Armenia. The situation can also change if in future Armenia finds the geopolitical environment favourable and it acquires sufficient military strength.

After the last war in 2023, Pashinyan said his government recognizes the entire Nagorno-Karabakh region as the sovereign territory of Azerbaijan. In return, he called on Azerbaijan to acknowledge Armenia's internationally recognized territorial boundaries and guarantee rights and protections for ethnic Armenians living in Nagorno-Karabakh. Despite Pashinyan's concession on territory, the two sides still disagree on important issues like the demarcation of their shared border and transport routes. The situation, thus, remains fluid. The stability of the region also depends on the role of external powers. The challenge is to maintain the current ceasefire that exists and work towards a durable peace. The role of external powers for peace-building is also critical.

Russia, close to both Iran and Turkey, could find some common ground for bringing peace and stability to South Caucasus. Iran and Turkey may not take any drastic step that would put Russia in a difficult situation when it is engaged in a war in Ukraine. Iran, already isolated by the West, has always received Russia's support. Turkey has hosted talks to end the Ukraine war and has offered to do so in future. Ankara is happy with the gains Azerbaijan has made recently and would like Russia to remain committed

to the negotiations that Moscow brokered to end the last war. Iran, though on Armenia's side, would be constrained by West's reaction to Tehran's involvement.

This does not mean that both Armenia and Azerbaijan would not look to bolster their military power. Azerbaijan would defend its gains with Turkey's military support. Armenia, apart from being helped by Iran, is looking to purchase military equipment from France and India. While, New Delhi would do nothing to destabilise the region, which is in the neighbourhood of war-torn Ukraine and a divided Georgia, it is mostly the West that would matter. If the West meddles in the region, the current peace is likely to be short-lived. On the other hand, if Western powers agree to reconcile with the current status quo and Azerbaijan's gains, peace has a chance to prevail. Azerbaijan also needs to take steps to allow back Armenians who left their homes in Nagorno-Karabakh since 2022. Both Armenia and Azerbaijan should see to it that their Republics gradually become ethnically heterogeneous, and this can happen if peace prevails. At the same time, harmonious inter-ethnic relations would contribute to a lasting peace.

Prof. Sanjay K Pandey

Thank you Amb. Vijay Thakur Singh. The problem in South Caucasus started much before Soviet disintegration, with Baku riots of 1988. In fact, the first major challenge to the Soviet Union and its nationality policy, appeared when there were ethnic violence in December 1986 in the then Alma-Ata. The Kazakhs were riled by the replacement of Dinmukhamed Kunaev by an ethnic Russian Kolbin as the First Secretary of Kazakh Communist Party. Hundreds died in the anti-Russian riots. It was a wake-up call, but it was of a very different nature. It was more of an ethnic riot.

The Nagorno-Karabakh conflict showed the weakness, and in certain ways, the beginning of the unravelling of the Soviet project of organizing Soviet Union along nationality lines, with union republics, autonomous republics,

autonomous areas, and others. The creation of Nagorno-Karabakh, with majority Armenians on the Azerbaijani territory without any borders with Armenia, was a very flawed decision. And that has been the root cause. Nagorno-Karabakh Armenians had been demanding, during the Soviet period for reorganization and joining Nagorno-Karabakh to Armenia. But that's history.

One can trace the beginning of ethnic separatism to 1988 violence between Azerbaijanis and Armenians. It was followed by demands from the three Baltic Republics, Latvia, Lithuania, Estonia, and also nationalist assertion in Ukraine and Moldova. After the Soviet disintegration, between 1992 to 1994 there were open hostilities between Azerbaijan and Armenia. With the 1994 ceasefire agreement, Nagorno-Karabakh practically separated from Azerbaijan. And not just that, they occupied many other adjoining areas and the Lachin corridor to establish a link between Nagorno-Karabakh and mainland Armenia. Technically the ceasefire agreement remained in force from May 1994 to September 2020, but in reality the skirmishes continued on a regular basis.

The year 1994 incidentally was also very important because the so called 'deal of the century' a mega oil deal was signed in Baku. This is important because the subsequent emergence of Azerbaijan as an economic powerhouse, based on oil wealth, and the economic prosperity bankrolled Azerbaijani nationalism followed. The three countries of South Caucasus took very different trajectories: One was Georgia, which tried to bandwagon with U.S. and EU, in the hope of gaining entry to NATO and EU; Armenia, which tried to balance between U.S.-EU on one hand and Russia on the other; And there was Azerbaijan, which, with the help of its oil wealth, was bankrolling a nationalist assertion, which finally resulted in what happened in 2020 and September 2023.

The late eighties we heard about End of History and in early 1990s we read about the Clash of Civilizations. But some of those who critiqued the Huntington's formulations pointed out South Caucasus as one case which negated his claim. It has been pointed out that the Islamic Republic of Iran has been largely supportive of Christian Armenia, against Muslim majority Azerbaijan. Incidentally, this is not an entirely cynical or geopolitical phenomena. In Iran you can find practicing Armenian churches and historically the Armenians have enjoyed significant cultural and religious rights in Iran. So, this is not a post-Soviet phenomenon where Iran is helping out Armenia. There are many other IR theories and concepts, which are put to test in South Caucasus, e.g. Balance of Power, Great Power Politics, apart from Clash of Civilizations.

Talking about Iran and Azerbaijan, one is reminded of the fact that at the time of independence there used to be more Tajiks in Afghanistan than there were in Tajikistan (now perhaps the numbers are same). But here the case was even more peculiar. There were about 10 million Azeris in Azerbaijan and at least double number in Iran. It only complicates the matter for Iran. The Iranians have in the past faced independence/ autonomy demands by ethnic Kurds and Azeris, and at one point in time even the Soviet Union supported these demands. So, during 1940s there were autonomy demands and movements including in the Azeri areas. Therefore, some of the Iranian apprehensions are understandable.

There are very strange geopolitical games going on in South Caucasus. Many of the regional or global powers are taking positions which are very interesting and at times contradictory. If we take the case of Azerbaijan and Armenia, we heard earlier speakers talking about how India has come to the rescue of Armenia, although not quite so.



On the other hand, the largest arms supplier to Azerbaijan is Israel. Of course, that did not dissuade the government of Azerbaijan from taking a nuanced and balanced position on the Gaza war, supporting the Hamas, at the OIC and at other platforms. So, the situation is really complicated. The Israelis, incidentally, are not a new player in South Caucasus. They have been there for quite some time, taking advantage of the complicated relations between Azerbaijan and Iran and Iran's perceived tilt towards Armenia. The Israelis have been hoping that through Azerbaijan, they can perhaps snoop on Iran and carry out activities of their own.

Thus, South Caucasus presents a very strange case. The Islamic Republic of Iran is supporting Christian Armenia, while Israel supports Muslim majority Azerbaijan. The Iranians do not want to antagonize Azerbaijan, and recently came out with a very unequivocal position, saying that they have always supported Azerbaijani claim over Nagorno-Karabakh, but beyond that they are not ready for any other territorial claims or readjustments. Iran is opposed to plans to the establishment of the 'Zangezur corridor' through Armenia's southern Syunik Province to connect Azerbaijan with Nakhichevan exclave. They have their own alternative plan to provide a corridor via Iranian territory, which will help them earn transit fee or other financial benefits and will also provide them leverage over Azerbaijan. In any case, they are not comfortable with Azerbaijan's close ties with Turkey, claimed as 'one nation two states', and with Pakistan. The Pakistanis do not need any visa to travel to either Turkey or Azerbaijan (three brothers).

However, the problem is that India cannot ignore Azerbaijan, with whom we share deep historical ties. Atashgah, the Fire Temple, the Gurmukhi and Sanskrit inscriptions are just few examples, the Gurmukhi and Sanskrit inscriptions, the Trishul, and the Caravan Sarais.

India's soft power in Azerbaijan cannot be overlooked either. An Indian gets positive vibes in Azerbaijan, welcomed with Hindi movie song *Aagaya, aagaya. Halwa wala aagaya*, and discounts in shops or small gifts.

Azerbaijan is critical for the most viable and long-standing connectivity initiatives that India has taken, the INSTC in the years 2000-2002. The Iranians are building the Rasht-Astara railway (Astara, incidentally, is on both sides of the Iran-Azerbaijan border). Once this 167-65-kilometer link is built, it would greatly facilitate traffic through INSTC. Azerbaijan is our largest trading partner in South Caucasus. So, for India the challenge is how to maintain balance between the two rivals. We had our Armenian diaspora in Calcutta and Chennai, Mumbai, and elsewhere, but we also had Indian caravan sarais in Baku, lot of goodwill and INSTC. So, it's a peculiar situation.

The Iranians are also concerned because if this prospective corridor, connecting Nakhchivan with Azerbaijan via Armenia is created, it will disrupt their own link via Armenia to the north, and through Georgia and Batumi, with Mediterranean, and Europe. Iran is the best option for Armenia, to connect with outside world and as a balancer in the region. That perhaps is the reason why Azerbaijan is not resorting to military action to link it with Nakhchivan. So, for Iran, Armenia is important for many reasons. Similarly for India, Azerbaijan is important in so many ways. We have to do balancing act which Armenians have also been practicing. Iran will remain an important player.

The middle corridor that the Chinese are building has generated interest in Central. The Chinese have invested in Georgia, but are very keenly interested in Azerbaijan also, despite the fact that Azerbaijan is also part of the Western connectivity initiatives. As far as implications of Chinese presence in the region for India is concerned first of all,



we do not have a big trade with any of these countries. In Central Asia, which is of core interest in our extended neighbourhood, the Chinese are overwhelmingly present in trade, investment and connectivity. Similarly, China has very substantive trade relations with South Caucasus states, and is going to be there.

Prof. Akhlaque Ahmad

Thank you, Ambassador Achal Malhotra, Ambassador Vijay Thakur Singh. And we just heard an esteemed panel discussing the historical vis-a-vis the geopolitical scenario, And Professor Pandey very rightly also hinted about the epistemic links and backgrounds and cultural links and denouncing the Huntington's theory of civilizational clash.

I see this whole region besides the whole Central Asian countries struggling (as Professor Patnaik also hinted) with the confusion of their identities following the partition of formerly USSR and creation of these countries primarily based on ethnic identities either in the Caucasus or in the Central Asian countries; are having intra-connecting historical and ethnic-sub-nationalistic identities. The same ethnic identities we find scattered in different countries of the region. Recently some of the students were in Jawaharlal Nehru University from Kazakhstan, and they told that they also love Samarkand because their national hero Timur was from there. So, I asked, is Timur your national hero too? They told, yes, and called him a Kazakh hero. I wondered as I always thought he is the national icon of Uzbekistan and Uzbek people only. So, there are lots of intra-mixing cultural-ethnic identities. For example, if you ask Tajiks, they consider Bukhara, Samarkand, Shahrissabz, their own cultural regions.

So, I should rather talk about a different aspect, since the geopolitical part is discussed here in detail and all of its features are discussed, I would like to go more into history, the cultural, and the softer part that connects not only

Azerbaijan but with our own historical background. For example, what we recognize the region as the Caucasus in our whole classical literary tradition including Persian and other languages, is full of legends and romantic fantasies. And this has been part of the Persian literature, prevalent in the sub-continent as an Indian language for last many centuries, besides our own other Indian literary traditions, for instance the references of Kohe-Kaaf Ki Pariya (the fairy-tales of Caucasus) in the stories like Dastaan e Alif Laila or A Thousand Nights or Baagh-o-Bahar the translation of Amir Khusro's story Chahar Darwesh was done in the Fort William College and so many similar stories, legends and anecdotes.

Whenever I visit the Atashgah, I am reminded of the legends and history attached to it. The Atashgah which is in Baku, also happens to be the birthplace of Zarathustra. From there, he migrated and travelled through whole of Iran and came to contemporary Balkh that is now in Afghanistan and there he succeeded as a propounder of a new religious tradition. And from there, much later, and after many centuries after him, this became the official religion of Iran and Central Asia. So, this whole story of Azerbaijan and its aesthetics being part of our imagination is also because of it being on the silk route, and the Indian businessmen used to visit Samarkand, Bukhara, Central Asia as well as Iran and this Caucasus region. Even during the period of Bindusara, the Mauryan King, we find the connect between India, Armenia and Romans, as one of his concubines was from Armenia, and much later, we see one of the wives of Emperor Akbar was from Armenia. And there have been colonies of Armenians as well as Azeri people in India since many centuries, even much before Turks came and started ruling this area.

Similarly, some of the greatest personalities of Azerbaijan have had a great influence on our literary and cultural



traditions. For example, there is one place in the western part of Azerbaijan, called Ganja. There was one great poet who is now the national cultural and literary icon of Azeris and Azerbaijan, is Nizami of Ganja. Nizami, being a great poet of Persian language, is equally revered as a great poet of Iran as well as in Indian Persian tradition. And why I am mentioning Persian tradition is because, for around 1,000 years, Persian tradition has influenced our own Indian civilization and traditions. All the literature or the languages which we today call as modern Indian languages have been under the direct influence of its local dialects, Sanskrit and Persian.

So, Nizami by composing Khamsa changed the whole diction and literary scenario which had come out of the Iranian revivalist movement and had certain radical style and turned it into a softer and more literary diction conducive for the expression of philosophical, mystic and romantic content and, thus, set a new trend. After Nizami, more than 200 poets from there to Indian subcontinent tried to imitate and reproduce Khamsa and among them the most successful was Amir Khusro. And this Khamsa tradition later influenced our own Bhakti, Sufi traditions of Hindi, Urdu, and Bangla etc poetry including for example Jaisi, Qutban, Ranjhan, and Chaitanya, etc.

So, even if you see the poetry of Tagore, his poetry is influenced by Nizami and poets like him. And I saw, when I first visited Academy of Sciences, Baku in 2017 and helped to establish the India study centre, the popularity of Tagore and affection for India and Indian tradition in Azerbaijan. One of their faculty also took my help to study Indo-Azeri cultural links for her research work. And recently last year I again visited the same Indian centre, now well established. So, I think these cultural links, the softer part, should also be revived.

We have extensive and enormous links from silk route to stories to literature, and that continues even today. Recently, they have translated eight volumes of Tagore which were published by the Academy of Sciences under the able leadership of Academician Prof. Isa Habibli, and a book on Tagore has been written by Prof. Badir Khan. So, these are very important and vital developments in spite of the complex relations between countries like Azerbaijan, Georgia, Armenia, Iran and Turkey. In spite of the strained relation between Iran and Azerbaijan, they do not need any visa for travel. So, there are a lot of people, particularly Iranians visiting Azerbaijan, and this certainly plays a role in strengthening people to people relations.

So, these cultural, linguistic links and aspects are more powerful components and these countries, unlike European countries, are yet to learn being accommodative of different identities because historically no country or no part of the world can have only one identity. So, they have to be accommodative and they have to learn that all the areas, all the countries and nationalities have their links and connections with different streams of cultures and languages and literatures.

Amb. Achal Malhotra

Thank you very much, Professor Akhlaq, for your very enlightening views on the deep-rooted historical, cultural, religious, and linguistic links between India and the South Caucasus and countries like Iran, etc. And also, I think your recommendation that these links should be revived while we look forward to forging relations with this part of the world is worth consideration. And I must also compliment you for your personal contribution to promoting Indian studies in that part of the world. Thank you very much once again.

Amb. Achal Malhotra

Okay. Ladies and gentlemen, now the floor is open for questions and answers. My request is that please keep your



questions brief, make them questions rather than long commentaries so that many more people are able to raise those questions. Thank you.

Dr. Amitabh Singh

It was very enlightening and I'm back here after 15 years. I was the first set of ICWA Researchers who had joined when ICWA became more than Sapru House library. But I was there only for 2 months because teaching and research does not go well in that sense because I had to be here from 9 to 5. But a quick comment on the region.

I have many things to say but the country that needs to be watched out for India is Armenia. Why? There are two or three reasons for that. We have all responded, touched upon INSTC. But INSTC is more about going through Azerbaijan to Russia and onward, I mean to St. Petersburg. The alternative route can also be Iran, Armenia, Georgia to the Black Sea, then onwards to Europe. Because this is an age of communication and what we have seen recently, the Houthi rebels striking on way to Suez Canal blocking the way. So, alternative routes need to be explored.

The second thing is Armenia and Pakistan, for example, they do not recognize each other as states. Neither Armenia recognizes Pakistan, neither Pakistan recognizes Armenia as a state. Armenia's outreach to India has increased immensely in past couple of years. They had a large contingent at the Raisina Dialogue. And we are also trading with them in terms of defence equipment and it is increasing. Today only, Azerbaijan has ordered for around 64 JF-17 planes, which is jointly produced by Pakistan and China. So, they are in process of buying that US\$ 1.4 billion deal.

And also, in terms of policy implications for India, would be that we start thinking of recognizing Armenian genocide, which around 30 countries of the world have done. India has not done that. And it would act as a hedge against what

they call three brothers, Turkey, Pakistan and Azerbaijan. We have already done with, in case of Greece, we have made friends with them. Our Prime Minister got the highest civilian award from Greece. We could also nurture this relationship with Armenia when it comes to hedging against Turkey and Azerbaijan. Because Turkey's position on Kashmir is well known. Azerbaijan also broadly agrees with that and Pakistan is already there.

So, as a hedge against this Turkey or neo-Ottomanism that's taking shape, and also, finally, that Armenia and India, historically, it's more of a mythology, which Armenians also relate, that we have been connected. Prior to 349 AD, when Armenia became the first Christian kingdom in the world, we had one, two Indian Hindu brothers, who went to Armenia and ruled over them, right? So, it's there in the history and mythology. I'm not stressing on the Hindu part, but yes, the connection that we had to...

Amb. Achal Malhotra

Dr. Amitabh Singh

Hindus were there in India at that point in time.

I mean, they were defeated by the Hindus only who went there, those two brothers. But over a period of time, when Christianity took over, they became part of - but they traced their history from these Indian people. Now, finally, why I'm saying Azerbaijan needs to be watched out on Turkey front, this Zangezur corridor would be a big game changer. The next thing that the Armenians fear is that it took 21 days of preparation for Azerbaijan to take over Nagorno-Karabakh. And they did it, which they couldn't do in 30 years. The next theatre of action might be for Zangezur corridor and that would connect Caspian Sea, Azerbaijan, via Nakhchivan, Turkey, to the Black Sea. And that would be blockading out the entire South Asian subcontinent, Iran, from that part of the region. So, that needs also to be, I mean, India needs to be proactively involved in this measure to contain this new Ottomanism coming closer to our borders. Thank you.



Amb. Achal Malhotra

Thank you. Please.

Dr. Sanjeev Kumar

Thank you, sir. Let me bring China into the debate. A few months ago, China signed a strategic partnership with Georgia, and whether Georgia accepted all core and major interests of China, including China's demand for its position on Taiwan, BRI, and all the new development initiatives, global initiatives, and civilizational initiatives. So, my question is, in what aspect the China-Georgia strategic partnership is going to affect the balance of the region, and also whether it has any relations for India's position with Georgia? Thank you.

Prof. Sanjay Pandey

The China factor, honestly, I'm not very updated about it. But of course, this entire middle corridor that the Chinese are building, or for that matter, many of the Central Asians are interested in, including Kazakhstan, which is already sending oil through BTC pipeline. So, the Chinese are not just invested in Georgia, but they are very keenly interested in Azerbaijan also, despite the fact that Azerbaijan is part of the Western connectivity initiatives.

So, what implications does it have for India? First of all, we do not still have a big trade with any of these countries. The entire Central Asia, which is of our core interest in our extended neighbourhood, even there the Chinese are present, overwhelmingly present, trade or investment or connectivity. So, I don't think India is in a big way affected. Because China is there in Central Asia, China has very substantive trade relations with South Caucasus states, so it is going to be there. We don't have much of an option there.

Amb. Achal Malhotra

If I may just supplement. China started moving into the region just about almost 10 years ago, and their BRI projects are broadly acceptable in the region. And prima facie, China at this point of time is more interested in connectivity, economic penetration, and I don't think they have any plans to play any major role in influencing, shaping the direction

in which the region should move. For India, it's one more region where we have to take into, factor into our foreign policy, the China factor. And vis-a-vis China, we have broadly already adopted a policy of three or four Cs, which is cooperate if it is possible, compete wherever is required, contest, and challenge. So, this is a mix of so many Cs with another C, that is China, we have adopted and I think if need arises, we will follow the same policy in this region also.

Prof. Sanjay Pandey

In fact, in a geopolitical sense, the Chinese have left the region for Russians. They believe that this is a region of Russia's vital interest, where Russia is hugely involved, including in Nagorno-Karabakh now, no more, I'm afraid. And therefore, they would rather leave it for Russia to deal with.

Prof. Ajay Patnaik

Just one sentence. Russia has accepted that it will be part of the BRI. So, any East-West connectivity that links China, Russia, and the Mediterranean with Turkey, Russia is welcoming it.

Dr. Lakshmi Priya

My question is, Iran, we know that is very significant for this region, as we have been discussing. So, should we see Iran as a balancer or as an active player in the Armenia-Azerbaijan equation? Thank you.

Audience Member

Hi. Quick question for anybody on the panel. Off the record I agree but what do you think is the talk of the strategic relationship that has been ongoing? Talks have been going on between Armenia and India, and I believe the Deputy Foreign Minister from Armenia was also here very recently, and there have been very active public announcements regarding setting up a strategic relationship with India, taking it up to the strategic level. And how do you see India contributing besides whatever little that they're doing? And like everybody else has pointed out that unfortunately it's a fact that we always talk about connectivity and we're the last people to connect. In spite of all our civilization links,



it's only recently that thanks to private enterprise that we're reaching out to the region in terms of connectivity, air connectivity, and we still don't have - I mean, it's very patchy considering the entire Central Asian region and "the Caucasus," which is of critical importance to us.

Ridith Rai

So, my question is, can India balance its individual bilateral ties with Armenia, Azerbaijan, and Georgia?

Amb. Achal Malhotra

So, first was about Iran. Can Iran play a balancing role? So, would you like to take it?

Prof. Akhlaq Ahmad

I think, yes. Iran has comfortable, uncomfortable relation with Azerbaijan. But Azerbaijan is also a compulsion, historical as well as geographically. Iran has to have a good relation with Azerbaijan, because its 40% population is Turk population. They control business, army, everything. So, they somehow also have a kind of relation with Azerbaijan, though sometimes it gets a little bit strange. And Armenians, yes, they have a very historical, since I think 16th century onward, very close relation with Iran. And in that way, Iran cannot be ignored if any kind of permanent settlement kind of thing is going to happen between Azerbaijan and Armenia.

Prof. Sanjay Pandey

Iran also, in a way, is the best option for Armenia, because Iran is one country which will be, I mean, the biggest loser apart from Armenia, of course, if any such corridor comes about and they have made it very clear. In fact, that could be one reason which dissuades Azerbaijan from taking military action to link it with Nakhchivan. So, Iran can be and will remain an important player and it can be a balancer, yes.

Amb. Achal Malhotra

There were two other questions, Armenia-India strategic relations.

Prof. Akhlaq Ahmad

Yeah. Your next question was about Armenia-India strategic relations, if I may take it or if you want to take it?

Well, I think if you look at the history of India's relations with this region, we don't even have to go into the distant past when we had in 149 BC some Indian settlements there and then Armenian diaspora playing an important role here in India during the Mughal and later the British period. They have left behind so many churches, cathedrals as a sort of evidence of their glorious past. So, there are many things. The first of their journal was published from here and then the draft constitution of an imaginary Armenian state was also drafted. There were so many, many other things. But even if you forget that, if you look at from 1992 onwards, the level of political interaction that has taken place between India and Armenia, it's at a different level. There are three Presidents visiting from that country in contrast with none from the other two countries. There are three Vice-Presidential visits and, of late, of course, this has been accelerated. A lot of content is being added. To be very short and precise, I think our relationship has every element that should allow our relationship to culminate into a strategic relationship. How soon, how far it is, it's difficult to say at this point of time.

And you mentioned about connectivity. Yes. The connectivity, we have always encouraged the private sector and they have to see the commercial viability. Recently, we are connected with both Tbilisi and Baku through air connection and when I was posted, we had a direct flight even from Yerevan to Delhi. 4 hours I used to be from door to door. So, that shows how close we are. But then it has to be commercially viable. So, they have to find ways and means of making it, either extending it to Third or Fifth Freedom rights or extending the flight. So, this is all commercial consideration and I think government has a role to play but limited role to play than private sector has to. And private sector has moved it into energy sector in Azerbaijan and



many other places without waiting for any - into Georgia for setting up steel plants. So, that's what it is.

Prof. Ajay Patnaik

There was one more question. Can India build up itself, balance itself?

Prof. Achal Malhotra

Can India build up itself -- relations with each individual country, right?

Prof. Ajay Patnaik

Can India be a balancer itself?

Ridith Rai

Can India balance its individual bilateral ties with Armenia, Azerbaijan, and Georgia?

Amb. Achal Malhotra

Would you like to take this because everybody else has.

Prof. Ajay Patnaik

See, balancing in what sense? If you want India to be a military balancer, geopolitical balancer, I don't see possibility. But India is a country which has relationship, except for Pakistan, with all the countries in the world. With China also we have huge trade. So, if any of the countries get isolated economically, okay, they need political support, then India can come in. But ultimately these two countries will depend on Russia for resolving or winning or losing. So, you cannot balance against Russia. If Azerbaijan goes again close to Russia, it's difficult, or Armenia is with Russia, it's difficult. But yes, in economic sense, it's said that infrastructure. So, give options and alternatives. That is what we can do. Because otherwise Armenia has, except for infrastructure or connectivity, it has no resources. It has no resources and Azerbaijan has resources. We cannot close our options today because of Pakistan factor and next 10 years, 15 years, we might go for energy deals with Azerbaijan. So, it's not so simple that India will choose this or that to balance.

Amb. Achal Malhotra

Should we take one more set of questions?

Amb. Vijay Thakur Singh

We'll take. Go ahead.

Amb. Achal Malhotra

Audience Member

Okay. We'll take one more round of three questions.

Thank you. It's very difficult to ask a question when two of the panellists are your former teachers. I'm trained in the same school of thought. But while listening to all the discussion, while Professor Patnaik has said that China has considered this as a zone of influence for Russia and considering the present kind of geopolitics that is going on where Russian dependence on China has increased, of course, we cannot see any kind of issues between them as of now but how - because Russia considers itself as a big power and China entering into this sphere and already been asked this question like in the case of Georgia, how comfortable Russia will be in the long run? And we know before the Ukrainian war that there are issues between China and Russia. It is not that everything was good and smooth. So, from a great power ambition, how comfortable would be Russia with the growing Chinese influence in this part of the world?

Dr. Himani Pant

My name is Himani. I am a Research Fellow at the Council. I have two very brief set of questions. One is, now as we see Russia is preoccupied with Ukraine, there is a growing engagement that we see between West and this region, the South Caucasus region. So, how would the panellists evaluate the growing strategic competition in the South Caucasian region between West and Russia?

Second is, with respect to the breakaway regions. Last year in October, you saw that Russia signed a Black Sea naval base deal with Abkhazia, which prompted criticism from the Georgian government. And it categorized it as the violation of its sovereignty. Not very far away, we have Moldova, it's a region which has asked for Russian protection. So, in this context, how do you see Russia's role as a regional stability player? Because I would pick up on what Professor Patnaik said. He sees Russia as a geopolitical balancer. But given that



this Black Sea region, most of the littoral states like Turkey, Bulgaria, Romania are also NATO members, how do you see stability in South Caucasus as well as in the nearby region as well? Thank you.

Audience Member

What type of alternative security is Armenia in search of after the loss of Nagorno-Karabakh? Is it again tilted towards Russia as a guarantor?

Prof. Ajay Patnaik

So, see, like here in this room, we are worried about how Russia will become dependent on China. The Russian policy makers, they are thinkers, they are also very worried because they also visualize. You see, it's a big country. And they had history of conflict and war with China. But what sometimes I say that it's a sort of division of labour. You see, China is coming into fields or spheres where Russia has a capacity deficit like economic, capital, investment. So, it's not worried, overtly worried, not unnecessarily worried unless China plays some geopolitical kind of role in that area. So, Russia has nothing to worry in that sphere and areas where Russia cannot do anything, China is doing its bit. And so long as China is a close friend of Russia and it's doing, Russia has nothing to worry. But Russia has enough strength in this area and influence at any point of time to counter China if occasion arises. Then you say about --what was that you were saying?

Dr. Himani Pant

Russia's role in the geopolitical balance versus cases of other powers.

Prof. Ajay Patnaik

See, the West is trying to sort of bring itself into this region. Georgia was a possibility, but with that war in 2008, the West's influence on Georgia has declined. And you see, over from 2008 to 2024, Georgia's relations with Russia has improved. And today, even after the sanctions and pressure from Moldova and other Eastern European neighbours, Georgia has not closed its border to Russia. And I read reports where most of the used cars of Europe, which were

coming to Russia earlier, large numbers, it's a big market, now they're coming to Georgia, and from Georgia they are going into Russia. So, many countries are pressing on Georgia to close the border, to cut off. But Georgia has not done it, Georgia has moved away from those days of 2008, when the nationalists ruled the country, and they are now today blamed for having lost two parts of Georgia.

Same thing is happening to Pashinyan. Instead of doing it, dealing it in a diplomatic manner, he now has lost any hope of getting these areas back. So, many countries are realizing that by antagonizing Russia, by making it feel threatened, their stability doesn't happen. Why Kazakhstan is stable today? Why Central Asia? They have not done anything where Russia will feel threatened. They have not done anything to make feel Russia insecure. So, Central Asians may be small. Kazakhstan may be powerless against Russia but its sovereignty is intact. And all talks about the Kazakh areas dominated by Russian-speaking population in the north and east of the country, it's of no consequence. Because it's not taking a position that will be hostile to Russia, create insecurity for Russia. This is my point always. That with a power like Russia, you do not create more insecurity to secure yourself. Nobody will come to secure you. No power will come to this area.

We have seen that they had two military bases, Americans. They had to leave. And today, Russia has more bases. They are based in Kyrgyzstan, three bases in Tajikistan, and guarding the Afghan-Tajik border. So, nobody will replace Russia as a security provider. And over and above that, if you make Russia feel insecure and threatened from the West by your actions, then you might lose territories like Georgia did, Moldova did, and Ukraine is doing now. So, the alternative is to have most friendly relations with Russia, not do anything on West's bidding to bring NATO here. They will not be so worried about the European Union. They'll be



worried if NATO comes here. Georgia is no more interested in NATO membership.

On Abkhazia, I will very briefly supplement. As far as Georgia is concerned, it hasn't given up its claim on Abkhazia and South Ossetia. But as far as Russia is concerned, they are independent countries, Russia has recognized them, and a couple of other countries have also, at Russia's behest, recognized. So, they think they have every legitimate reason to deal with these independent countries. And Georgia has every reason to cry foul whenever things like this happen. Hopefully, the status quo is not likely to be changed over a period of time.

Question was addressed to me, right? You said about alternatives, Armenia's alternative? Well, at this stage, I can definitely say that Armenia is disappointed with Russia, and Russia led all the structures, which is security structure particularly CSTO. Because Armenia thinks that they did not live up to Armenia's expectations when they had a conflict with Azerbaijan when Azerbaijan waged a war in 2020, so definitely Armenia wants to move away or at least this is publicly expressing disenchantment and disappointment with the Russia-led structures. Where will — which direction will it go, too early to say. France is trying to have its foothold, they have offered to strengthen militarily Armenia, and there is a huge diaspora also, Armenian diaspora in France. So, France may be one of the countries which — and they have traditionally had a very good relation with France.

So, I won't say France will become another alternative. I mean it will try to adhere to its declared policy, which says we have a multi-vector foreign policy, which means the nutshell of that policy is that and not either/or, you understand? You want to make friends, this and that, but not either this or that. So, this is their declared policy,

whether they adhere to it or not, we'll have to see. So, this is where we are at this point of time.

Prof. Sanjay Pandey

If I may add just little bit? South Caucasus is one region where both Russia and the West, U.S., have been equally involved. Unlike Central Asia, where U.S. and West have been in and out, China and Russia are there. But in South Caucasus, Russian interests, whether it is Nagorno-Karabakh, South Ossetia, Abkhazia and similarly, Europe, Council of Europe, OSCE, and then Partnerships for Peace, NATO, all of them have been involved with the South Caucasus countries. Armenia, I mean, majority of the 30 countries that recognize Armenian genocide are European. Their interest in Azerbaijan, investments in Azerbaijan, 30 years, 1994, have been there. And Georgia is important because of this oil pipeline and other connectivity projects. So, both Russia and Europe and U.S. are equally involved in this region. While China is a marginal player as far as geopolitics and security is concerned, yes, connectivity projects are there.

Amb. Achal Malhotra

So, I think time to say thanks to everybody, my co-panellists, for their excellent presentations, very animated questions, very good questions. I hope we were able to respond to your satisfaction. And while we are out for a cup of tea, we can continue, if you so wish.

Thank you, DG. Thank you very much for your initiative.

Programme



Panel Discussion *on*

Changing Dynamics in SOUTH CAUCASUS and its Implications

1 March 2024 | 1500 hrs

Sapru House, New Delhi

Programme *

1500-1510 hrs	Opening Remarks Ambassador Vijay Thakur Singh <i>Director General, Indian Council of World Affairs, New Delhi</i>
1510-1525 hrs	Remarks by Chair Ambassador Achal Malhotra <i>Former Ambassador of India to Armenia, New Delhi</i>
1525-1540 hrs	Remarks Professor Ajay Patnaik <i>Former Dean, School of International Studies, Jawaharlal Nehru University, New Delhi</i>
1540-1555 hrs	Remarks Professor Sanjay K Pandey <i>Centre for Russian and Central Asian Studies Jawaharlal Nehru University, New Delhi</i>
1555-1610 hrs	Remarks Professor Akhlaque Ahmad <i>Chairperson, Centre for Persian & Central Asian Studies SLL&CS, JNU, New Delhi</i>
1610-1630 hrs	Discussion/Q&A

* The Panel Discussion was coordinated by Dr. Athar Zafar, Senior Research Fellow, ICWA.

Bio-Profiles



Amb. Achal Malhotra

Ambassador Achal Kumar Malhotra had served in the Indian Foreign Service from 1981- 2012. He has been Deputy Permanent Representative of India to UN and International Organizations in Vienna, India's Ambassador to Armenia, India's Ambassador to Georgia. After his retirement, he headed the Delhi Policy (an independent Think Tank) from 2012-14.

Currently, he is Managing Editor of the Indian Foreign Affairs Journal brought out by the Association of Indian Diplomats. He is a Distinguished Fellow (South Caucasus) at the Tillotoma Foundation.

Ambassador Achal Malhotra has authored books: *Prehistoric Mythological and Legendary Links India : Sri Lanka* (2006); *India - Armenia: So Far Yet So Close Part 1* (2018) ; *Part 2* (2023); *The South Caucasus : Transition from Subjugation to Independence (Tracing India' s Footprints)* (2020).

He is an independent analyst of international affairs regularly invited by print and electronic media to share his observations.



Prof Ajay Kumar Patnaik

Dr. Ajay Kumar Patnaik was Professor and former Dean of the School of International Studies, Jawaharlal Nehru University (JNU), New Delhi. He was twice Chairperson in the Centre for Russian & Central Asian Studies. A Ph. D. from JNU, Prof. Patnaik was Visiting Scholar in the Faculty of Social and Political Sciences, University of Cambridge, UK (1992-93); ICSSR Exchange Scholar at the Institute of Ethnography, Moscow (1999) and Institute of Oriental Studies, Moscow (2010); Visiting Solanki Professor and Scholar in Residence at Yadunandan Centre for Indian Studies, California State University, USA (2006).

Prof. Patnaik has also been a Visiting Faculty at the Fall School in Regional Studies, Faculty of International Studies, Gumilev Eurasian National University, Astana, Kazakhstan (September 2013); at the Faculty of Oriental Studies at Al Farabi Kazakh National University (December 2010); and at the Faculty of International Relations of Al Farabi Kazakh National University (December 2009).

Prof. Ajay Patnaik has authored four books – *Central Asia: Geopolitics, Security and Stability* (Routledge, London/New York, 2016), *Nations, Minorities and States in Central Asia* (Anamika, New Delhi, 2003), *Central Asia: Between Modernity and Tradition* (Konark, New Delhi, 1995) and *Perestroika and Women Labour Force in Soviet Central Asia* (New Literature, New Delhi, 1989).



Prof. Sanjay Kumar Pandey

Dr. Sanjay Kumar Pandey is a Professor at the Centre for Russian and Central Asian Studies, School of International Studies, JNU, New Delhi. He served as the Chairperson of the Centre, and the Director of the Russia and Central Asian Area Studies Programme. He teaches courses on Politics and Society, as well as Foreign Policy of Russia and the Central Asian States. He was L. M. Singhvi Visiting Fellow at the Centre of South Asian Studies, University of Cambridge; Charles Wallace Trust Visiting Fellow, University of Cambridge; and Visiting Fellow at Cambridge Central Asia Forum, Cambridge.

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Some of his recent/ relevant publications are:

- “Russia-Ukraine conflict: Past, Present and Future”, *India Today*, February 25, 2022,
<https://www.indiatoday.in/news-analysis/story/russia-ukraine-conflict-war-news-update-1917690-2022-02-25>;
- “India, Central Asia and SCO: Prospects and Challenges in Renewing The Shanghai Spirit” (Indian Council of World Affairs, 2022);
- “Russia and Ukraine: United by History Divided by Geopolitics”, (co-authored), *Journal of Parliamentary Affairs*, Vol 12, Issue 1 & 2, pp.19 – 28, January – December 2020 (published in 2022);
- “Russia and Ukraine: Shared Past, Differing Perceptions and Geopolitics”, *The Week*, January 24, 2022,
<https://www.theweek.in/news/world/2022/01/24/russia-and-ukraine-shared-past-differing-perceptions-and-geopolitics.html>
- “What led to the Protests in Kazakhstan—and What They Mean for the Region” *The Week*, January 14, 2022,
<https://www.theweek.in/news/world/2022/01/14/what-led-to-the-protests-in-kazakhstan-and-what-they-mean-for-the-region.html>



Prof. Akhlaque Ahmad

Prof. Akhlaque Ahmad 'Ahan' is a *Professor & Chairperson* at the Centre of Persian and Central Asian Studies, Jawaharlal Nehru University, New Delhi, and Visiting Professor at Oriental Institute, Tashkent, Uzbekistan. His areas of specialty cover Indo-Persian studies, Silk Road region, Sufism, Indian Knowledge Tradition, Amir Khusro, Dara Shukoh, Khayyam, Rumi, Bedil, Modern Persian and Urdu-Hindi Literature.

He pursued education at AMU, Aligarh; JNU, New Delhi; TMU, Tehran, Iran. He has published over twenty books and about a hundred research papers, supervised many research works, organized seminars, and travelled to many countries. A poet of Persian and Urdu, and published poems collections *Suroor*, *Kharabaat*, *Sochne pe Pahra hai* in Urdu, and *Namaaz e Eshq* in Persian.

He is a recipient of President of India's *Maharshi Badrayan Vyas Samman*–2018; *Saadi Award*, Tehran-2021; *Urdu Academy Award*, Delhi-2011; *Qazi Abdul-Wadood Award*, Patna-2010; and *International Iqbal Award* from ECO, Tehran-2015; besides many other honours by Supreme Leader of Iran in 2017, President of Afghanistan in 2016 and 2018; and Governor of Navai province of Uzbekistan in 2019, Academy of Science and Literature, Baku-2017 and by many institutions of repute.

Documentary films have been made by Sahar TV, Iran and DD Urdu focusing on his poetry and academic contributions.

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