

## Introduction

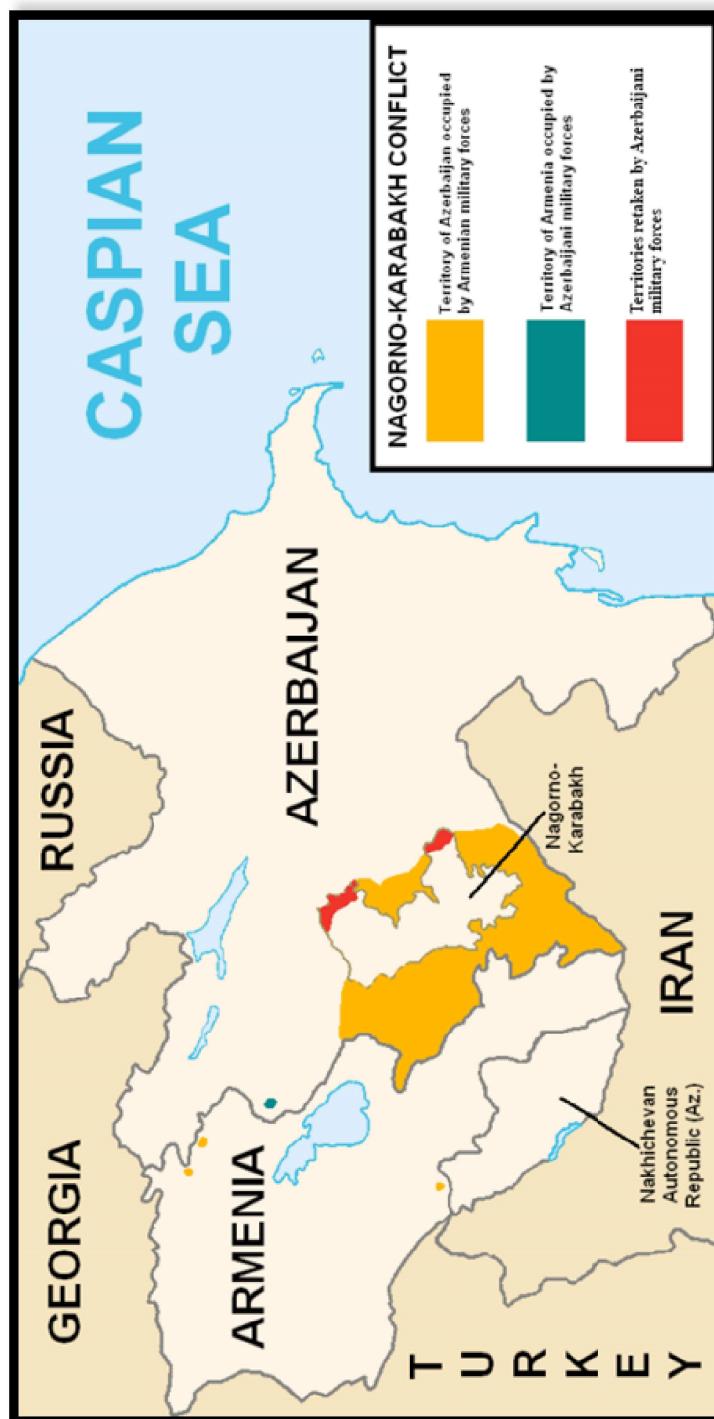
While the latest round of the conflict over Nagorno-Karabakh, the long-disputed Armenian enclave within Azerbaijan, seems to have been over within hours of it having started, ending with the Armenian population leaving their homeland, the reverberations will continue to resound. They had earlier faced a humanitarian catastrophe with the blocking of the Lachin Corridor. The self-governing region established after the collapse of the Soviet Union has effectively been dismantled.

The quick end can be attributed to a large degree by the unwillingness of Russia to get involved as it seemed totally preoccupied by its commitments in Ukraine. However, the next fault line that seems to be emerging is Nakhchivan, an enclave of Azerbaijan between Iran, Armenia, and Turkey. Azerbaijan is demanding that Yerevan agree to the establishment of a corridor through Armenian territory that would connect Azerbaijan to Nakhchivan.

The South Caucasus region, which lies between the Black Sea and the Caspian Sea comprising of Armenia, Georgia and Azerbaijan has been the crossroads of the Persian, Ottoman and Tsarist empires as well as the intersection between the Christianity and Islam.<sup>1</sup>

This land connects Asia to Eurasia, apart from its significant natural resources. The conflict and emerging outcomes have both global and regional implications. Countries such as Russia, Iran, Turkey and Israel also have deep interests in this region but it is also significant as far as India is concerned.

But the South Caucasus is one of the world's least connected regions, both for geographic and political reasons. Mountainous and on the fringes of larger powers, numerous local and regional conflicts have also stifled trade and connectivity. Armenia's borders with Azerbaijan and Turkey have long been closed due to the dispute over Nagorno-Karabakh, giving Armenia trade connections to only Georgia, and by extension Russia, to the north and Iran to the south.<sup>2</sup>



Map 1

## **India's Broad Engagement in the Region**

India does not have a publicly articulated policy for the South Caucasus, unlike 'Neighbourhood First', 'Act East' or 'Central Asia Connect'. However, since establishing diplomatic relations in 1992, India's ties with Armenia have steadily grown. India has a Friendship and Cooperation Treaty with Armenia which was signed in 1995. Further, the signing of a Comprehensive Strategic Partnership Agreement in 2019 has resulted in increased cooperation in trade, investment, defence, and culture.<sup>3</sup> Though, India's provision of military assistance to Armenia has strained its relationship with Azerbaijan, Armenia extends its unequivocal support to India on the Kashmir issue whereas Azerbaijan not only opposes but also promotes Pakistan's narrative.

In the case of Azerbaijan, Oil and Natural Gas Commission (ONGC)/ONGC Videsh Limited have made investments in an oilfield project in Azerbaijan and the Gas Authority of India Limited is exploring the possibilities of cooperation in liquefied natural gas. Azerbaijan also falls on the International North South Transport Corridor (INSTC) route, connecting India with Russia through Central Asia. It can also connect India with Turkey and beyond through the Baku-Tbilisi-Kars passenger and freight rail link.<sup>4</sup>

The conflict is essentially between two international principles viz. the 'principle of territorial integrity' advocated by Azerbaijan and the 'principle of the right to self-determination' invoked by Nagorno-Karabakh and supported by Armenia. When it comes to Armenia and Nagorno-Karabakh, though India had talked of a mediated settlement between the two sides, it supported Armenia through arms sales and by condemning Azerbaijan's aggression in the region.<sup>5</sup> This was not without reason as Azerbaijan's long-time association with Pakistan had turned the conflict into one of the world's more obscure proxy wars.

Lately, India has enhanced its strategic partnership with Greece which was viewed as a direct challenge to Azerbaijan as Armenia is a traditional ally of Russia and Greece and strain in relations between Turkey and Greece over Cyprus dominate their relationship, though both are part of the North Atlantic Treaty Organisation. The recent visit of the Prime Minister Modi to Greece was part of a broader strategy to diversify its partnerships in the region. India's strengthening ties with Armenia and Greece are

aimed at countering the alliance formed by Turkey, Azerbaijan, and Pakistan by no longer relying solely on its traditional allies like Russia and Iran, instead seeking new alliances with countries that share its interests, such as Greece and Armenia.<sup>6</sup>

India's strategic approach of steadily building ties with Armenia, Greece and Iran reflect India's increasing strategic interests in the Mediterranean region, which holds significant importance for its energy security due to its abundant oil and gas resources. Additionally, India aims to enhance its trade and investment relations with this region. This also serves to counter China's expanding influence in the region.<sup>7</sup>

India's strengthening ties with Armenia and Greece have caused concern for Turkey, Azerbaijan, and Pakistan, who have been working together to counter India's influence in the Middle East and Central Asia.

### **Region is Crucial for India's Trade Corridor**

The South Caucasus region has also become key for India's ambitions to build a transportation corridor linking it to Europe through the Iranian plateau, through INSTC.

As regards the INSTC, India needs a rail link to go from north-western Iran across the Southern Caucasus to either Russia or the Black Sea. In this regard, India (and Iran) has two options: one via Armenia's Southern Syunik Province, and the other via the Caspian coast through Azerbaijan.

A key advantage of the INSTC is that it effectively outflanks Pakistan while accessing overland routes to Europe and Central Asia, which would otherwise be blocked. It also results in a closer relationship with Iran thereby countering Iran's relationship with China and their Belt Road Initiative in the region.

In Jan 2023, at the Voice of the South Virtual Summit, Armenia's Foreign Minister Ararat Mirzoyan mentioned that Armenia is interested in "Advancing cooperation within the framework of north-south connectivity, as well as the Persian Gulf-Black Sea international transport corridor", adding that "Armenia considers India's potential and prospective role for these projects as quite significant".<sup>8</sup>

In April 2023, Armenia hosted the first trilateral meeting with Indian and Iranian officials, to facilitate a Black Sea-Persian Gulf trade route that would allow Indian goods to be exported to the west through Georgian ports.<sup>9</sup>

Yet the developments in the Nagorno-Karabakh conflict threaten the viability of the Zangezur including Turkey and Pakistan as well as Ankara's expansionist pan-Turkic ambitions. Meghri corridor is an important corridor linking Azerbaijan to its exclave, Nakhchivan. Recent comments by President Ilham Aliyev, of Azerbaijan, as well as Turkish President Erdogan's speech at the United Nations General Assembly, now suggest that the territorial viability of this corridor might be in question. Iran seems to have taken the threat to Syunik seriously enough, reiterating Armenia's control over the province which is internationally recognised and strengthening its troops in its north-western border in response to the recent fighting.

Irrespective of whether the conflict actually breaks out over the corridor, the fact remains that building a railway through a region that has the potential for conflict between Iran and Turkey, two of the largest militaries in the region, does not bode well for political stability in the long term.

### **Defence Relationship**

India's support for Armenia shifted gears in 2022 with the provision of USD 250 mn worth of arms and ammunition. The deal included significant export orders of Pinaka multi-barrel rocket launchers, anti-tank missiles, rockets and ammunition to Armenia. In 2020, India also got a USD 43 mn order to supply four Swathi weapon-locating radars to Armenia.<sup>10</sup>

It was reported that this was the first time India had decided to export the Pinaka system to another country. Azerbaijan's use of drones was a key reason why Armenia wanted the Pinaka system, since its 'shoot and scoot' capability enables it to escape counter-battery fire.

India feels it can benefit from being an arms supplier to Armenia, filling a gap left by Russia's strategic downsizing in the Caucasus due to its commitment in Ukraine.

In Oct 2022, Armenia's Minister of Defence Suren Papikyan's visited India and met the Raksha Mantri Shri Rajnath Singh during the Defence Expo 2022.

As per a report in the Eurasian Times on 07 Nov 2023; Officials who did not wish to be identified confirmed to the EurAsian Times that Armenia has contracted the Hyderabad-based Zen Technologies for INR 340 crore (USD 41.5 mn) for the anti-drone system order that includes both training solutions and an anti drone system.<sup>11</sup>

In May 2023, Armenia announced it was posting a military attaché to its Embassy in New Delhi, tasked with deepening bilateral military cooperation. On 26 Jul 2023 Azerbaijan, summoned the Indian Ambassador and lodged a protest about India's defence ties with Armenia saying that "Arming Armenia at a time when Azerbaijan is negotiating a peace treaty with Armenia, the supply of deadly weapons by India opens the way to the militarisation of Armenia and aggravates the situation, hindering the establishment of sustainable peace and security in the South Caucasus region".<sup>12</sup> The irony is that Baku continues to arm itself with Turkish and Israeli weapons for offensive purposes, but protests when Armenia takes a similar step to defend its borders.

Iran has played a crucial role. While Armenia is unable to purchase Iranian weapons due to fears of United States and Western reactions, Tehran is facilitating the transit of weapons from India to Armenia.

On 23 Sep 2023, Armenia appointed a new ambassador to India despite the ongoing chaos in Nagorno-Karabakh. The Ambassador's credentials, as both an Iran expert and as a regional diplomat in the South Caucasus, suggest the particular direction that Armenia wants to take bilateral relations.

An analysis from the Observer Research Foundation, had said that; "India has overtly positioned itself on Armenia's side in the Nagorno-Karabakh conflict, and has consequently opted to resist Azerbaijan and its backers including Turkey and Pakistan as well as Ankara's expansionist pan-Turkic ambitions".

### **Pakistan Support for Azerbaijan**

While Pakistan has been siding with Azerbaijan since the outbreak of the First Karabakh War in the early 1990s, India entered the picture as an arms provider to Armenia only after Yerevan's defeat in the Second Karabakh War in 2020 with both now supplying arms to the principal combatants.

Pakistani support for Azerbaijan is intertwined with Islamabad's close strategic relationship with Turkey, Baku's primary patron. The Pakistani government was second after Turkey in recognising Azerbaijan's independence following the Soviet collapse in 1991, and Islamabad has never acknowledged Armenia's independence.

The Pakistani and Azerbaijani militaries have reportedly been conducting joint exercises since 2016 and maintaining extensive strategic security contacts. According to some reports, Pakistani military advisers participated in the Second Karabakh War, providing tactical advice. Some observers also believe Islamabad may sell the JF-17 fighter jets to Azerbaijan. There are also reports that Pakistan may soon join Azerbaijan as a partner in a Turkish-led effort to develop a new-generation stealth fighter, dubbed Kaan.<sup>13</sup>

Pakistan's involvement is helping cement an Ankara-Baku-Islamabad alliance, informally dubbed the 'Three Brothers'. The three countries all supposed democracies are predominantly Islamic. The fact that all three are engaged in territorial and ethnic conflicts also acts as a binding agent, encouraging them to assist each other strategically and diplomatically.

By supporting Azerbaijan militarily and diplomatically, Pakistan has played a decisive role in stymieing India's policies in the South Caucasus. The strategy has its drawbacks as Pakistan is now linked with a country that is being condemned internationally due to its aggression.

### **Nakhchivan: The Next Boiling Point**

A potential outcome of Azerbaijan's victory is the future of Nakhchivan, an enclave of Azerbaijan between Iran, Armenia, and Turkey. Azerbaijan is demanding that Yerevan agree to the establishment of a corridor through Armenian territory that would connect Azerbaijan to Nakhchivan.

Such a corridor would cut Iran's access to Armenia as the two countries would no longer share a border. Iran which views Armenia as a critical link with Eurasia had threatened to use military force against any changes to the internationally recognised borders of the region.<sup>14</sup>

Even though most of its provisions lie in tatters, the trilateral ceasefire brokered by Russia in Nov 2020, and co-signed by Aliyev,

Pashinyan, and President Vladimir Putin has as one of its provisions, for Border Guards from Russia's Federal Security Service to protect the transport corridor across Armenia to Nakhchivan a region being referred to as Western Azerbaijan.<sup>15</sup>

Syunik is Armenia's most remote province, making up the country's narrow Southern tip. Its slim southern edge borders Iran; across its eastern border is Azerbaijan's mainland; and to its west is Azerbaijan's exclave of Nakhchivan. The region's strategic location, combined with its prominent place in Armenian history, has now put it at the epicentre of a future conflict.<sup>16</sup>

Parallel to the Zangezur Corridor demands, President Aliyev also began promoting a discourse that identified parts of Armenia, in particular Syunik as 'Western Azerbaijan', from which ethnic Azerbaijanis had been unjustly forced out and to which they should return.<sup>17</sup>

This is where the next battleground lies. It is felt by some that the United Nations should put this under a broader international umbrella but Azerbaijan and Russia may resist this.

## **Conclusion**

The conflict involves many external players including Iran, Turkey, Russia, the European Union, and the United States. That makes the pathway to peace a challenging and interconnected task.

While it seems difficult for India to publicly endorse Nagorno-Karabakh's right to self-determination in view of the possible repercussions it can have for India, as Pakistan may twist the support by making erroneous connections with Kashmir. India has done little to indicate support for Armenia, or even condemn Azerbaijan's actions with the exception of the meeting of Mr S Jaishankar with the Foreign Minister of Armenia, Ararat Mirzoyan in the United Nations General Assembly.

As India refigures its foreign policy to a region now changed by Armenia's defeat in Nagorno-Karabakh, it almost certainly will have to seek out other, more stable avenues for its infrastructure ties; given the potential of the INSTC project and the ongoing Israel-Gaza War. The world now needs to focus on the Zangezur Corridor and Nakhchivan the next time bomb that has the potential to get activated in an already volatile region.

## Endnotes

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