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The Nagorno-Karabakh War of 2020 – Its Consequences for Russia

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Even before the official dissolution of the Soviet Union, the Russian Federation had become an active international player, at least in its closest neighbourhood. After December 1991 Moscow did not possess instruments to conduct global strategies, but it was able to preserve a sphere of influence consisting of the former Soviet republics in South Caucasus (Закавказье), and part of Central Asia (Средняя Азия¹). Russia used several vehicles to exert its control: economic dependence, the interdependence of political elites, and the so-called frozen conflict strategy. These instruments formed an effective, flexibly implemented mix of policies which the Kremlin had been executing until its influence was stabilized in the early 1990s. Of course, it does not mean that all the tensions ceased to exist, all conflicts were resolved, and all of the local ambitions subsided. On the contrary, various countries have tried, more or less effectively, to find some room to pursue their independent interests. This process has been mounting in the 21st century, and currently we witness significant disturbances in the Russian sphere of influence. First of all,

¹ The term Средняя Азия is more convenient, even if difficult to translate, than the commonly used Central Asia, because it refers precisely to the four former Soviet republics of Kazakhstan, Uzbekistan, Turkmenistan and Kyrgyzstan.

Moscow's control is gradually diminishing due to the lack of economic attractiveness and effective soft power. Moreover, it is arguable that the frozen conflict strategy is running its course. The Nagorno-Karabakh war of 2020 is an example of the latter. It has confirmed Azerbaijan's ability to act independently, but it also asserted Turkey as a power highly influential in the area, which quite recently was considered the exclusive Russian sphere of interest.

The Frozen Conflict Strategy - the Case of Nagorno-Karabakh

The mechanism of the frozen conflict strategy has been depicted several times in this series with regard to the Kremlin's policy aiming to introduce a variant of this stratagem in Syria. However, in the post-Soviet space, it has been executed since 1992 with great success. In short, this strategy was based on the premise that long-standing local conflicts could be utilized to maintain leverage over conflicting sides. Within the ethnic mosaic of the Soviet Union, there were many seeds of such tensions marked by centuries of hatred and violence. Once the communist security apparatus weakened along with the overall decline of the state, many of those conflicts resurfaced. It allowed Moscow to enter as an arbiter and to force the cessation of hostilities. But Russia has never pursued outcomes that would have contributed to final resolutions of the conflicts by tackling their roots. It is because the lack of definitive agreements, which would have resolved conflicts permanently, was precisely the leverage the Russians have sought. This way, conflicting parties have remained in loggerheads indefinitely and needed Russian assurances, mediation, and military assistance. Conflicted countries have also been deprived of many opportunities to develop societies and the economic base, what was also beneficial for Russian interests.

Of course, we agree with an argument that the absence of final resolutions of conflicts in the post-Soviet space is not only due to the deliberate Russian policies. Not everything may have been orchestrated, and these conflicts had dynamics of their own, so they have never been fully controlled. But we may safely assert that the Russian actions significantly contributed to freezing them instead of seeking final outcomes. There are many such conflicts in the post-Soviet space, the remnants of wars of the early 1990s, plus the conflict in Ukraine, artificially created by Moscow and marked with similar characteristics.

The Nagorno-Karabakh region is an exclave populated mostly by ethnic Armenians adhering to the Christian faith surrounded by the predominantly Muslim area belonging to Azerbaijan. It saw a resurgence of intra-ethnic violence as early as in 1988. Moscow pacified initial tensions, but soon a full-scale war between Armenia and Azerbaijan broke out. Armenia won the war with significant Russian help and secured the Karabakh region. It also conquered large swaths of adjacent Azerbaijani territories, where the semi-independent Nagorno-Karabakh Republic (NGR or the Republic of Artsakh) was created. The hostilities ceased as a result of a peace deal brokered by Moscow, which gave Armenia de facto authority over a large part of the Azerbaijan territory. Russia has never tried to solve the problem other way or convince the conflicting parties to some other, more lasting and mutually satisfactory, solution. Erevan and Baku have remained mortal enemies as the former could not stand down from its claim that Armenians in Karabakh must be protected, and the former could not give up its sovereign territories. That is why both countries relied on Moscow to maintain stability, invested heavily in military potential and lost many economic opportunities which could have stemmed from co-operation. Moscow benefited from

that situation, remaining an ultimate political arbiter, a security guarantor for Armenia and arms supplier for both sides.

The Limits of the Frozen Conflict Strategy

The Russian policy with regard to frozen conflicts rests on several premises which enable maintaining them. Firstly, it requires that the countries in question remain dependent on Russia in political and economic terms. Secondly, it requires that the parties to the conflicts be relatively weak, unable to tilt the military balance. And finally, it is necessary to keep external actors, such as states or international organizations, out of the conflict. The last issue also is the very reason behind and the essence of the frozen conflict as a tool for controlling a sphere of the exclusive Russian influence.

The Nagorno-Karabakh war of 2020 shows precisely how the Russian frozen conflicts strategy has failed. Although it is not exactly clear how the situation will play out in next months or years, we can safely assume that, in the absence of unexpected dramatic developments, Moscow is posised to losemuch of its control in the South Caucasus region. Certainly, we cannot write it off at the moment, the Kremlin will remain a significant actor there, but the exclusiveness of its influence is a thing of the past. This process has been developing for decades, and the recent war has only marked another step in the same direction. However, it was the breaking point that provided tangible proof of how weak and inadequate are the instruments of Russian policy in the region.

We may investigate the waning of Russian control by following the premises of the maintenance of the frozen conflicts mentioned above.

Firstly, Azerbaijan sits on extensive deposits of hydrocarbons. They hold 0.4% of the world's reserves of crude oil with R/P ratio of over 24 years, and 1.5% of the world's reserves of natural gas with R/P ratio of 117 years. The production is 0.8% and 0.6%, respectively, of world total (all data refer to 2019). In the past decades, Baku also secured transit routes to the world markets circumventing traditional transitways via Russia. Several pipelines connect Azerbaijan oil and gas fields with Turkey via Georgia. Recently the Azeri gas field Shah Deniz has been directly connected with Europe. This relative freedom of shipping hydrocarbons abroad gives Baku ability to profit from trading independently on the world market. The revenues stemming from oil and gas trade have contributed to the country's accumulation of economic capacities; its GDP rose from roughly 3 bln USD in 1995 to 73 bln USD in 2014. It fell subsequently due to the crash of oil prices in 2015, but in 2019 it amounted to 45 bln USD (according to the World Bank). By the way, Armenia's GDP has also significantly risen since it was 1.5 bln USD in 1995. Currently, it hovers around the level of 10-14 bln USD since 2008. As of 2020, it is expected that Azerbaijan's GDP will rise to some 48 bln USD whereas the Armenian one will fall to some 13 bln USD. Certainly, the economic advantage is at Azerbaijan's side, but it is not the most relevant factor here. What is more important is that Baku wields economic power independent from Russia, so Azerbaijan's development is not relying on Moscow. This factor is intertwined inseparably with political freedom of action, as the economy and resources allow Baku to seek external partners independently and to shape its political agenda on the global stage.

Secondly, Azerbaijan has created a very capable, modern military which has proven to be overwhelmingly superior to the forces of the NGR. Despite local geographic constrains, which favour defensive posture, the Azeri fighting force managed to break the defences of a relatively large, disciplined and well-organized opponent. It is true that the relatively weak Armenian military did not directly participate in that conflict. Still, Erevan did support its proxy with war materiel and even allowed some military actions to be undertaken from Armenia's territory. The war was, therefore, not a direct conflict between Armenia and Azerbaijan, but its course has proven that Baku did build the strength to tilt the local military balance in its favour decisively.

And finally, the third and the most critical factor – Turkey. Ankara has been following a path to become an independent regional power for years, and Azerbaijan is one of the most obvious areas of its activity. Both countries share historical, ethnic and language similarities, as well as the religion, they also share the enmity towards Armenia and the Armenians. That is why Turkey has gradually built a cordial political relationship with Azerbaijan, also based on the economic foundations. Baku exports its hydrocarbons via Turkey, but Ankara is also an important trade partner, both countries also intend to sign a free-trade agreement. Additionally, Turkey was a primary source of modern weaponry, troops training and military doctrine, and so it greatly contributed to enhancing Azerbaijan's military capabilities. For example, Azeri forces extensively used Turkish unmanned combat aerial vehicles (UCAVs) which, along with loitering munitions supplied by Israel and Turkey, have become a game-changer on the battlefield. As an effect of the war and subsequent peacekeeping agreement, Turkey has also established its military presence in Nagorno-Karabakh.

Summarizing, we can argue that Azerbaijan has slipped out of the Russian sphere of influence, at least for the time being, because it has grown independent and militarily strong, and has developed a significant alliance. Russia was unable to avert or even slow this process down, and its standard tools of maintaining control have failed. In short, Moscow appeared much weaker than it was widely believed.

Consequences of the 2020 Nagorno-Karabakh War for Russia

The outcome of the Karabakh war for Russia may be analyzed from two intertwined perspectives. One refers specifically to Azerbaijan and its position vis-à-vis Russia and the other to the overall consequences for Moscow, its strategies and policies.

The most important consequence we should mention first is that Baku's position within the Russian sphere of influence has changed significantly, as it has already been stated. This change was gradual, as it took decades for Baku to muster resources, build alliances and reform the military. The war of 2020 has dramatically sped up the process, clearly displaying that Azerbaijan has managed to shake off the greatest part of the Russian control. It has achieved most of its primary goal, which is to restore control over its sovereign territory, as only a part of proper Karabakh (the former Nagorno-Karabakh Autonomous Oblast within the Republic of Azerbaijan) remained under NGR's control. At the moment, Baku controls roughly three-quarters of the territory it had lost to Armenia due to the 1991-1994 war.

From Moscow's perspective, it is now more challenging to persuade Azerbaijan to take Russian interests into account. Baku has not only built its independent capacity to act, but it also secured most of the disputed territory. Russian relevance as a guarantor of political and territorial status quo has diminished because Azerbaijan has created the status quo of its own, much more corresponding with its goals and aims. Furthermore, the victory was swift and overwhelming and did not bring a significant additional burden for the Azeri economy. For many years, following the 1992-1994 war, Azerbaijan was considered militarily inferior to the well-equipped and well-motivated armies of NGR and Armenia, and that is why it needed Russia as a guarantor of the cease-fire (parts of the former Nagorno-Karabakh oblast have remained under Azeri control after 1994). And finally, it is also important that Moscow is no longer the primary supplier of armaments to Azerbaijan. Turkey and Israel have replaced it in that capacity.

From a more general point of view, the outcome of the 2020 Karabakh war is yet another sign of Russia's overall weakening. Assuredly, it is still a powerful country with vast resources and a great potential. But the Kremlin's traditional strategies and approaches to foreign policy and domestic issues are apparently wearing off. The parochial model of the state and society cannot sustain economic growth, contributing to the population's alienation and to the degeneration of foreign policy tools. The latter currently consists only of aggressive measures such as information war and malicious propaganda, inciting unrest in other countries and military sabre-rattling. Seemingly the ageing leader and petrified, self-serving predatory elites cannot invent the ways to tackle the problems of the 21st century. They cannot provide the country with new growth and development models, clinging to the traditional paternalism and the cult of brutal force. And it has been exemplified by an inability to control Azerbaijan as it gradually slipped away from Moscow's grip.

The next important issue for Russia is Turkey's position. Seemingly Russia is losing a proxy war with Turkey. Despite co-operation, the two countries' interests are contradictory, what is visible in Libya, Syria and Azerbaijan. Ankara intends to build its regional power status based on a relatively strong economic base, the capable military, cultural ties, and the strong religious doctrine of the state. Inability to stem the advance of the Turkish interests in South Caucasus is another clear sign of Moscow's weakness. Certainly, the rivalry in the Caucasus is not over, and it can take many forms in the future, but at the moment Russia has been clearly pushed into a defensive posture.

Only one tangible gain for Moscow in the Caucasus is based on the assumption that more revanchist, nationalist politicians will probably replace the current democratic government in Erevan. Traumatized by the lost war Armenia will be even more dependent on Russia, especially as long as the Russian peacekeepers guarantee the existence of what was left of the NGR, whatever status this area will have in the future. On the other hand, average Armenians may also feel abandoned by its ally Russia, what may contribute to a shifting in the attitudes towards Moscow.

Summarizing, we may assess that the Nagorno-Karabakh war of 2020 has highlighted Russia's systemic internal problems and limits to its foreign policy. However effective and even spectacular the Kremlin's overseas adventures would seem, they do not bring tangible results enhancing the state's power or economy, as they only serve elites to catch additional opportunities for themselves. As we can see, this weakness translates into the decreasing ability to control the

