

## Moscow plays both sides on Nagorno-Karabakh



Russia is striking a new balance in its relations with Armenia and Azerbaijan, which have long been at loggerheads over the disputed territory of Nagorno-Karabakh. Russian President Dmitry Medvedev was in Baku on 2–3 September to meet Azerbaijani President Ilham Aliyev, continuing to promote warmer ties between their countries after a history of diplomatic distance. The visit followed unconfirmed reports of a major sale of Russian arms to Azerbaijan. Meanwhile, Russia and Armenia – traditionally Moscow's closest political ally in the South Caucasus – signed a new military agreement during a recent trip to Yerevan by Medvedev.

Moscow's two-sided strategy seems partly designed to keep up pressure on the two countries to avoid a renewal of conflict over Nagorno-Karabakh. In addition, its latest moves serve its interests by strengthening its security presence and relationships in the region, and boosting revenue from arms sales.

### Strengthening Russian-Armenian ties

The new agreements signed between Russia and Armenia on 20 August strengthened military cooperation and expanded Russia's security assurances to Armenia. Russian forces in Armenia, which have been restricted to defending Russia's national-security interests, will now also provide for Armenia's security, jointly with the Armenian armed forces. Russia will keep a military base at Gyumri in northwestern Armenia until 2044, extending a previous agreement that provided for its presence there until 2015. Russian Defence Minister Anatoly Serdyukov said the base would now be responsible for addressing security concerns beyond Armenia and would cover the wider region – apparently referring to Georgia to the north, as well as any security issues that Russia has with Armenia's other neighbours, such as Turkey and Iran.

Armenia is the only regional member of the Moscow-dominated [Collective Security Treaty Organisation \(CSTO\)](#), which provides – at least on paper – mutual security guarantees against any external security threat. As an CSTO member, Armenia is integrated into a joint air-defence system. More than 3,500 Russian military personnel are stationed at Gyumri, 125 kilometres northwest of Yerevan, where Russia operates MiG-29 fighters and two S-300 air-defence systems. These had been considered an implicit security guarantee for Armenia in case of an attack by Azerbaijan. The new agreements make this guarantee more explicit.

### Renewed regional tensions

The latest strengthening of bilateral military ties comes as tensions rise between Armenia and Azerbaijan over the disputed territory of Nagorno-Karabakh, and there are growing concerns of a new armed confrontation. The previous war between Armenia and Azerbaijan killed more than 30,000 people and displaced one million, before ending in 1994 with a ceasefire agreement. However, despite years of peace negotiations – mediated by Russia, US and France as co-chairs of the [OSCE Minsk Group](#) – no political resolution has been achieved.

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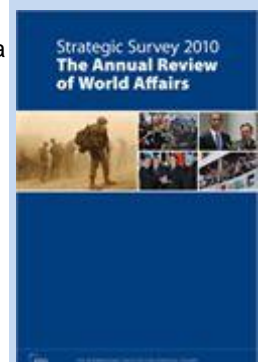
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### Map: Nagorno-karabakh



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Armenia continues to occupy Nagorno-Karabakh and seven areas around it, all internationally recognised as part of Azerbaijan. Nagorno-Karabakh, which is populated by ethnic Armenians, declared itself independent in 1991, but that status remains unrecognised elsewhere. Alongside a 'line of contact' stretching for more than 100km, Armenian and Azerbaijani forces are on a high state of alert, separated by a narrow strip of mined territory. Over the past year, several ceasefire violations have occurred, causing the deaths of dozens of soldiers on both sides, and creating a risk of renewed hostilities.

Following its war with Georgia in August 2008, Russia has been paying much greater attention to resolving the Nagorno-Karabakh conflict. In an effort to break the deadlock, Medvedev has held six trilateral meetings with the presidents of Armenia and Azerbaijan since November 2008, most recently in St Petersburg in June. The political solution long discussed by the Minsk Group would provide for: Armenia's withdrawal from the seven territories surrounding Nagorno-Karabakh; the return of displaced Azeris into these areas and gradually into Nagorno-Karabakh itself; the deployment of an international peacekeeping force to prevent new inter-communal violence; and a referendum on Nagorno-Karabakh's status at a later date.

However, Medvedev's attempts to broker an agreement based on these principles have so far been unsuccessful.

### **Moscow's new overtures to Baku**

In the absence of progress on a political solution, Moscow has decided to upgrade its military ties not only with Armenia, but also with Azerbaijan. Following reciprocal visits by the two countries' defence ministers, Russian newspaper [Vedomosti reported](#) in July that Moscow and Baku had agreed on the sale of two batteries of Russian S-300 air-defence systems. This would be the first major sale of Russian advanced weapons to Azerbaijan. Rosoboronexport, Russia's arms sale agency, [denied](#) that it had signed any such contract. However, Russian Foreign Minister Sergey Lavrov made no denial in an interview with Armenian TV on 18 August. 'Let's not forget what S-300 anti-aircraft systems are,' he [said](#). 'They are defensive weapons designed to protect a territory from external missiles. We never supply arms to regions where such supplies may destabilise the situation. Defensive weapons may cause problems with those who plan to use force. I believe that no state in the region plans to launch new military operations, because it would be catastrophic.'

Russia and Azerbaijan have also been strengthening economic and political ties. For Russia, Azerbaijan is becoming a key regional partner, playing an important role in the energy-dominated geopolitics of the Caspian region. Russian state energy company Gazprom recently concluded a small but politically significant agreement for the import of Caspian gas from Azerbaijan, partly replacing declining imports of gas from Turkmenistan. Securing a deal for Gazprom to buy 'unlimited' amounts of Azeri gas was high on the agenda of Medvedev's visit to Baku in September, the Kremlin said.

Azerbaijani politicians reached out to Moscow after Turkey, Azerbaijan's closest ally, agreed to normalise relations with Armenia in spite of strong opposition from Baku. President Aliyev, an alumnus of the Moscow Institute of International Relations, moved to develop closer political ties with both Medvedev and Russian Prime Minister Vladimir Putin. Azerbaijan sees the expansion of ties with Moscow as the key instrument in weakening Russia's security alliance with Armenia, and hence in applying additional pressure on Yerevan to agree to withdraw from the occupied territories.

Until recently Russia's military cooperation with Azerbaijan focused primarily on Russia's leasing of the Gabala radar station, 270km northwest of Baku. Built in 1984 during the Soviet era, Gabala is an important strategic asset to Russia's Space Forces, as it covers Iran and parts of the Middle East. Moscow, which leases the site on commercial terms, offered the radar station to the United States as an alternative to American deployment of a radar system in the Czech Republic under the George W. Bush administration's missile-defence plans – since abandoned by the Obama administration. Russia continues to portray Gabala as part of any future missile-defence cooperation between the US and Russia.

### **The military calculus**

Military competition between Armenia and Azerbaijan is intense. Benefiting significantly from rising oil and gas export revenues, Azerbaijan's 2009 defence budget was around \$1.4 billion, more than three times that of Armenia's \$400 million. Azerbaijan, with 67,000 military personnel, has a bigger army than Armenia's 47,000, though the latter figure does not include Nagorno-Karabakh's forces, which may number as many as 20,000. However, Armenian forces are seen as better trained and more capable of sustaining a protracted conflict. Experts believe Azerbaijan lacks the capabilities needed to prevail on the battlefield.

Although Azerbaijan has relied on the United States and Turkey to help it with military modernisation and training, it has also bought some ex-Soviet equipment from Ukraine, including 30 MiG-25 fighter jets and 12 long-range missiles. The reported purchase of S-300 air-defence systems could affect the balance by providing a reliable defence for Azerbaijan's energy infrastructure, which is seen as the key potential target for Armenia if Azerbaijan sought to retake Nagorno-Karabakh by force.

Armenia has acquired significant amounts of Russian weapons at discount prices available to CSTO members. It also has geography on its side: the ceasefire line is a natural line of defence for Armenian forces who hold the strategic high ground in the mountainous terrain adjoining it, and who have built several lines of fortifications on their side of the line.

Because of these fortifications and the geographic advantage, Nagorno-Karabakh leaders strongly oppose any return of the occupied territories surrounding Nagorno-Karabakh to Azerbaijan, as proposed in the peace plan. Most of the territories are sparsely populated, with the exception of the strategically important

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Lachin corridor linking Nagorno-Karabakh and Armenia. However, ceding them would undermine Armenia's capability to fend off any Azerbaijani attempt to retake Nagorno-Karabakh by force.

### **Belligerent noises from Baku**

Although many Azerbaijanis understand that their country lacks the military capabilities needed to win, Baku has been using increasingly aggressive rhetoric, vowing not to accept the status quo and to exercise its right to restore its territorial integrity by force. 'The war is not over,' Aliyev warned on 10 August. 'We should be ready at any moment to liberate our lands... We have mobilised all financial resources to strengthen our military, and today Azerbaijan's army... can fulfil this task.' He added: 'If the negotiations do not bring results, we will be compelled to solve the conflict by military means.'

Such statements reflect the growing concern in Azerbaijan that Armenia is only taking part in peace negotiations to buy time, and does not intend to begin withdrawing forces from occupied territories. Azerbaijan is also concerned that Kosovo's independence and Russia's recognition of Abkhazia and South Ossetia could set a precedent for Nagorno-Karabakh.

While Armenian forces seem able to defend themselves, it is not obvious that they would receive Russian military assistance in any renewed conflict with Azerbaijan. Despite Armenia's CSTO membership and the new agreements signed by Medvedev few in Moscow believe Russia would automatically intervene on the side of Armenia. CSTO guarantees were recently thrown into question when Russia rejected a request from Kyrgyzstan for the organisation to send forces to quell violence in its southern region of Osh. And although Medvedev reiterated in August that Armenia was Russia's ally, his chief foreign-policy aide Sergei Prikhodko later stressed that Russia was not saying it would defend Armenia against Azerbaijan. Russia recognises the territorial integrity of Azerbaijan and might stand back if military operations were not affecting the territory of Armenia proper or the Russian base there.

Against this background, Russia's military diplomacy may be prompting a change in the strategic calculations on either side. Moscow is keeping them both guessing.

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