

УДК 327

DOI: 10.31857/S2686673023010029

EDN: GYZFIX

Transformation of the Post-Cold War Order and the Global and Regional Powers Policy in the South Caucasus after the 2020 Karabakh War

B. Poghosyan

Yerevan State University

1, Alex Manoogian St., Yerevan 0025, Armenia

ORCID: 0000-0001-6201-7172

e-mail: bpoghosyan@gmail.com

Abstract: The end of the Cold War ushered in a Unipolar world characterized by the US hegemony. In 1990s and early 2000s the US was realizing the strategy of “liberal hegemony” with emphasis on democracy promotion in the former socialist camp. The NATO enlargement and the support to the EU extension were key pillars of this strategy. There was a perception among pundits and policymakers that the “liberal democracy” will spread all over the world, bringing a new era of peace and stability. However, the Unipolar moment was short lived. The global financial crisis of 2007-2008 marked the beginning of the transformation of the post-Cold War order. The reasons behind this transformation are numerous – the relative decline of the US, the rise of others, most notably China, and the launch of the new multilateral organizations such as BRICS and Shanghai Cooperation Organization. The transformation of the post-cold war order brings back the notion of multipolar world and the “great power competition”. The emergence of the "multi-polar world order" will inevitably trigger regional instability and the rivalry for regional hegemony. The absence of the world hegemon or the "world policeman" means that the second-tier states will be more inclined to use coercion as the primary tool to push forward their national interests. The world is facing the unraveling of the global world order with very few clues on what the new emerging order may look like. One pattern is obvious – states are putting more emphasis on the coercion, force and hybrid warfare as a key element of their foreign policy. Meanwhile, the absence of global hegemon triggers the tough and often violent struggle for dominance among regional powers. The South Caucasus was an arena of overlapping interests of many actors – Russia, the US, the EU, Turkey, and Iran. While in 1990s and 2000s the geopolitical configuration of the region was based on the competition between Turkey – Azerbaijan – Georgia partnership supported by the US, and Russia – Armenia alliance, the situation has changed in recent years. Turkey’s quest for independent foreign policy and growing tensions between Turkey and the US have resulted in a establishment of competitive/cooperative relations between Russia and Turkey. Ankara and Moscow are still competitors but they are able to manage their contradictions. The 2020 Karabakh war was a harbinger of upcoming changes in the regional balance of power. Azerbaijan won the war receiving significant military support from Turkey, Armenia suffered significant losses, while Russia deployed its peacekeepers in Nagorno Karabakh. As South Caucasus faces the growing competition between external actors vying for influence, and as Russia – West relations were completely ruined after the February 2022, the region has become another arena for Russia – West competition. The US and the EU are interested to push Russian peacekeepers out from Nagorno Karabakh after the end of the initial five-year term, viewing this as a significant step in reducing Russian influence in the region. Meanwhile, Russia seeks to stabilize relations be-

tween Armenia and Azerbaijan, meanwhile keeping its military presence in Nagorno Karabakh. Despite the growing tensions between Turkey and the US, Ankara still remains main tool for the US in its efforts to decrease Russian power in South Caucasus.

Keywords: South Caucasus, world order, US, Russia, Iran, Turkey, Armenia, Azerbaijan, Georgia

For citation: Poghosyan, B. Transformation of the Post-Cold War Order and the Global and Regional Powers Policy in the South Caucasus after the 2020 Karabakh War. *USA & Canada: Economics, Politics, Culture*. 2023; 53(1): 21-37. DOI: 10.31857/S2686673023010029 EDN: GYZFIX

Acknowledgements: This article was funded by a grant from the United States Department of State. The opinions, findings and conclusions stated herein are those of the author and do not necessarily reflect those of the United States Department of State.

Трансформация международного порядка после холодной войны и политика глобальных и региональных держав на Южном Кавказе после Карабахской войны 2020 г.

Б.П. Погосян

Ереванский государственный университет.

Армения, Ереван 0025, ул. Алека Манукяна, д. 1.

ORCID: 0000-0001-6201-7172

e-mail: bpoghosyan@gmail.com

Резюме: Окончание холодной войны ознаменовалось установлением однополярного мира, характеризующегося гегемонией США. В 1990-х и начале 2000-х годов США реализовывали стратегию «либеральной гегемонии» с упором на продвижение демократии в странах бывшего социалистического лагеря. Расширение НАТО и поддержка расширения ЕС были ключевыми элементами этой стратегии. Среди экспертов и политиков сложилось мнение, что «либеральная демократия» распространится по всему миру, принесет новую эру мира и стабильности. Однако «однополярный момент» длился недолго. Мировой финансовый кризис 2007-2008 гг. положил начало трансформации мирового порядка после холодной войны. Причин этой трансформации множество: относительный упадок США, подъем других держав, прежде всего Китая, и создание новых многосторонних организаций, таких как БРИКС и Шанхайская организация сотрудничества. Трансформация порядка, сложившегося после холодной войны, возвращает в обиход понятие многополярного мира и конкуренции великих держав. Возникновение многополярного миропорядка неизбежно повлечёт за собой региональную нестабильность и соперничество за региональную гегемонию. Отсутствие мирового гегемона или «мирового полицейского» означает, что государства второго эшелона будут более склонны использовать принуждение как основной инструмент продвижения своих национальных интересов. Мир столкнулся с разрушением глобального мирового порядка, и у нас есть крайне ограниченное представление о том, как будет выглядеть новый зарождающийся порядок. Одна закономерность очевидна — государства уделяют больше внимания принуждению, силе и гибридной войне как ключевым элементам своей внешней политики. Между тем отсутствие глобального гегемона провоцирует жесткую и зачастую ожесточенную борьбу за доминирование между региональными державами. Южный Кавказ был ареной пересечения интересов многих акторов – России, США, ЕС, Турции и Ирана. Если в 1990-х и 2000-х годах геополитическая конфигурация региона осно-

вывалась на соперничестве между Турцией, Азербайджаном и Грузией, поддерживаемыми США с одной стороны, и союза России и Армении с другой, то в последние годы ситуация изменилась. Стремление Турции к независимой внешней политике и растущая напряженность в отношениях между Турцией и США привели к установлению отношений конкуренции и сотрудничества между Россией и Турцией. Анкара и Москва по-прежнему являются конкурентами, но умеют справляться со своими противоречиями. Карабахская война 2020 года стала предвестником грядущих изменений в региональном балансе сил. Азербайджан выиграл войну, получив значительную военную поддержку Турции, Армения понесла значительные потери, а Россия разместила своих миротворцев в Нагорном Карабахе. Поскольку Южный Кавказ сталкивается с растущей конкуренцией между внешними игроками, борющимися за влияние, и поскольку отношения России и Запада были полностью разрушены после февраля 2022 года, регион стал еще одной ареной конкуренции между Россией и Западом. США и ЕС заинтересованы в вытеснении российских миротворцев из Нагорного Карабаха после окончания пятилетнего срока, рассматривая это как важный шаг в снижении российского влияния в регионе. Между тем Россия стремится стабилизировать отношения между Арменией и Азербайджаном, сохраняя при этом свое военное присутствие в Нагорном Карабахе. Несмотря на растущую напряженность в отношениях между Турцией и США, Анкара по-прежнему остается основным инструментом США в их усилиях по ослаблению влияния России на Южном Кавказе.

Ключевые слова: Южный Кавказ, мировой порядок, США, Россия, Иран, Турция, Армения, Азербайджан, Грузия.

Для цитирования: Погосян Б.П. Трансформация международного порядка после холодной войны и политика глобальных и региональных держав на Южном Кавказе после Карабахской войны 2020 г. *США & Канада: экономика, политика, культура. USA & Canada: Economics, Politics, Culture.* 2023; 53(1): 21-37. DOI: 10.31857/S2686673023010029 EDN: GYZFIX

Благодарности: Эта статья подготовлена за счёт гранта Государственного департамента США. Мнения и выводы, изложенные в настоящей работе, являются позицией автора и не обязательно отражают точку зрения Государственного департамента США.

TRANSFORMATION OF POST-COLD WAR ORDER (2008-2021)

The end of the Cold War and the collapse of the Soviet Union have ushered in hopes of humanity's happy and harmonious future. The ideas such as the "End of History" became very popular both within academic circles and policymakers [Fukuyama, 1989]. There was a widespread belief that the entire planet would live under liberal democracy, and interstate conflicts will become bad memories from history. The last decade of the 20th century seemed to confirm those hopes. The EU and NATO enlargement, market reforms in former socialist states, cooperative relations between Russia and the West, and the growing US-China economic cooperation have seemingly justified hopes for establishing the world united under the banner of liberal democracy. The US enjoyed its absolute hegemony defined as a "unipolar moment" with no apparent candidate to challenge its supremacy [Krauthammer, 1990/1991]. Washington embraced the grand strategy of liberal hegemony, which was in one way or another implemented during the Clinton, Bush, and Obama administrations [Walt, 2018: 53-91].

However, the beginning of the 21st century crushed these hopes. Russia - West relations started to deteriorate after the 2004 Orange Revolution in Ukraine, while the 2014 Crimean crisis brought bilateral relations to the lowest point since the end of the Cold War. Meanwhile, astonishing Chinese economic growth and the emergence of the multi-million middle class did not bring about political changes in China.

The turning point for the start of the transformation of post-cold war order was the 2008 world financial crisis. It started in the US and shook the Western-dominated international financial system. The old mechanisms such as G-7 and later G-8 were unable to implement effective global governance, and the first summit of the G-20 in November 2008 was the harbinger of an upcoming shift in the world order [1]. The establishment of new multilateral organizations such as BRICS was a clear sign that the world started to drift away from the "unipolar moment" towards a more complex multi-polar world.

The election of President Trump in the US in November 2016 brought about new impetus for the US-China rivalry, while despite the perceived pro-Russia policy of President Trump, there were no significant improvements in the US - Russia relations. The 2017 US National Security Strategy explicitly put the great power rivalry at the center of the United States foreign policy accusing Russia and China of their revisionist efforts [2].

Despite all its criticism of President Trump, Joseph Biden continues tough policy towards China seeking to encircle Beijing with the US-friendly states. A recent effort to transform the Quad grouping into a more robust alliance [Cannon, Rossiter, 2022] as well as the establishment of AUKUS partnership between the US, UK, and Australia in September 2021 were clear signs of US strategy towards China [3].

It may seem that the Biden administration seeks to restore the US absolute hegemony and bring back the world to 1991. However, certain representatives of the US establishment do not share this vision. In March 2021 President of the Council on Foreign Relations Richard Haass and Charles Kupchan published a paper in Foreign Affairs, which argued for establishing the "New concert of powers" resembling the XIX century "Concert of Europe" and warned against efforts to restore the grand strategy of the liberal hegemony [Haas, Kupchan, 2021]. It was a sign that at least part of the American establishment understands that a multi-polar world is a reality and the best course for the US is to adapt to these new conditions.

The emergence of the "multi-polar world order" will inevitably trigger regional instability and the rivalry for regional hegemony. The absence of the world hegemon or the "world policeman" means that the second-tier states will be more inclined to use coercion as the primary tool to push forward their national interests.* These states now enjoy much more flexibility in choosing their alliances and playing one great power off another. One of the best examples of this situation in Turkey. Being fully anchored in the US sphere of influence during the Cold war, Turkey now effectively balances between the US and Rus-

* For more on great power competition, see Michael J. Mazarr, Great Power Rivalry in a Changing International Order — Concepts and Theories, RAND, March 2022, <https://www.rand.org/pubs/perspectives/PEA1404-1.html>, and Strategic Assessment 2020: Into a New Era of Great Power Competition Edited by Thomas F. Lynch III, Institute for National Strategic Studies, National Defense University, 2020

sia.** The Greater Middle East is a good example depicting the rivalry for regional hegemony between Iran, Turkey, and Saudi Arabia, while external players such as Russia, the US, and China seek to push forward their national interests.

If an emerging multi-polar world creates new possibilities for the second-tier states, the small states face growing challenges and threats. The rivalry for regional hegemony, growing instability, the erosion of accepted rules and norms, and the emphasis on coercion in interstate relations create complex problems for small states. It is especially valid for small states located on the fault lines of great powers. They may quickly become the "gray zones" or "areas of hybrid operations" with possible proxy wars and permanent instability.***

The current phase of the international relations can be best characterized by one word – transition. The post-Cold War order is rapidly disappearing creating strategic ambiguity for all actors. The U.S. hegemony is over or close to being over despite the fact that militarily Washington will be far from the reach for several decades to come. However, growing national debt, looming crisis in social security and Medicare systems, uncontrolled migration, growing populism, and partisan fighting does not bode well for the future U.S. dominance. Meanwhile, no nation, be it China, Russia, India, Brazil has the necessary resources and will to compete for the new world hegemony [Haass, 2019: 22-30].

The absence of a global hegemon means that no state has the power to enforce the implementation of key international rules and norms. Regardless how one perceives the international principles – as balanced or biased one – the order based on international law at least provides a minimal level of stability when actors involved in an international stage have a clear understanding what may and may not be done. Since the late 2000s situation has been changed. We are increasingly facing international security architecture when key actors may easily break the norms and rules and eventually this will bring us to the situation when no rules can be based upon [Blackwill, Wright, 2020].

Regardless of the fact how we perceive this new situation: as a multipolar system or a polarless one, it is clear that the world is facing the unraveling of the global world order with very few clues as to what the new emerging order may look like. One pattern is obvious – states are putting more emphasis on the coercion, force and hybrid warfare as a key element of their foreign policy. Meanwhile, the absence of a global hegemon triggers tough and often violent struggle for dominance among regional powers. Meanwhile, external powers such as the US and Russia are actively using this struggle to advance their national interests supporting a different set of actors and further complicating the battlefield.

The Syrian conflict is the best illustration of this new pattern in geopolitics – powers' willingness to break the international rules and norms and increasingly resort to force and hybrid warfare methods in pursuing their ambitions. The regional actors are all involved in the conflict creating and supporting nonstate actors within Syria, directly invading some territories like Turkey in the Northwestern part of the county - or as in case of Israel,

** For a detailed analysis of Turkish strategy, see Turkey's Nationalist Course, Implications for the U.S.- Turkish Strategic Partnership and the US Army, RAND, 2020, https://www.rand.org/pubs/research_reports/RR2589.html

*** For detailed analysis see Hanna Samir Kassab, Weak States and Spheres of Great Power Competition (Routledge Advances in International Relations and Global Politics), Routledge 2022,

militarily attacking targets within Syria, and all this without UN Security Council consent. The Syrian government appeals to the international community to protect its sovereignty and territorial integrity fall on deaf ears – clearly showing the decreasing capabilities of the UN or other international bodies to enforce the international rules and norms.

The conundrum in Iraq where Iran, Turkey and the US are vying for influence triggering ethno-confessional rivalry, the brutal civil/proxy war in Yemen and the collapse of Libya are all patterns of emerging new order in the Middle East, where powers are increasingly prone to use coercion and violence to foster their national interests and no outside power has sufficient capacities to compel its will on all actors.

The Middle East is not the only region suffering from the ramifications of the world order transformations. The European part of the post-Soviet space and the Balkans are the arena of Russia – US/NATO/EU struggle for influence. South and East Asia are facing tough standoff between the US, China, Japan, India while the South China Sea is the spot of a heated rivalry between China, Vietnam, Malaysia, and the Philippines.*

Meanwhile, the absence of a global hegemon in the international security architecture and the unraveling of an international law-based order not only brings about renewed struggle for regional hegemony but also fosters the launch of regional integration initiatives based on a "horizontal globalization model". Chinese "Belt and Road", Russia-led "Eurasian Economic Union", "Shanghai Cooperation Organization", and EU neighborhood policy are all aimed at developing connections at economic and political levels. Definitely, many of the above-mentioned initiatives are fostering regional influence of a leading nation. However, they offer "softer alternatives" for the hard power struggle among main actors creating more or less attractive incentives for regional medium and small-size states to participate.

In recent years some efforts have been made to harmonize the different integration projects currently underway in Eurasia. The first step towards that direction was an idea of Russian President Vladimir Putin of the establishment of "Greater Eurasian Partnership" which he first made public during the Saint Petersburg international economic forum in June 2016.* The Russian President suggested creating a loose partnership which may include EU, EAEU, China, India, Iran, Pakistan.

Russia is actively pursuing a close partnership with China. Chinese "Belt and Road" initiative is the biggest economic project in Eurasia. Regardless of the fact that Russia cautiously monitors growing Chinese influence in Central Asia, where Beijing has outpaced Moscow economically, Russia needs Chinese support in its current struggle with the West. In May 2018 China and the Eurasian Economic Union signed

* On US – China rivalry see Andrew Scobell, Edmund J. Burke, Cortez A. Cooper III, Sale Lilly, Chad J. R. Ohlandt, Eric Warner, J.D. Williams, China's grand strategy, RAND corporation, 2020

* See Andrey Kortunov, Eight Principles of the "Greater Eurasian Partnership", <https://russiancouncil.ru/en/analytcs-and-comments/analytcs/eight-principles-of-the-greater-urasian-partnership/>, and Seçkin Köstem, Kennan Cable No. 40: Russia's Search for a Greater Eurasia: Origins, Promises, and Prospects, <https://www.wilsoncenter.org/publication/kennan-cable-no-40-russias-search-for-greater-urasia-origins-promises-and-prospects>

an agreement on trade and economic cooperation as a "pragmatic step" to foster cooperation between different integration projects [4].

SOUTH CAUCASUS AMIDST THE POST-COLD WAR ORDER TRANSFORMATION

While great powers flex their muscles for the upcoming battles over the nature of the world order, medium and small powers seek to assess potential implications of a Russia-West decoupling. In this context, South Caucasus is an interesting case. Being part of the Soviet Union and after 1991 perceived by Russia as a sphere of "privileged interests" as was described by Russian President Medvedev immediately after the 2008 war in Georgia [5], the region has become a flashpoint for regional rivalries. In the first two decades after the collapse of the Soviet Union, the security architecture was relatively straightforward. The US supported the Turkey-Georgia-Azerbaijan partnership as opposed to the Russia-Armenia alliance, while Iran was de jure neutral but de facto was supporting Russia and Armenia. Despite being fully anchored in the Russian sphere of influence, Armenia developed modest cooperation with the West, signed IPAPs with NATO, joined the European Union's (EU) Eastern Partnership initiative and signed the Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU in 2017 [6]. Azerbaijan pursued a balanced foreign policy, developing partnerships with Turkey and Russia and launching energy cooperation with the West.

The regional security architecture started to change in 2016. The key driver was Turkey's strategy to transform itself into an independent regional player and bid farewell to its position as the sole provider of US interests in the Middle East, South Caucasus, the Black Sea region and Western Balkans. Russia sought to use this momentum and pull Turkey away from the US and NATO as much as possible, having a clear understanding that Turkey will not leave NATO.

The harbinger of the more volatile and insecure world for the region was the 2020 Karabakh war, which resulted in the defeat of Armenia.* It was an example of cooperative/competitive relations of powers vying for regional hegemony – in this case, Russia and Turkey – and the growing role of military power in the conflict settlement process. Meanwhile, despite significant gains by Azerbaijan, Baku failed to take Nagorno Karabakh fully and was forced to accept the Russian peacekeepers' deployment.

After the signing of the November 10, 2020 trilateral statement [7], Russia and Turkey continue to steer the developments in the region, pushing for restoration of communications, launching of Armenia-Azerbaijan border delimitation and demarcation, and normalization of relations between Armenia and Turkey.

The unraveling of world order and growing examples of violations of international rules and norms put enormous pressure on South Caucasian republics in their quest to secure their vital national interests. Among the three republics Armenia is in a more vulnerable situation as Yerevan faces constant joint Azerbaijan-Turkey pressure over the

* For detailed analyses of the war, see, CAST publishes a new book "Storm over the Caucasus", <http://cast.ru/eng/news/cast-publishes-a-new-book-storm-over-the-caucasus-.html>.

Karabakh conflict. Obviously, Georgia has its problems with Russia, but after Georgia – Russia 2008 war and the recognition of Abkhazian and South Ossetian independence by Russia there is no immediate threat of another Russian military action against Georgia.

EXTERNAL ACTORS' POLICY IN THE SOUTH CAUCASUS AFTER THE 2020 KARABAKH WAR

Russia

Since the collapse of the Soviet Union, Russia has viewed South Caucasus as a part of its sphere of “privileged interests”. Due to both historical and geopolitical reasons, Armenia has been under Russian influence since the early 1990s, while the 2008 Russia – Georgia War put an end to any perspectives of Russia – Georgia rapprochement in the foreseeable future. Thus, in the last decade, the focal point for Kremlin in the region was Azerbaijan where Russian main competitor was Turkey.

Russia was keen to strengthen its positions there and to prevent the growth of Turkish influence, and the Karabakh conflict was one of the main tools for Russia to influence Azerbaijan. However, it should be noted that the widespread perceptions in the Western expert community that Russia was the main obstacle in the way of a possible settlement of the Karabakh conflict as the Kremlin used the it to obtain leverage on both Armenia and Azerbaijan are far away from reality. The fact is that all sides of the conflict have diametrically opposite views on history, reasons, and possible ways of settlement and they haven't been able to find a mutually accepted solution since the early 1990s. Given that reality, Russia was not hindering the solution, as there was no solution, but simply was using the conflict in line with its national interests, as other external players in the South Caucasus.

In recent years Russian efforts towards the settlement of the Karabakh conflict were concentrated on pushing forward the Russian vision, which was dubbed by the expert community as the “Lavrov plan”. It envisaged the immediate return of five regions outside Nagorno Karabakh to Azerbaijan, deployment of Russian peacekeepers along the new line of contact with firm guarantees for Armenian's security, the return of the remaining two regions to Azerbaijan later in the future, and the continuation of negotiations to fix the final status of Nagorno Karabakh. The “Lavrov plan” was in line with the so-called “Basic principles” elaborated by the three Co-chairs of the Minsk Group – Russia, the US, and France in the late 2000s.

The key motives behind this plan were Russia's strategic interests to establish a de facto military base in Azerbaijan through the deployment of Russian peacekeepers thus augmenting its influence over Baku for years if not decades. Meanwhile, Russia would continue to have strong leverage over Armenia. However, the Lavrov plan was rejected both by Azerbaijan and by Armenia [8].

After the 2020 Karabakh war Russia is interested in maintaining stability in the South Caucasus. The primary goal of Russia is to retain its peacekeepers in Nagorno Karabakh as long as possible. Russia also understands, that Russian peacekeepers may stay in Nagorno Karabakh only if there are Armenians in Karabakh. Meanwhile, Russia wants to facilitate the border demarcation and delimitation process between Armenia and Azerbaijan, as well as the restoration of communications. Russia facilitated the signature of three

statements – November 10, 2020, January 11, and November 26, 2021 between Russia, Armenia, Azerbaijan. Any new escalation between Armenia and Azerbaijan may put Russia in awkward position, as if Russia has supported Armenia militarily, it will create tensions between Russia and Azerbaijan. Otherwise, if Russia fails to realize its treaty obligations towards Armenia, it will trigger significant anti-Russian sentiments in Armenia.

US

One of the recurring topics in expert discussions after the 2020 Karabakh war is the decrease of Western influence in the region. The US and France, two other OSCE Minsk Group Co-chairs, did not take part in the elaboration of the November 10, 2020, trilateral Armenia – Azerbaijan – Russia statement, which put an end to the war. Both countries made efforts during the war to reach a humanitarian ceasefire, but with no success. The 2020 Karabakh war coincided with the Presidential election campaign in the US, and many experts believe that this was the main reason why Washington was so passive during the hostilities.

Meanwhile, the South Caucasus was not on the US foreign policy priority list for quite a long time. Ukraine was a focus of Washington's attention in the post-Soviet space, while since the early 2010s, the general shift towards the Asia-Pacific has been underway [Lieberthal, 2011]. This process was accelerated under President Trump, who launched a trade war with China. Trump's "America first" policy and his disdain towards the democracy promotion were perceived as another reason for the growing decline of the US involvement in the South Caucasus.

The Victory of Joe Biden in the November 2020 elections seemed to bring the usual patterns of the US foreign policy back to the pitch. The notion "America is back" is perceived as a willingness to increase American involvement in different parts of the world. The Biden vision of the 21st-century geopolitics as a battle between democracy and authoritarianism arguably implies more US involvement in the Post-Soviet space to deter and counter authoritarian Russia. The word democracy is perhaps most often used term in the "Interim National Security Strategic Guidance" published by the new administration in March 2021 [9].

Here Russia and China were defined as the main adversaries of the US, and in this context, the text continued the "return of the great power competition" notion embedded in the 2017 US national security strategy. Russia and China were also identified as the main threats for the US in the 2021 annual threat assessment of the US intelligence community published by the office of the Director of National Intelligence in April 2021 [10] and in the new US National Security strategy published in October 2022. The emphasis on democracy and human rights by the key representatives of the new administration may create a perception that Biden will reinvigorate the grand strategy of "liberal hegemony" implemented to a different extent by the Clinton, Bush, and Obama administrations during 1993-2016.

As of now, the Biden administration has not elaborated a new strategy for the South Caucasus. The US would not like to see Russian influence increase there. Most probably, the US will imply a cautious approach, seeking to decrease Russian presence in the region through persistent efforts to push forward for continued liberal reforms in Armenia and Georgia using the US assistance and the US leading role in the international financial institutions as leverage to influence the policy of these respec-

tive governments. Another channel for the US influence is the support of the Western-oriented civil society organizations, which play the role of indirect agents of the US influence and the cadre bank to fill the government offices with pro-US persons. The US views the EU involvement in the region through the Eastern Partnership initiative as an essential supplement to push forward this agenda and welcomes the recent EU announcement on the new aid package for the regional powers.

The US continues to believe that the economic cooperation between regional states will not only contribute to the de-escalation of the situation but, in the long-term perspective, will result in the decrease of Russian influence in Armenia as Yerevan will feel less threatened by Azerbaijan and Turkey and thus will have fewer incentives to be militarily tied with Moscow. In this context, the US will support the restoration of communication routes in the South Caucasus and the establishment of the economic ties between Armenia and Azerbaijan and Armenia and Turkey.

In May 2022 the US State Department approved the integrated country strategy for Armenia. It made clear that the goal of the United States government is to minimize the influence of Russia in Armenia, while maximizing the US interests. In addition to its anti-Russia perspective, the United States drags Armenia into hostility with China and Iran, further meddling in Armenia's foreign relations. The document states: "Strengthen the ability of partners and Allies to resist and counter influence operations and disinformation, particularly from Russia and the PRC [People's Republic of China]; Counter Russian, PRC, Iranian, and other state, and non-state actors' strategic, conventional, and hybrid threats and emerging disruptive technologies that threaten U.S. and European security in Europe and beyond." The US also expresses its readiness to support Armenia during the implementation of democratic reforms [11].

EU

The EU did not participate in the Karabakh negotiations process, where the US, Russia, and France took the lead as the Minsk Group Co-chairs. During the 44-day war, the EU made several statements calling for a ceasefire, but with no concrete results. The war laid bare the limited capabilities of the EU to influence the situation in its neighborhood significantly. The EU also suffered reputational losses in Armenia. Many Armenians strongly believed that the West in general and the EU would not allow authoritarian Azerbaijan and Turkey to attack democratic Armenia. Of course, no one in Armenia hoped for a military intervention by the EU or any of its member states. However, people thought that as a value-based organization, the EU would criticize Azerbaijan for violations of international humanitarian law during the war.

After Russia, Armenia, and Azerbaijan signed the trilateral statement on November, 10, 2020; the EU provided and continues to provide humanitarian assistance to Armenian refugees who left Karabakh and took shelter in Armenia. In late April 2021 the EU called for the release of Armenian POWs and other detained persons regardless of the circumstances of their detention. Since mid-2021, the EU initiated the establishment of the new platform for Armenia - Azerbaijan negotiations in Brussels. Through the mediation of the President of European Commission, Armenian and Azerbaijani leaders met in Brussels in

April, May, and August 2022.* EU seeks to facilitate the start of the border demarcation and delimitation process between Armenia and Azerbaijan, as well as to contribute to the signature of comprehensive peace treaty between Armenia and Azerbaijan.

The EU continues negotiations with Azerbaijan to sign a strategic partnership agreement and attaches significant emphasis to the "Southern Gas Corridor," which started to deliver 10 billion cubic meters of Azeri gas to Italy, Greece, and Bulgaria at the beginning of 2021. The war in Ukraine only strengthened the significance of Azerbaijani gas for the EU as an alternative source of energy. EU and Azerbaijan signed an MoU on energy cooperation on July 18, 2022 [12].

China

China has only just started to enter the South Caucasus. The China-led Asian Infrastructure and Investment Bank provided a 600 million USD loan to Azerbaijan for the construction of the TANAP gas pipeline [13]. Georgia signed a free trade agreement with China in 2017 [14], and the Urumqi based Hualing group has invested up to 500 million USD in Georgia [15]. Armenia signed a visa-free travel agreement with China in May 2019, though this was subsequently suspended in February 2020 due to the pandemic. China is one of the key trade partners for all South Caucasian states. However, this activity mainly revolves around the import of Chinese goods through small and medium companies, and has no strategic dimension. The region is not involved in the Chinese "Belt and Road Initiative" (BRI), though Turkey, Azerbaijan, and Georgia seek to include a 'Middle Corridor' - China-Kazakhstan-Caspian Sea-Azerbaijan-Georgia-Turkey-Europe route into BRI [16].

Turkey

Since the collapse of the Soviet Union in 1991, Turkey's policy in the South Caucasus has been to increase its influence in the region. Turkey was quite successful in reaching this goal in its relations with Azerbaijan and Georgia, but the absence of relations with Armenia prevented Turkey from influencing the entire region. Turkey's full support towards Azerbaijan in the Nagorno Karabakh conflict and the economic blockade of Armenia did not leave much room for Armenia-Turkey normalization prospects. The West, particularly the US, was constantly pushing for normalization between Armenia and Turkey. They hoped it would reduce Armenia's fear of Turkey and decrease the necessity for Armenia to keep its military and security alliance with Russia. It would pave the way for the eventual withdrawal of the Russian military base from Armenia and a significant decrease in Russian influence in the South Caucasus.

As the Nagorno Karabakh issue ceased to be a serious obstacle for the Armenia-Turkey normalization process after the 2020 Nagorno Karabakh war and the current Armenian government expresses its willingness to normalize relations with Azerbaijan and Turkey, conventional wisdom says that Turkey should do its best to use this win-

* For details see Statement of European Council President Charles Michel following the Second Trilateral Meeting with President Ilham Aliyev and Prime Minister Nikol Pashinyan, <https://www.consilium.europa.eu/en/press/press-releases/2022/04/06/statement-of-european-council-president-charles-michel-following-the-second-trilateral-meeting-with-president-ilham-aliyev-and-prime-minister-nikol-pashinyan/>,

dow of opportunity to normalize relations with Armenia. It will open a new horizon for Turkey to increase its influence in the region and to better compete with Russia.

The Armenia–Turkey normalization process was officially launched on January 14, 2022 when special representatives – the Deputy Speaker of the Armenian Parliament Ruben Rubinyan and Ambassador Serdar Kılıç – met in Moscow. The groundwork for this meeting began in mid-2021, when the Armenian government proposed the idea of peace in the South Caucasus and normalizing relations with Azerbaijan and Turkey. As of August 2022, Armenian and Turkish representatives held four meetings [17].

The start of the war in Ukraine in late February 2022 shifted the world’s focus from this process. However, meetings between Armenian and Turkish special representatives quietly continued in Vienna. During the last meeting held on July 1, 2022, they agreed to enable third-country citizens to cross the land border between Armenia and Turkey and commence direct air cargo trade between Armenia and Turkey [17].

On July 11, 2022, Armenian Prime Minister Nikol Pashinyan had a telephone conversation with the President of Turkey, Recep Tayyip Erdogan. Pashinyan congratulated Erdogan on Kurban Bayram, and Erdogan congratulated Pashinyan on the upcoming Vardavar – the Feast of the Transfiguration of Jesus Christ. During the conversation, the leaders emphasized the importance they attached to the bilateral normalization process between their respective countries and expressed their expectations for the early implementation of the agreements reached during the meeting between the special representatives of the two countries on July 1 [18]. Prime Minister Pashinyan met with Turkish President Erdogan in Prague, on October 6, 2022.

What are the prospects of the Armenia – Turkey relations in the context of the recent developments? First of all, it should be noted that currently we are witnessing the process of normalization and not one of reconciliation or rapprochement. The proper use of terms is significant to avoid misperceptions and possible disappointments. The ultimate goal of normalization is to establish diplomatic relations between Armenia and Turkey and open land borders for everyone, while reconciliation is a much more complicated and long-term process. Establishing diplomatic relations does not automatically mean opening a Turkish embassy in Yerevan or an Armenian embassy in Ankara. The sides may well agree to use their embassies in neighboring states – Russia or Georgia – to cover each other territories, at least for some initial period.

Iran

Since gaining its independence in September 1991, Armenia has always viewed Iran as a friendly state and close partner. Armenia valued the balanced approach of Iran during the first Karabakh war in 1992 – 1994. The Armenia – Iran border was a real lifeline for Armenia in the early 1990s when Azerbaijan and Turkey closed their borders, and the routes through Georgia were not reliable due to the domestic instability there. Armenia and Iran continued their friendly relations after the Karabakh war seeking to foster economic cooperation. The flagship project was the Iran – Armenia gas pipeline, which was launched in March 2007. According to the bilateral swap agreement, Armenia imports Iranian gas and exports electricity to Iran based on 1kwh hour electricity per 3 cubic meters of the gas scheme [19].

Meanwhile, it should be noted that the US did not force Armenia to stop economic relations with Iran viewing them as a necessity for Yerevan, given the blockade imposed on Armenia by Azerbaijan and Turkey. Even the May 2018 withdrawal of the US from the 2015 nuclear deal did not change that equilibrium. Washington did not impose sanctions on Armenia for importing gas or cement from Iran or exporting electricity there.

Armenia established a free economic zone (FEZ) in Meghri near the Armenia – Iran border in December 2017, hoping to bolster bilateral economic cooperation [20]. Iran signed an interim agreement with the Eurasian Economic Union (EAEU) to establish a free trade area in May 2018, which entered into force in October 2019. Armenia, as a member of the EAEU, enjoys tariff-free exports to the EAEU markets. Armenia is the only EAEU member with a land border with Iran – EAEU interim free trade area agreement creates opportunities for EAEU member states to use Meghri FEZ as a launchpad to enter the Iranian market.

As Azerbaijan launched a war against the self – proclaimed Nagorno Karabakh Republic on September 27, 2020, Iran elaborated its peace plan and delivered it to Armenia, Azerbaijan, Russia, and Turkey in late October 2020 [21]. The details of that plan were not publicized; however, allegedly, it was based on the notion of the territorial integrity of Azerbaijan, suggesting to bring Karabakh under Azerbaijan’s control with a level of autonomy. The Supreme Leader of Iran, Ayatollah Seyed Ali Khamenei, stated that all Azerbaijani territories should be freed and given back to Azerbaijan in the final days of the war.

The Iranian Foreign Minister visited Baku in late January 2021 and expressed his satisfaction with his presence in the Republic of Azerbaijan after the liberation of the country’s territories. He expressed Iran’s readiness to “massively and actively” participate in the reconstruction efforts in the liberated territories. During his visit to Yerevan several days later, Minister Zarif stated that the territorial integrity of the Republic of Armenia was Iran’s red line, apparently referring to the possibilities of Armenia de facto losing its control over the Syunik region, which borders Iran [22].

For the time being Iran is satisfied with the deployment of Russian peacekeepers in Karabakh. Tehran views this as a guarantee that Russia is not leaving the region, and this is of the utmost importance to Tehran. Tehran knows Russia and Turkey well, and can navigate between them. But the absence of Russia from the South Caucasus will create a vacuum which may result in a significant increase of the US influence, posing a formidable challenge for Iranian vital national interests. Thus, Iran tacitly accepted substantial Russian influence in Armenia while considering the expanding US influence in Georgia and deepening Azerbaijan-Israel ties as a source of concern.

THE IMPLICATION OF THE UKRAINE CRISIS ON SOUTH CAUCASUS

The Russian special military operation in Ukraine launched on February 24, 2022, has shaken global geopolitics and geoeconomics. It completely ruined Russia – West relations and resulted in unprecedented sanctions on Russia. NATO member countries, including the US, the UK, Germany, and several East European states, started to supply Ukraine with various lethal weapons. Meanwhile, Russian troops made territorial advances despite Ukraine’s resistance.

The Russia – Ukraine war has sidelined all other conflicts in the post-Soviet space and beyond. However, regional geopolitics has not disappeared, and while the world's attention is focused on Ukraine and the ensuing Russia – West confrontation, regional conflicts continue with their dynamics. The Karabakh conflict is not an exception here.

The 2020 Karabakh war has upset the status quo in the South Caucasus. The defeat in the war has significantly reduced Armenia's geopolitical potential and has diminished Armenian role in the region. Currently, Armenia faces formidable challenges and growing ambiguity in its foreign and security policy, which have been multiplied by the war in Ukraine.

If Russia successfully resists the unprecedented pressure from the West and remains one of the main poles in the emerging multipolar world, its interests will lie in balancing Turkish influence in its neighborhood, including the South Caucasus. Meanwhile, the US and the EU will increase their involvement in the regional geopolitics, seeking to reduce the influence of Russia, viewing it as a part of their multi-prong “Russia containment” policy.

Russia and Iran are both interested to see less Turkish influence in the South Caucasus, not because they love Armenians or hate Turks, but because of their vital national interests. As we mentioned, Armenia is interested in normalizing relations with Azerbaijan and Turkey, and the government is making significant efforts in that direction. However, conventional wisdom suggests that Armenia should not want to see Turkish dominance in the South Caucasus. In this context, Armenia, Iran, and Russia have coinciding interests – to prevent Turkey from dominating the South Caucasus. It is a sound base for the three countries to launch a trilateral format of cooperation.

THE CRISIS IN UKRAINE AND THE FUTURE OF THE WORLD ORDER

Since the start of the Ukraine crisis in February 2022, discussions have been underway about the impact of the war on the evolving global order. The war in Ukraine may trigger several scenarios. The US consolidated its influence over the entire Euro-Atlantic community and established a broad partnership of European, North American and Asian allies to counter Russia – Canada, the UK, the EU, Japan, South Korea and Australia. It seemed that the possibility of creating two separate, albeit cooperating, power centers in the West – US/Canada/UK grouping led by the US and the EU led by Germany and France, has significantly decreased. The unprecedented economic sanctions imposed on Russia and efforts to decouple it from the Western-dominated financial and technological spheres may bring us to the conclusion that the unified West would like to bring back “the unipolar moment.” There is a widespread narrative that if the US-led West can destroy the Russian economy or even bring regime change, it will serve as a severe warning to China that if Beijing does not accept the Western rules, it may become the next victim.

Witnessing the staggering defeat of Russia, China will take a more cautious approach towards the US, while Washington will push further with its ideas of transforming the QUAD (Quadrilateral Security Dialogue) into the “Asian NATO,” probably bringing Vietnam and South Korea into the grouping. In this scenario, the world will return to the situation of the early 1990s with the domination of the US-led liberal international order.

The second scenario envisages a military stalemate in Ukraine with no clear winners or losers. As the West completely cuts Russia from its financial markets and tech-

nological innovations and significantly decreases imports of Russian oil and gas, Russia will be forced to rely more and more on China to survive economically. The Russia–China partnership will continue to intensify, and at the end of the day, China will emerge as the leading player. China and Russia will continue to synchronize the Belt and Road Initiative and the Eurasian Economic Union. Within a decade, a new China-led pole will emerge, composed of China, Russia, some Central Asian, South Caucasian, Middle Eastern and Southeast Asian states, with Venezuela, Cuba and Nicaragua as additional potential members. Simultaneously, the US will solidify its bloc with Canada, the UK, the EU, Japan, South Korea and Australia. At the same time, some major and mid-size actors, such as India, Brazil, Argentina, Indonesia, Turkey and South Africa, will seek to revitalize the non-aligned movement to balance between China and the US-led poles. In this scenario, the world will return to bipolarity and the new Cold War, but with much more economic interdependence than was the case during the original cold war in the second half of the 20th century.

In third scenario, the Ukraine war again will end in a military stalemate and a new frozen conflict, but despite the crippling Western sanctions, Russia will be able to keep its economy relatively afloat and will not be forced to accept the status of Chinese junior partner. The Russia–China partnership will continue to grow, but as a relationship between relatively equal players. To resist Western pressure, Russia and China will seek to cultivate alternative platforms of cooperation, such as the Shanghai Cooperation Organization, BRICS and BRICS + formats bringing a concept of multipolarity into reality, where along with the US-led Western pole, Russia, China, India and Brazil, will form a plethora of global players. This world will not have fixed alliances, as every great power will compete or cooperate with others based on individual cases. India may cooperate with Russia while competing with China, and Brazil may seek to develop relations with the US, Russia and China. The only constant will be a lack of trust and cooperation between Russia, China and the US-led West.

However, in the long-term perspective, the EU may seek to reach some normalization with Russia and China and regain some autonomy from the US in its foreign and security policy. The BRICS and BRICS+ summits held on June 23-24, 2022 [23] and the discussions there to deepen cooperation between the Belt and Road Initiative, Shanghai Cooperation Organization and the Eurasian Economic Union, tell us that even US partners, such as Brazil and India, are not ready to cut relations with Russia and enter the US–Russia fight. These developments prove that the possible emergence of the multipolar world is among the most likely scenarios, along with the creation of a bipolar – the US versus China order.

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ИНФОРМАЦИЯ ОБ АВТОРЕ / INFORMATION ABOUT THE AUTHOR

Benyamin POGHOSYAN Candidate of Sciences (History), Chairman of the Center for Political and Economic Strategic Studies, and Research Fellow, Center for American Studies, Yerevan State University.

1, Alex Manoogian St., Yerevan 0025, Armenia.

ПОГОСЯН Бенджамин Погосович, кандидат исторических наук, председатель Центра исследования политических и экономических стратегий, научный сотрудник Центра американских исследований Ереванского государственного университета. Республика Армения, 0025, Ереван, ул. Алека Манукяна, 1