



Feature Article
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Iran's Security Posture in the South Caucasus After the War in Ukraine

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Iran's engagement in the South Caucasus needs a new diplomatic taxonomy. The invasion of Ukraine reframes the way Iran, Russia, and Turkey engage with each other to define this region. Conceptually, for Iran the war in Ukraine is an opportunity to transition from the margins of a global rules-based system to the epicentre of a regional status quo as a rules maker rather than a pariah. The key to this new taxonomy is a working relationship with Turkey and Russia, reigning over the ambitions of Azerbaijan, and restricting the scope for Israeli influence. In this scheme, Armenia is an instrumental junior partner of geopolitical but limited geoeconomics significance.

Iran does not have a sphere of influence in the South Caucasus. However, the cumulative effect of conflicts in Syria, Ukraine, and Gaza have changed the security landscape and Iran is determined to be a co-author of the emerging status quo. The key to molding the security landscape in the South Caucasus is the changing nature of the trilateral relationship between Iran,



IRGC Soldiers Along the Araxes River. (Hossein Zohrevand via Wikicommons)

Turkey and Russia. The Astana Forum in 2017 brought a series of previously discreet and compartmentalized consultations between the three powers to the fore. Initially, the

three states convened to negotiate the future of the Syrian Arab Republic, limiting Israeli, French, and American influence in the Levant. This Concert of Three did not amount to a shared vision on the status quo but was more a

statement on who should frame it. The same can now be said of the Caucasus. Following Russia's invasion of Ukraine, this Concert promotes a region-first approach, limits Western involvement, but does not share a positive common vision. In this scheme, Iran seeks to remain a rule-maker rather than a rule-taker.

Meeting Russia on the Margins

The war in Ukraine creates a new space of economic opportunity for Iran in the Caucasus. Up until 2015, Iran's trade turnover with the entire Caucasus did not exceed \$600 million. That kind of clout was underwhelming compared to Turkey, Russia, or the EU.¹ The lifting of economic sanctions in 2016 saw an impressive rebound in oil exports and standards of living in Iran, which reformists hoping for the inflow of Foreign Direct Investment and the curtailing of the Revolutionary Guards (IRGC) hold over the political landscape.² The reintroduction of sanctions crowded out economic and political

competition to the IRGC,³ subdued the credibility of the opposition, and channeled the process of regime-transition towards *status quo* maintenance.⁴ The war in Ukraine incentivizes Moscow to cooperate with Tehran to circumvent sanctions and complete its very own "Pivot to the Pacific," maintaining exports, while facilitating the supply of its war production.

Iran is likewise completing a turn towards the East, a process triggered by the erosion of the Joint and Comprehensive Plan of Action (JCPOA) agreement. Iran's "Look East" policy has never been quite uncontested,⁵ but the principle that regional security should be negotiated by regional powers has been a variable of Iran's Caucasus policy for more than three decades. As noted by Vali Kaleji, Iran supported Shevardnadze's "peaceful Caucasus Initiative," Demirel's "Stability Pact," and Erdogan's "Stability and Cooperation" platform. The common denominator between these initi-

¹ Andrea Weiss, Yana Zabanova, "The South Caucasus and Iran in the Post-Sanctions Era," SWP Comments (German Institute for International and Security Affairs), July 2017, https://www.swp-berlin.org/publications/products/comments/2017C24_wis_zbv.pdf

² Elena Ianchovichina et al., "Lifting Economic Sanctions on Iran: Global Effects and Strategic Responses," Policy Research Working Paper 7549, World Bank Group, February 2016; Raz Zimmt, "The Involvement of the Revolutionary Guards in Iranian Infrastructure and Development Projects, INSS Insight, No. 913, April 4, 2017, <https://www.inss.org.il/publication/involvement-revolutionary-guards-iranian-infrastructure-development-projects/>

³ Maziar Motamedi, "US claims UN sanctions on Iran reinstated. The world disagrees" September 20, 2020, <https://www.aljazeera.com/news/2020/9/20/us-claims-un-sanctions-on-iran-reinstated-the-world-disagrees>

⁴ Hamidreza Azizi and Erwin Van Veen, "East of Eden: will Tehran find salvation in 'looking eastwards,'" Clingendael, April 25, 2023, <https://www.clingendael.org/publication/east-eden-will-tehran-find-salvation-looking-eastwards>

⁵ Hamidreza Azizi and Erwin Van Veen, "East of Eden: will Tehran find salvation in 'Looking Eastwards,'" Clingendael, April 25, 2023, <https://www.clingendael.org/publication/east-eden-will-tehran-find-salvation-looking-eastwards>

atives was that Iran was engaged as a stakeholder while “outside powers,” primarily the United States, were kept at arms’ length. Clearly, as long as Russia was the single biggest fossil fuels supplier for the EU,⁶ Russia was eager to ensure that Iran was not “over-engaged” in the Caucasus. Historically, preventing Iran from becoming an alternative European energy partner was one of Moscow’s regional priorities.⁷

The sanctions regime imposed on Russia forged an unprecedented unity of purpose, providing Moscow and Tehran with the incentive to create a parallel regime of economic governance.⁸ For Russia, the first priority has been to create alternative value chains that will sustain its war economy and enable its exports. These priorities are reflected in the re-heating of the International North-South Transport Corridor project, a vision for the construction

of a 7,200 multimodal network linking Russia and India via Azerbaijan and Iran. The initial agreement for the development of the network dates back to 2002, but only when Russo-Indian trade volumes quadrupled in 2022 the stakeholders committed to the vision of circumventing the Suez Canal.⁹

Besides emerging as a potential transshipment hub, Iran is also an instrumental supplier of drones, ammunition, and missiles to the Russian war effort.¹⁰ The two countries have met on the margins of global governance and mutual interest dictates cooperation. Beyond the economic benefits of arms exports, Iran is gaining access to strategic technologies such as digital surveillance systems, attack helicopters, missile defense systems, and advanced fifth generation fighter jets and¹¹ perhaps even support for Iran’s nuclear capability.¹² Until the 07/10 events in Israel, there was an assumption

⁶ Council of the European Union, “Where Does the EU’s Energy Come From?”, 2020. <https://www.consilium.europa.eu/en/infographics/where-does-the-eu-energy-come-from/>

⁷ Mark N. Katz, “Iran and Russia,” The United States Institute for Peace, August 1, 2015, <https://iranprimer.usip.org/resource/iran-and-russia>

⁸ Arjun Neil Alim, Joseph Coterill, “BRICS creator slams ‘ridiculous idea’ for common currency,” *Financial Times*, August 15, 2023, <https://www.ft.com/content/d8347bd0-cc4f-4c3b-9225-0ccd272330a6>

Joseph W. Sullivan, “A BRICS currency could shake the dollar’s dominance,” *Foreign Policy*, April 24, 2023, <https://foreignpolicy.com/2023/04/24/brics-currency-end-dollar-dominance-united-states-russia-china/>

⁹ Ilya Roubanis, “Russia’s invasion of Ukraine: the geopolitical significance of the war’s impact on regional supply chains,” Foreign Policy Centre, London, July 28,

2023, <https://fpc.org.uk/wp-content/uploads/2023/07/28072023-Russias-invasion-of-Ukraine-The-geopolitical-significance-of-the-wars-impact-on-regional-supply-chains.pdf>

¹⁰ Hamidreza Azizi, “Deep Dive: Has Iran decided to send missiles to Russia,” Amwaj.media, February 22, 2024.

¹¹ Ashish Dangwal, Iran confirms acquiring 24 Sukhoi Su-35 fighters from Russia; jets to arrive during Iranian year in March,” *Eurasian Times*, August 19, 2023, <https://www.eurasiantimes.com/leaving-the-west-baffled-iran-confirms-purchasing-24-russian/>; “Iran expected consequences for sending arms to Russia – leaked documents,” Iran International, June 19, 2023, <https://www.iranintl.com/en/202306182196>

¹² Natasha Bertrand, “Exclusive: Iran is seeking Russia’s help to bolster its nuclear program, US intel officials be-

that Washington would be try to drive a wedge between Moscow and Tehran.¹³ After the events in Gaza, that prospect is less realistic. Engaging with Iran strategically is unlikely while both the U.S. and Israel want to avoid escalation.¹⁴ Status quo maintenance is more likely. Washington's scope to draw a wedge between Moscow and Tehran.

Meeting Turkey in the Middle

Similarly, Washington cannot draw a wedge between Iran and Turkey. Both in the Levant and in the South Caucasus, the U.S. faces what Sergei Markedonov describes as "the riot of the Middle Powers."¹⁵ Turkey has been setting its foreign policy agenda with a regionally compartmentalized scope, refusing to engage in "maximum pressure" and continuing to import energy and trade with Iran. The Shaheen-Romney Bipartisan Bill of July 2022 set the tone of U.S. expectations in the context of the war in Ukraine, when the two Senators called on the

Biden Administration "to rebuilt trust and bilateral relations with Turkey, a key ally in the Black Sea region and a bulwark against Iran." That is an exercise in wishful thinking as Turkey has refused to sacrifice its regional partnership without any tangible benefits.

The deterioration of Ankara's relationship to Washington intensified after the 2016 foiled coup attempt in Turkey. The cleavage continued to widen as Ankara objected to Washington's ties with Syrian and Iraqi Kurdish forces. The 2019 procurement of a Russian S-400 surface-to-air defense system spoiled defense cooperation on many levels, reducing U.S. levers on Ankara.¹⁶ To the contrary, energy, trade, and security relations between Ankara and Tehran have been going from strength to strength. Turkey's trade with Iran is surging,¹⁷

lieve," CNN, November 4, 2022, <https://edition.cnn.com/2022/11/04/politics/iran-russia-nuclear-program/index.html>

¹³ Andrew England, Felicia Schwartz, "US asks Iran to stop selling drones to Russia, *Financial Times*, August 16, 2023, <https://www.ft.com/content/c237c531-a51e-4205-a934-0a13e0a50482>

¹⁴ Michael Horovitz, "Report: Iran cautioned Hezbollah not to spark full-scale war with Israel," *Times of Israel*, February 19, 2024, <https://www.timesofisrael.com/report-iran-cautioned-hezbollah-not-to-spark-full-scale-war-with-israel/>; US Envoy flies to Beirut in a surprise visit, says Washington doesn't want Gaza War to expand, AP, November 7,

2023, <https://apnews.com/article/lebanon-israel-hezbollah-drone-civilians-killed-a9a82a4432c9abd15443c31b5aa5858e>

¹⁵ Sergei Markedonov: The Caucasus and the Riot of the Middle Powers, *Caucasus Watch*, December 28, 2023, <https://caucasuswatch.de/en/interviews/sergey-markedonov-the-caucasus-and-the-riot-of-the-middle-powers.html>

¹⁶ Turkey (Türkiye): Major Issues and U.S. Relations, Congressional Research Service, August 10, 2023, <https://sgp.fas.org/crs/mideast/R44000.pdf>

¹⁷ Dorian Jones, "Erdogan defies Trump over Iran sanctions," VOA, September 27, 2019, https://www.voanews.com/a/europe_erdogan-defies-trump-over-iran-sanctions/6176609.html

in 2023 by an impressive 42%.¹⁸ For years, Turkey's foreign minister, Hakan Fidan, cultivated amicable relations with Major General Qassem Soleimani.¹⁹ Ankara condemned Soleimani's assassination and,²⁰ in turn, Fidan's appointment at the Ministry of Foreign Affairs in 2023 was welcomed in Tehran.²¹ Like Iran, Turkey is the sole NATO member state that does not regard Hamas a terrorist organisation.²² The visit by Ebrahim Raisi to Ankara in January 2024 underscored the diplomatic distance between the U.S., Israel and Turkey.²³

Foundational to Ankara's security coordination with Tehran is their common²⁴ mistrust of Kurdish-led militias, such as the Syrian Democratic Forces and the Iraqi Peshmerga, militia groups allied to Washington and Tel Aviv.²⁵ Upon this foundation, Iran and Turkey have been building a broader understanding. According to Iranian sources, Tehran's secret services have the leeway to target dissidents in Turkey²⁶ and Turkish corporates enable the

¹⁸ "Iran-Turkey trade reaches 5bn in 11 months," *Tehran Times*, December 31, 2023, <https://www.tehrantimes.com/news/493119/Iran-Turkey-trade-reaches-5b-in-11-months>.

"Iran's exports to China, India, Turkey Drop Significantly," *Iran International*, April 24, 2023, <https://www.iranintl.com/en/202304241027>

¹⁹ "Iranian academic Azizi says slain Quds Force commander Qassem Soleimani looms large in deal as in life," *Al-Monitor*, July 2023, <https://www.al-monitor.com/podcasts/iranian-academic-arash-azizi-says-slain-quds-force-commander-qassem-soleimani-looks-large>; Adam Entous, "Turkey Spymaster Plots Own Course in Syria," *The Wall Street Journal*, October 10, 2013, <https://www.wsj.com/articles/turkey8217s-spy-master-plots-own-course-on-syria-1381373295>

²⁰ "Turkey says Killing of Soleimani to fuel instability," *Reuters*, January 3, 2020, <https://www.reuters.com/article/iraq-security-blast-turkey-idUSP8N26O013>

²¹ "Iranian Press Review: Turkey's new foreign minister under spotlight in Iran," *Middle East Eye*, June 22, 2023, <https://www.middleeasteye.net/news/iran-turkey-new-foreign-minister-under-spotlight-press-review>

²² "Turkey, Iran agree on need to avoid escalating Middle east tensions – Erdogan," *Reuters*, January 24, 2024, <https://www.reuters.com/world/middle-east/irans-raisi-meets-erdogan-turkey-talks-gaza-conflict-energy-2024-01-24/>; Tuvan Cumrukcu, Huseyin Hayatsever, "Turkey's Erdogan says Hamas is not terrorist organisation," *Reuters*, October 25, 2023, <https://www.reu->

[ters.com/world/middle-east/turkeys-erdogan-says-hamas-is-not-terrorist-organisation-2023-10-25/#:~:text=%22Hamas%20is%20not%20a%20terrorist,who%20fight%20for%20their%20faith](https://www.reuters.com/world/middle-east/turkeys-erdogan-says-hamas-is-not-terrorist-organisation-2023-10-25/#:~:text=%22Hamas%20is%20not%20a%20terrorist,who%20fight%20for%20their%20faith).

²³ "Iranian leader heads to Turkey to talk Gaza with Erdogan," *Times of Israel*, January 24, 2024, <https://www.timesofisrael.com/iranian-leader-heads-to-turkey-to-talk-gaza-war-with-erdogan/>

²⁴ Francesco Siccardi, "Why Turkey's Syria Policy May be About to Change," *Carnegie Middle East Center*, February 5, 2024, <https://carnegie-mec.org/diwan/91557>; Paul Iddon, "The significance of Turkey and Iran's military cooperation against the PKK," *Ahval News*, September 17, 2020, <https://ahvalnews.com/kurdish-question/significance-turkey-and-irans-military-cooperation-against-pkk>

Dorian Jones, "Turkey, Iran Join Forces Against Kurdish Rebels," *VOA*, March 20, 2020, <https://www.voanews.com/a/turkey-iran-join-forces-against-kurdish-rebels/4839951.html>

²⁵ "Conflict between Turkey and Armed Kurdish Groups," *Center for Preventive Actions*, June 12, 2023, <https://www.cfr.org/global-conflict-tracker/conflict/conflict-between-turkey-and-armed-kurdish-groups>

²⁶ "Turkey warns Iran against attacking Israelis in its territory," *Iran International*, June 16, 2022, <https://www.iranintl.com/en/202206162637>; Menekse Tokyay, "Iranian dissident journalist Moradi 'abducted' in Turkey," *Arab News*, June 6, 2022, <https://www.arabnews.com/node/2097376/middle-east>

funding of militia activity in Lebanon.²⁷ Consistently, Turkey targets Mossad's counter-Iranian activity in Turkey,²⁸ which is why Mr. Fidan has been repeatedly described by Israeli security circles as a foe.²⁹ This tactical cooperation has a strategically significant cumulative effect. While Washington affirms an "ironclad commitment" to the principle that Tehran will never acquire nuclear weapons,³⁰ neither Russia nor Ankara can be counted upon to enforce this policy line. That makes Iran's regional marginalization unworkable, particularly as anti-Israel rhetoric in Ankara and Tehran converges. Theoretically, Turkey maintains the role of a potential mediator with Tehran,³¹ but

this rarely yields measurable security effects for its western allies.

There is a caveat in this foundation of common interests between Ankara and Tehran. The ability of Turkey to compartmentalize its relationship with Iran in the Caucasus and the Middle East is challenged by its strong defense partnership with Azerbaijan. Following the June 2021 Shusha Declaration, the two states consolidated the Alliance of the 44-day war that was instrumental in Azerbaijan's victory over Armenia. The two states proceeded to create a High-Level Strategic Cooperation Council that falls little short of a mutual defense clause.³²

²⁷ "The Turkish connection: how Erdogan's confidant helped Iran finance terror," *Politico*, December 8, 2022, <https://www.politico.eu/article/sitki-ayan-recep-tayyip-erdogan-terrorism-hezbollah-iran-turkey-lebanon/>

²⁸ Abdullah Bozkurt, "Anti-Mossad operations in Turkey define the new character of Erdogan's Islamist regime," *Nordic Monitor*, January 14, 2024, <https://nordic-monitor.com/2024/01/anti-mossad-operations-in-turkey-defines-the-new-character-of-erdogans-islamist-regime/>; Canaan Lidor, "Turkey said to bust Mossad ring operating against Iranian targets," *Times of Israel*, May 23, 2023, <https://www.timesofisrael.com/turkey-said-to-bust-mossad-ring-operating-against-iranian-targets/>; Oren Dorell, "Turkey outing of Mossad a betrayal, say former spies," *USA Today*, October 18, 2013, (<https://eu.usatoday.com/story/news/world/2013/10/18/turkey-outs-israel-spies-to-iran/3003849/>)

²⁹ Marc Daou, "The Kurds are the 'ideal scapegoat for both Turkey and Iran,'" *France 24*, November 23, 2022, <https://www.france24.com/en/middle-east/20221123-the-kurds-are-the-ideal-scapegoat-for-both-turkey-and-iran>; Hamidresa Azizi, Salim Cevik, "Turkish and Iranian Involvement in Iraq and Syria," *SWP (Stiftung Wissenschaft und Politik)*, October 12, 2022, <https://www.swp-berlin.org/10.18449/2022C58/>

"Pro-Netanyahu paper says Turkey's spy chief Fidan 'next in line after Soleimani,'" *Daily Sabah*, January 28, 2020, <https://www.dailysabah.com/politics/2020/01/28/pro-netanyahu-paper-says-turkeys-spy-chief-fidan-next-in-line-after-soleimani>; Murtaza Hussain, "Portrait of a General," *The Intercept*, January 5, 2020, <https://theintercept.com/2020/01/05/secret-iranian-spy-cables-show-how-qassim-suleimani-wielded-his-enormous-power-in-iraq/>

³⁰ Rina Bassist, "Biden pledges Iran 'never acquires nuclear weapon' as he hosts Israel's Herzog," *Al-Monitor*, July 18, 2023, <https://www.al-monitor.com/originals/2023/07/biden-pledges-iran-never-acquires-nuclear-weapon-he-hosts-israels-herzog>

³¹ "Erdogan offers to mediate between Washington, Tehran," *Asharq Al-Awsat*, July 20, 2023, <https://english.aawsat.com/home/article/1797496/erdogan-offers-mediate-between-washington-tehran>

"Turkey in touch with Iran, U.S. and aims to cool tensions," *Reuters*, January 6, 2020, <https://www.reuters.com/article/us-iraq-security-turkey-idUSKBN1Z517N>

³² "Shusha Declaration published in Turkey's Official Gazette," *Daily Sabah*, February 14, 2022,

This created a military foundation for the “less Russia, more Turkey” dictum.³³ To be precise, Baku and Ankara are moving from a “two states, one nation” concept to a “two states, one military” trajectory, sharing not only procurement but also strategic concepts.³⁴ This has created a perception of encirclement in Iran, motivating Tehran to extend limited military guarantees towards Armenia.³⁵ Iran, like Turkey, compartmentalizes its interests in the Near East and the Caucasus; like Turkey, Iran finds that balance increasingly difficult.

Iran & Filling the Russian vacuum

The status quo in the Caucasus has been gradually shifting to enable Turkey, Russia, and Iran to create a Concert of three that can limit “outside interference.” That coordination is not underpinned by a shared vision for the nature of the emerging status quo. Their cooperation is framed as a series of transactional relationships that give rise to a volatile security landscape. Volatility stems from “plus three” com-

ponent of the region – Azerbaijan, Georgia, Armenia – who have been striving to secure their own economic and security interests, often engaging with outside powers capable of tilting the regional balance. For decades, Azerbaijan looks first and foremost to Turkey as a security partner, but also to Israel. Georgia looks to Turkey and Azerbaijan to create an instrumentally unshakable partnership that shields the country from Russia, but also invests in the prospect of Euro-Atlantic integration. Armenia historically looked to Russia as an elder brother but is increasingly invested in closer ties with Iran and India. Following the war in Ukraine, which changed Russia’s security priorities, Tehran engages in this dynamic landscape to safeguard its own security interests.

Georgia

Georgia’s relationship to Tehran is historically a function of its need to deter Russia. Tbilisi’s ‘region first’ approach entails prioritizing its partnership with Ankara, a NATO power, and

<https://www.dailysabah.com/politics/diplomacy/shusha-declaration-published-in-turkeys-official-gazette>

³³ Ilya Roubanis, “Matthew Bryza: Turkey has already filled Russia’s Security Vacuum in the Caucasus,” *Caucasus Watch*, October 18, 2023, <https://caucasuswatch.de/en/interviews/matthew-bryza-turkey-has-already-filled-russias-security-vacuum-in-the-caucasus.html>

³⁴ Can Kasapoglu, “Can Turkish Drones Bolster NATO’s Eastern Flank Against Russia?” *Eurasia Daily Monitor*,

Vol. 18, Issue 100, June 23, 2021, <https://jamestown.org/program/can-turkish-drones-bolster-natos-eastern-flank-against-russia/>; Haldun Yalcinkaya, “Turkey’s overlooked role in the Second Karabakh War,” *Insights on Turkey*, German Marshal Fund, January 21, 2021, <https://www.gmfus.org/news/turkeys-overlooked-role-second-nagorno-karabakh-war>

³⁵ Ilya Roubanis, “Hassan Beheshtipour: Russia knows Iran will cross the Aras River,” *Caucasus Watch*, March 18, 2024, <https://caucasuswatch.de/en/interviews/hassan-beheshtipour-russia-knows-iran-will-cross-the-aras-river.html>

Baku. This trilateral relationship has both economic and security significance.³⁶ Following in Turkish footsteps, Georgia did attempt to forge an economically instrumental and compartmentalized partnership with Iran. Saakashvili's fervently pro-Western government introduced a visa-free travel regime with Iran in January 2011 and continued to shadow Ankara's position vis-à-vis Tehran. In the aftermath of the Mavi Marmara incident that irreversibly transformed Israeli-Turkish relations, Georgia accused Tel Aviv of cooperating with Russia and ordered the arrest of two Israeli businessmen. Meanwhile, business relations with Iran were flourishing and the government signed off on the Iranian takeover of Georgia's JSC InvestBank. The listing of Iranian-owned companies in Georgia went from 84 companies in 2010 to 1,489 in 2012.

However, Tbilisi is not a "middle power" and Saakashvili's administration was soon accused of enabling the circumvention of U.S. sanctions.³⁷ Eventually, the Georgian Dream government in 2012 leaned towards normalization of relations with Israel, placed JSC Bank under temporary administration, froze the assets of more than 150 Iranian citizens, and suspended visa-free travel.³⁸ When the JCPOA agreement was concluded in 2015, there was an assumption that Georgia would once again become Iran's gateway to Europe.³⁹ However, this prospect was once again derailed during the Trump Administration. Besides pressure from Washington, Georgia is responsive to the security concerns of its main economic partner in the region, Azerbaijan. Baku is concerned that Iran is escalating covert cultural and political outreach towards the Azerbaijani minority in the country.⁴⁰

³⁶ Georgia joins declaration on Trans-Caspian East-West Middle Corridor," Agenda.ge, March 31, 2022, <https://agenda.ge/en/news/2022/1012>; "Georgia, Uzbekistan, Prioritize the BTK Railway to Boost Trade, *Silk Road Briefing*, April 4, 2023, <https://www.silkroadbriefing.com/news/2023/04/04/georgia-uzbekistan-prioritize-the-btk-railway-to-boost-trade/>; "Relations with Georgia," NATO, Last Updated April 12, 2023, https://www.nato.int/cps/en/natohq/topics_38988.htm.

³⁷ Vasili Rukhadze, "Georgian Government Revokes Visa-Free Travel Rules with Iran," *Eurasia Daily Monitor*, 10 July 2013, <https://www.refworld.org/docid/51dfc0524.html>

³⁸ Andrea Stricker, "U.S. man indicted in money laundering scheme, part of larger Iranian sanctions busting network," Institute for Science and International Security, May 3, 2017, https://isis-online.org/uploads/isis-reports/documents/Illicit_Financial_Transactions_to_Iran_3May2017_Final.pdf; Devi Dumbadze, "Oscillation between Israel and Iran, will Georgia tilt toward the Islamic Republic?," *Eurasia Daily Monitor*, July 20, 2016, <https://www.refworld.org/docid/579a1d354.html>; "Georgia officially restored visa-free regime for Iran," *Georgia Today*, February 15, 2016, <http://gtarchive.georgiatoday.ge/news/2969/Georgia-Officially-Restores-Visa-Free-Regime-for-Iran>

³⁹ Davit Kokashvili, "Iran aims to access Europe's markets through Georgia," *Caspian News*, April 22, 2017, <https://caspiannews.com/news-detail/iran-aims-to-access-europes-markets-through-georgia-1493373290593/>

⁴⁰ Silvia Boltuc, "Iran and Georgia relations in the contemporary Caucasian dynamics," *Special Eurasia: Geopolitical Report*, Vol. 2, 2023, <https://www.specialeurasia.com/wp-content/uploads/2023/05/IRANAN1.pdf>

Azerbaijan

For decades, Tehran and Baku are embroiled in a competition for the hearts and minds of Turkic-speaking Shia minorities in Georgia. The historical subscript is important in that respect. Iran recognized the Republic of Azerbaijan in 1991, despite the fact the state shares its name with a region in northwest Iran. The calculation was that Azerbaijan is a Shia state and formerly a part of the Persian Empire and would inevitably reanimate its cultural ties with Tehran as it distanced itself from Moscow. Instead, this common past provides the foundation for a symbolic contest over the hearts and minds of Turkic-speaking Shia populations in the region. The managing director of the *Javan* daily, linked to the Iranian Revolutionary Guards (IRGC), once referred to people living “on both sides of the Aras river” as culturally Iranian.⁴¹ The flip side of the effort is described by Ali Hajizade, an Azerbaijani information warfare analyst, who points to dozens of Iranian-sponsored media platforms using the Latin alphabet

to exclusively introduce Shia militancy to citizens of the Republic of Azerbaijan⁴² or the Azerbaijani minority in Georgia.⁴³

Iran and Azerbaijan make no secret of their enmity. Caucasus experts in Tehran typically dismiss the very term “Azerbaijan,” referring instead to “the Republic of Baku.” The mirror image of this discourse in Baku is a frequent reference to “South Azerbaijan,”⁴⁴ a territory twice the size of the Republic of Azerbaijan encompassing regions of Qajar and Pahlavi Iran. Azerbaijan insists that the Azerbaijani national minority in Northern Iran merits a degree of ethno-linguistic autonomy and self-governance. For more than two decades, the locus of the Azerbaijani national movement in Iran was among certain clerical circles, football clubs, and the student movement of the University of Tabriz. That emergent Azerbaijani national movement made itself visible during the First Karabakh War in 2020, when demonstrations in Tabriz articulated support for Baku.⁴⁵ What

⁴¹ Abodollah Ganji Twitter Account, October 1, 2021, Managing Director of the Javan Daily, affiliated with the IRGC. https://twitter.com/ab_ganji/status/1443853234079256583?s=20

⁴² Ali Hajizade, “Malignant Iranian Activity in the South Caucasus,” *Jewish New Syndicate*, April 4, 2023, <https://www.jns.org/malignant-iranian-activity-in-the-south-caucasus/>

⁴³ Sopo Gelava, “Iran-linked website targets Georgia’s ethnic Azerbaijani community with anti-West content,” DFRLab, April 27, 2023, <https://dfrlab.org/2023/04/27/iran-linked-website-targets-georgias-ethnic-azerbaijani-community-with-anti-west-content/>

⁴⁴ Ariel Kogan, “Tehran’s new ‘old fear’: Southern Azerbaijan wants independence,” i24News.tv, March 2, 2023, <https://www.i24news.tv/en/news/middle-east/iran-eastern-states/1677754384-iran-s-new-old-fear-southern-azerbaijan-wants-independence>; Emil Aslan Souleimanov, Josef Kraus, *Iran’s Azerbaijan Question in Evolution: Identity, Society, and Regional Security*, Central Asia-Caucasus Institute & Silk Road Studies Program, Silk Road Paper, September 2017, <https://isdpeu.org/content/uploads/2017/09/2017-souleimanov-kraus-irans-azerbaijan-question-in-evolution.pdf>

⁴⁵ “Memorandum submitted by The Congress of Iranian Nationalities for a Federal Iran, the largest coalition of Iran,” UK House of Commons, March 2, 2008,

Iran fears is a secessionist threat amid a socio-economic crisis.⁴⁶

Baku and Tehran signed a nonaggression pact in 2005. Tehran assured Baku there would be no incursion by Armenian troops via its territory and, in turn, Baku provided similar assurances to Tehran, which feared NATO expansion. In line with this commitment, Azerbaijan's 2010 military doctrine expressly forbids the installation of foreign military bases in the country.⁴⁷ However, the situation started to change when in 2012 Azerbaijan starting investing in a security partnership with Israel.⁴⁸ This has been called the "iceberg relationship," in the sense that its biggest part extends below the surface. The two parties cooperate on com-

munications, military procurement, reconnaissance, and intelligence gathering.⁴⁹ Israeli systems bolstered Azerbaijan's qualitative military advantage during the Second Karabakh War and is not dispensable.⁵⁰ At times, both parties have taken a conciliatory tone,⁵¹ signing a Memorandum of Understanding in January 2019 in which Tehran committed to the recognition of Azerbaijan's sovereignty, including the territory of Nagorno-Karabakh, while Baku offered assurances regarding Israel's presence.⁵²

However, the invasion of Ukraine changes the context of this relationship. Without Russian objections, Azerbaijan has consolidated sovereign control over Karabakh and Tehran now fears Baku may be looking for further gains in

<https://publications.parliament.uk/pa/cm200708/cmselect/cmfa/142/142we17.htm>

⁴⁶ Maziar Motamedi, "Iran's delicate balancing act in the Nagorno-Karabakh conflict," *Al Jazeera*, October 5, 2020, <https://www.aljazeera.com/news/2020/10/5/iran-nk>

⁴⁷ "Ilgar Gurbanov, "Azerbaijan seeks to Enhance military cooperation with Iran," *Eurasia Daily Monitor*, March 5, 2018, <https://jamestown.org/program/azerbaijan-seeks-enhance-military-cooperation-iran/>

⁴⁸ Ilgar Gurbanov, "Azerbaijan's defence minister visits Israel, as bilateral ties grow stronger," *Eurasia Daily Monitor*, Vol. 14, Issue 117, September 25, 2017, <https://jamestown.org/program/azerbaijans-defense-minister-visits-israel-as-bilateral-ties-grow-stronger/>
Thomas Grove, "Insight: Azerbaijan eyes aiding Israel against Iran," *Reuters*, October 1, 2012, <https://www.reuters.com/article/us-iran-israel-azerbaijan-idUSBRE88T05L20121001>

Luke Baker, "Israel engaged in covert war inside Iran: report," *Reuters*, February 18, 2009, <https://www.reuters.com/article/us-israel-iran-sabotage-idUK-TRE51G1VR20090218>

⁴⁹ Said Musayev, "Israel-Azerbaijan partnership: Invisible parts of the 'iceberg,'" *Jerusalem Post*, December 16, 2016, <https://www.jpost.com/blogs/said-musayev/israel-azerbaijan-partnership-invisible-parts-of-the-iceberg-475090>

⁵⁰ Lazar Berman, "Iran behind failed attack on Israeli embassy in Azerbaijan, foreign minister say," *Times of Israel*, July 13, 2023, <https://www.timesofisrael.com/iran-behind-failed-attack-on-israeli-embassy-in-azerbaijan-foreign-minister-says/>

⁵¹ "Azerbaijan Defence Minister met with Secretary of the Supreme National Security Council of Iran, Ministry of Defense of the Republic of Azerbaijan, April 16, 2017, <https://mod.gov.az/en/news/azerbaijan-defense-minister-met-with-secretary-of-the-supreme-national-security-council-of-iran-18257.html>

⁵² "Iran, Azerbaijan sign agreement on defence cooperation," *PressTV*, January 17, 2019, <https://www.presstv.ir/Detail/2019/01/17/586006/Iran-Azerbaijan-defense-MoU-Major-General-Mohammad-Baqeri-Baqeri-Zakir-Hasanov>

Southern Armenia. At the same time, Israel's need to develop a "go-it-alone" option against Iran, without U.S. support,⁵³ means that Azerbaijan is a more significant ally. Time and again, Iran accuses Azerbaijan of providing airfields to Israel that enable direct action within its territory.⁵⁴ Baku denies this accusation and publicly denies Israel the refueling support that would render attacks deep into Iranian territory a credible threat.⁵⁵ However, several independent sources with an understanding of Israeli covert operations suggest that Azerbaijan has been used as a base to coordinate covert activity in Iran. For instance, an attack against Iranian nuclear installations in Isfahan in January 2023 was carried out with small quadcopter drones. At least one Iranian source suggests Iran has retaliated against Israel in Azerbaijani territory.

Azerbaijan's relationship with Israel does present certain security liabilities, including Iran's brand of "forward deterrence." Historically, Tehran supports paramilitary groups in the Levant, supporting groups mobilizing against Israel and Saudi Arabia.⁵⁶ Israel's Foreign Minister, Eli Cohen, recently pointed the finger at Iran for foiled attacks against the Embassies of Israel in Baku, as well as Athens and Nicosia. President Ilham Aliyev has accused Iran of attacks against Azerbaijan's Embassy in Tehran.⁵⁷ There were similar allegations following the brief occupation of Azerbaijan's Embassy in London.⁵⁸ Successive arrests of Shia militants in Baku in November 2022 and April 2023

⁵³ "Azerbaijan eyes aiding Israel against Iran," Ynetnew.com, September 30, 2012, <https://www.ynet-news.com/articles/0,7340,L-4287140,00.html>

⁵⁴ "Baku to allow Israel to use its airfields to attack Iran – Report," *Iran International*, May 3, 2023, <https://www.iranintl.com/en/202303057139>

"US official suspects Israel's hand behind drone strike on Iran factory, Azerbaijan embassy staff shifted to Baku," *India Today*, January 30, 2023, <https://www.indiatoday.in/world/story/us-suspects-israel-hand-behind-drone-strike-on-iran-factory-azerbaijan-embassy-staff-shifted-to-baku-2327976-2023-01-30>; "Iran Claims Israeli drone was launched from ex-Soviet Republic," *RFE/RL*, August 27, 2014, <https://www.rferl.org/a/iran-israel-drone-azerbaijan/26553382.html>

⁵⁵ Maayan Jaffe-Hoffman, "Azerbaijan envoy to Israel: You cannot use our airfields to attack Iran," *Jerusalem*

Post, March 10, 2023, <https://www.jpost.com/international/article-733935>

⁵⁶ "Ardabil Friday imam addresses Azerbaijan: Iran does not support Armenia at all," *Farda News*, April 2023, <https://www.fardanews.com/fa/tiny/news-1211628>

⁵⁷ Zulfugar Agayev, "Azeri President blames Iran's 'establishment' for embassy attack," *Bloomberg*, February 18, 2023, <https://www.bloomberg.com/news/articles/2023-02-18/azerbaijan-president-blames-iran-s-establishment-for-embassy-attack#xj4y7vzkg>

Natalia Bagirova, "Azerbaijan strongly protests to Iran after fatal embassy shooting," *Reuters*, January 17, 2023, <https://www.reuters.com/world/asia-pacific/guard-killed-shooting-azerbajians-embassy-iran-2023-01-27/>

⁵⁸ Heydar Isayev, "Extremist religious group attacks Azerbaijani embassy in London," *Eurasianet*, August 5, 2022, <https://eurasianet.org/extremist-religious-group-attacks-azerbajani-embassy-in-london>

suggest the threat is taken seriously.⁵⁹ The operational capability of these groups has been questionable but there are sources pointing to Shia militancy making some inroads in Azerbaijan's Talysh community⁶⁰ since the establishment of the Huseyniyun movement in 2013.⁶¹ The Huseyniyun is an ideological affiliate of Hezbollah, initially branded as a strand of Soleimani's "Axis of Resistance." Two independent sources suggest this movement evolved from a core of Azerbaijani volunteers who fought with Iranian-backed militias in Syria.

Armenia

The stakes are getting higher in the standoff between Tehran and Azerbaijan because Russia ceased being the regional guarantor of the territorial status quo. While Iran historically acknowledged the South Caucasus as part of Russia's "Near Abroad," during the Second Karabakh War in 2020, Moscow only stepped in when the outcome of the conflict was close

to its resolution. As a co-signatory of a ceasefire agreement without peace, Russia maintained leverage as a status quo guarantor, pushing the "re-freezing" of the conflict. However, the security guarantees for the Armenian population of Karabakh proved short-lived and, after Russia's invasion of Ukraine, the Kremlin endorsed the "reintegration" of Karabakh. As argued by Laurence Broers, the bigger picture is that is moving from a "frozen conflict management" approach to building a stake in an alternative regional order.⁶²

Entering this regional order as a rule maker rather than a rule-taker is a key Iranian objective. A security partnership with Armenia provides Iran with a lever vis-à-vis Azerbaijan; in turn, Armenia is a landlocked country whose security is entirely reliant on Iran's cooperation. Yerevan has had its borders with Turkey and Azerbaijan sealed for decades and, during the Second Karabakh War, Georgia proved less than dependable when it comes to the transit of arms and supplies. The problem at hand was

⁵⁹ "Mass arrests of religious Shias reported in Azerbaijan," *Eurasianet*, April 13, 2023, <https://eurasianet.org/mass-arrests-of-religious-shias-reported-in-azerbaijan>

⁶⁰ Peyman Asadzade, "Azerbaijan's Hoseyniyun: the prospects and challenges of a Caucasus Hezbollah," Middle East Institute, June 12, 2023, <https://www.mei.edu/publications/azerbaijans-hoseyniyun-prospects-and-challenges-caucasus-hezbollah>
Omar Ahmed, "'The Huseyniyun: Iran's new IRGC-backed movement in Azerbaijan,'" *Middle East Monitor* October 9, 2021, <https://www.middleeastmonitor.com/20211009-the-huseyniyun-irans-new-irgc-backed-movement-in-azerbaijan/>

Mahammad Maharramov, "Hezbollah Symbolism and Its Activities in Azerbaijan," Masaryk University, July 2021, https://www.researchgate.net/publication/353315426_Hezbollah_Symbolism_and_Its_activities_in_Azerbaijan

⁶¹ Bahruz Samadov, "Perspectives: Will new Azerbaijani Islamist movement share the fate of its predecessors," *Eurasianet*, July 18, 2022, <https://eurasianet.org/perspectives-will-new-azerbaijani-islamist-movement-share-the-fate-of-its-predecessors>

⁶² Laurens Broers, "Russia concedes Karabakh for stake in regional order," Chatham House, September 2023, <https://www.chathamhouse.org/2023/09/russia-concedes-karabakh-stake-new-regional-order>

further accentuated by the fact that the Georgian-Russian border has been sealed off several times, which is problematic given that this was historically Armenia's main route for arms supplies. In sum, Iran has been for Armenia an existentially significant logistics partner both for trade and security logistics.⁶³

This alignment of interests is dynamic but a constant in the calculations of Yerevan. In 2013 both countries made a step towards the West: Yerevan negotiated an Association Agreement (AA) with Brussels⁶⁴ and Tehran started negotiations on a nuclear deal. In this context, the rationale for a strategic partnership seemed irresistible. Even after Moscow "persuaded" Armenia to abandon an AA in favor of the Eurasian Customs Union, Tehran continued to see in Yerevan a potential gateway to Europe's energy market.⁶⁵ Again, Moscow lobbied to decrease the size of a planned natural gas pipeline

from Iran to Armenia, ensuring this remains unsuited for reexporting purposes.⁶⁶ A former Armenian official recalls how Iranian diplomats branded Armenia "the Russian cork," as the envisaged gateway to the EU market became a bottleneck. Nonetheless, when Iran became a signatory to the 2015 JCPOA agreement, Tehran extended to Yerevan the offer of cooperation on military procurement and joint systems development.⁶⁷ Fearing a Russian pushback, Yerevan did not take up the offer and remained committed to its exclusive partnership with the Moscow-led Collective Security Treaty Organization (CSTO), to which Armenia is a member and Azerbaijan is not.

That investment proved ineffective in 2016, 2020, and has been completely devoid of substance since Russia's invasion of Ukraine. Mos-

⁶³ Emil Danielyan, "Armenia: Key beneficiary of Russian-Georgia border opening," *Eurasia Daily Monitor*, March 23, 2010, <https://jamestown.org/program/armenia-key-beneficiary-of-russian-georgian-border-opening/>

⁶⁴ Gayane Mkrtychyan, "Armenia: anger at land deal with Iran," Institute for War and Peace, "GRS Issue 692, June 23, 2013, <https://www.refworld.org/docid/51cbe9214.html>

Negotiations of the EU-Armenia Association Agreement, Official Journal of the EU, April 18, 2012, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012IP0128&from=EN>

⁶⁵ "Armenia first door for post-isolated Iran – editor-in-chief of 'Azdakh' daily," *ArmenPress*, December 23, 2016, <https://armenpress.am/eng/news/873091/armenpress.am>; Danis Corboy, William Courtney, Richard Kauzlarich, "It's time to reboot our relationship with

Russia and Iran's neighbors," *Newsweek*, July 28, 2015, <https://www.rand.org/blog/2015/07/its-time-to-reboot-our-relationship-with-russia-and.html>

⁶⁶ Frank Lunermann, "After the Iranian deal, Russia's power struggle in the Caucasus – the case of Armenia," Centre for Geopolitics & Security in Realism Studies (CGSRS), March 7, 2016, <http://cgsrs.org/publications/48>; Richard Giragosian, "Armenia as a bridge to Iran? Russia won't like it," *Al Jazeera*, August 30, 2015, <https://www.aljazeera.com/opinions/2015/8/30/armenia-as-a-bridge-to-iran-russia-wont-like-it>

⁶⁷ Eduard Abrahamyan, "The potential and obstacles to Armenia-Iran strategic relations," *Central Asia-Caucasus Analyst*, March 16, 2016, <https://www.cacianalyst.org/publications/analytical-articles/item/13343-the-potential-and-obstacles-to-armenia-iran-strategic-relations.html>

cow could do little to address the arms race disparity⁶⁸ between Yerevan and Baku. Russian security guarantees did little to prevent the four-day war of 2016⁶⁹ or the Second Karabakh War of 2020. However, Moscow's most substantive failure was the unwillingness to step in when Azerbaijani troops advanced into Armenian territory. Following Azerbaijan's first incursion in May 2021, Yerevan did not invoke the CSTO's Article 4, presumably to shield the damaged credibility of this unreliable deterrent.⁷⁰ However, Armenia did call on the CSTO when in September 2022 Azerbaijani troops launched a broader offensive within Armenia proper in Goris, Sotk, Jermuk, Kapan, Vardenis, Artanich, and Ichkhanassar. Russia's sole response was the dispatch of CSTO Joint Chief of

Staff Anatoly Sidorov for a "fact-finding" mission.⁷¹

Russia is no longer Armenia's elder brother in the Caucasus.⁷² In August 2022, Azerbaijani troops took control over the Lachin corridor linking Armenia to Karabakh with Russian peacekeepers standing by as observers.⁷³ From December 2022 to June 2023, Baku disrupted supplies from Armenia to Karabakh and the Russian peacekeepers stood idle.⁷⁴ By the end of September 2023, over 100,000 civilians left Karabakh, fearing the advance of the Azerbaijani army, despite assurances from Baku. Moving away from the Russian security umbrella is less contested in Yerevan and by the end of

⁶⁸ John C.K. Daly, "Russia Proclaims 'Parity' in Arms Sales to Armenia and Azerbaijan", *Eurasia Daily Monitor*, April 12, 2016, <https://jamestown.org/program/russia-proclaims-parity-in-arms-sales-to-armenia-and-azerbaijan/>; Armen Grigoryan, "After a Delay, Russia Delivers New Types of Weapons to Armenia", *Eurasia Daily Monitor*, March 18, 2016, <https://jamestown.org/program/russian-media-leaks-sensitive-details-of-armenias-defense-posture/>.

⁶⁹ Aleksandra Jarosiewicz, Maciej Falkowski, "The four day war in Nagorno-Karabakh", Centre for Eastern Studies (OSW), Warsaw, April 6, 2016, <https://www.osw.waw.pl/en/publikacje/analyses/2016-04-06/four-day-war-nagorno-karabakh>

⁷⁰ Armine Margaryan, "CSTO: closer to Azerbaijan than Armenia, Part I," ENV Report, December 13, 2022, <https://envreport.com/politics/csto-closer-to-azerbaijan-than-armenia-part-i/>

⁷¹ Armenia asked CSTO for military support to restore territorial integrity amid Azeri attack, *Armenpress*, September 14, 2022, <https://armenpress.am/eng/news/1092504/>

⁷² Manik Tadevosian, "Armenia: disenchantment with the CSTO," *Regard Sur l'Est*, July 3, 2023, <https://regard-est.com/armenia-disenchantment-with-the-csto>

Mark Trevelyan, "Hosting Putin, Armenian leader complains of lack of help from Russian-led alliance," *Reuters*, November 23, 2022, <https://www.reuters.com/world/front-putin-armenian-leader-laments-lack-help-russian-led-alliance-2022-11-23/>

Gabriel Gavin, "Pelosi's visit fires debate in Armenia over alliance with Russia," *Politico*, September 19, 2021, <https://www.politico.eu/article/nancy-pelosi-visit-armenia-debate-alliance-russia/>

⁷³ Kirill Krivosheev, "Russian peacekeepers find themselves sidelined in Nagorno-Karabakh," Carnegie Endowment for International Peace, December 15, 2022, <https://carnegieendowment.org/politika/88651>

⁷⁴ "Azerbaijan accuses Russia of failing to fulfil Karabakh deal," *Al Jazeera*, July 16, 2023, <https://www.aljazeera.com/news/2023/7/16/azerbaijan-accuses-russia-of-failing-to-fulfil-karabakh-deal>

Lilit Shahverdyan, "Nagorno-Karabakh under total blockade," *Eurasianet*, June 23, 2023, <https://eurasianet.org/nagorno-karabakh-under-total-blockade>

February 2024, Yerevan “froze” its CSTO membership, which in practical terms means withdrawing its permanent representative and boycotting events.⁷⁵ Armenia’s foreign and security policy is now one of self-reliance, a posture that is unworkable without Iranian cooperation. Since 2017 Armenia began looking to India to diversify its military procurement. Since the Second Karabakh War and more resolutely after Russia’s invasion of Ukraine, India has replaced Russia as Armenia’s foremost military procurement partner,⁷⁶ with French platforms also gaining ground. New Delhi and Yerevan have been drawing Tehran into the fold of this partnership,⁷⁷ lending industrial cooperation with logistical credibility.⁷⁸

Ultimately, the Iranian policy in the region has been one of status quo maintenance. Iran is unwilling to agree to the construction of a transport corridor between Azerbaijan and its Nakhichevan exclave, described as the Zangezur corridor, which would put in question its border with Armenia. That assertion has been underscored by military maneuvers. In October 2021 Iran’s IRGC forces realized an unprecedented military maneuver along the Iranian-Azerbaijani border, which included exercises for amphibious crossings of the Aras River, helicopter and parachute jump operations, nocturnal strikes, and the simulated seizure of routes and heights controlled by the hypothetical enemy.⁷⁹ Again on September 16, 2022 Iran

⁷⁵ “Armenia to boycott meetings of Russia-led alliance after membership freeze – TASS cites PM,” *Reuters*, February 28, 2024, <https://www.reuters.com/world/europe/armenia-boycott-meetings-russia-led-alliance-after-membership-freeze-tass-cites-2024-02-28/>.

⁷⁶ Yaver Kazimbeyli, “India sends weapons to Armenia through Iran: reports,” *Caspian News*, July 27, 2023, <https://caspiannews.com/news-detail/india-sends-weapons-to-armenia-through-iran-reports-2023-7-27-17/>

“Iranian Consul refers to the information about selling Iranian UAVs to Armenia,” *Armenpress*, October 21, 2022, <https://caspiannews.com/news-detail/india-sends-weapons-to-armenia-through-iran-reports-2023-7-27-17/>

“22 countries requested to purchase Iranian military drones, official says,” *Middle East Monitor*, October 19, 2022, <https://www.middleeastmonitor.com/20221019-22-countries-requested-to-purchase-iran-military-drones-official-says/>

⁷⁷ Joshua Kucera, “Armenia hosts first trilateral meeting with Iranian and Indian officials,” *Eurasianet*, April 21, 2023, <https://eurasianet.org/armenia-hosts-first-trilateral-meeting-with-iranian-and-indian-officials>

Ilya Roubanis, “Old enemies make new friends: Caucasus and India-Pakistan rivalry,” Foreign Policy Centre,

London, February 23, 2023, <https://fpc.org.uk/old-enemies-make-new-friends-caucasus-and-india-pakistan-rivalry/>

⁷⁸ Vali Kaleji, “The 2020 Karabakh War’s Impact on the Northwestern Border of Iran,” *Eurasia Daily Monitor*, December 18, 2020, <https://jamestown.org/program/the-2020-karabakh-wars-impact-on-the-northwestern-border-of-iran/>

“Iran denies allowing passage of weapons into Armenia after video emerges on social media,” *BNE Intel*, September 29, 2020, <https://www.intellinews.com/iran-denies-allowing-passage-of-weapons-into-armenia-after-video-emerges-on-social-media-192945/>

⁷⁹ Vali Kaleji, Sergey Markedonov, Kerim Has, “The breakdown of the status quo and the international dimension of the Nagorno-Karabakh crisis,” *Valdai Club*, January 18, 2022, <https://valdaiclub.com/a/highlights/iran-s-perceptions-and-concerns-of-border-tensions/>; Abbas Qaidari, “Iranian war games on the border with Azerbaijan were really a message to Israel,” *Atlantic Council*, October 8, 2021, <https://www.atlanticcouncil.org/blogs/iransource/iranian-war-games-on-the-border-with-azerbaijan-were-really-a-message-to-israel/>

moved a massive 50,000 troops force along its border with Armenia,⁸⁰ making clear that further incursion into Armenian territory would be a *casus belli* for Tehran.⁸¹ Driving this message further still, Iran opened a consulate in Kapan, in Syunik.⁸² Unlike Russia, Iran views Azerbaijan's positioning in South Armenia as a threat and is willing to use all means to hold Azerbaijan's ambition in check. Brussels appears to echo this position. Despite being a strategic foe with Brussels in Ukraine, Tehran welcomed the soft deterrent effect of the EU observation mission in Southern Armenia.⁸³

Perhaps the most fundamental problem for Tehran is that the creation of an alternative "system" to western governance, framed regionally, requires cooperation with Azerbaijan, Turkey, and Russia. Neither the International

North South Trade Corridor nor the reconnection of Iran to the Caucasus railway network can happen without some degree of cooperation with Azerbaijan. Engaging with Baku, supporting Yerevan, and creating instrumentally indispensable relations to Ankara and Moscow is a delicate balance that Iran is not always able to strike.

Conclusions

Iran, Turkey, and Russia share sufficient diplomatic understanding to maintain a balance of power in the Caucasus. This balance is dynamic and the status quo is in flux. In the context of the war in Ukraine, Russia is no longer the undisputed regional security hegemon, not least because the Kremlin relies on Turkish and Iranian cooperation for its war effort. This provides scope for the emergence of a "parallel system" in which sanctions against Iran will be

⁸⁰ "Maj. General Bagheri: we will not tolerate changes in borders of regional countries," *IRNA*, September 22, 2022, <https://iranpress.com/content/66756/maj-gen-bagheri-will-not-tolerate-changes-borders-regional-countries>; Chris King, "Iran deploying around 50,000 troops to the Armenian border," *Euro Weekly News*, September 16, 2022, <https://euroweeklyn-ews.com/2022/09/16/breaking-iran-deploying-around-50000-troops-to-the-armenian-border/>

⁸¹ "Why Iranians are calling for war with Azerbaijan," *Middle East Eye*, April 11, 2023, <https://www.middleeast-eye.net/news/iran-azerbaijan-war-are-calling-why>

⁸² "New Chapter: Iran inaugurates consulate in Kapan, Armenia," *Tehran Times*, October 22, 2022, <https://www.tehrantimes.com/news/477844/New-chapter-Iran-inaugurates-consulate-in-Kapan-Armenia>

⁸³ "Iran not opposed to deployment of EU Monitoring Mission along Armenia-Azerbaijani Border," The Institute for Iran-Eurasian Studies, April 3, 2023,

<https://www.iras.ir/en/iran-not-opposed-to-deployment-of-eu-monitoring-mission-along-armenian-azerbaijani-border/>

Arshaluis Mgdesyan, "EU approves new monitoring mission for Armenia, over Russian and Azerbaijani objections," *Eurasianet*, January 25, 2023, <https://eurasianet.org/eu-approves-new-monitoring-mission-for-armenia-over-russian-and-azerbaijani-objections>

"Azerbaijan criticizes EU's decision to establish mission in Armenia," *Mediamax*, January 24, 2023, <https://mediamax.am/en/news/foreignpolicy/50093/>

Lilian Acedian, "Russia criticises EU agreement to send observer mission to Armenia-Azerbaijan border," *Armenian Weekly*, October 12, 2022, <https://armenianweekly.com/2022/10/12/russia-criticizes-eu-agreement-to-send-observer-mission-to-armenia-azerbaijan-border/>

rendered ineffective. Iran wishes to mould this post-Ukraine system as a rule-maker and that is creating tension with Azerbaijan.

Azerbaijan is invested in its partnership with Israel both to contain Iran and to retain its military edge vis-à-vis regional powers. Baku's partnership with Tel Aviv is fundamental rather than easily dispensable. That is a manageable sore point for Baku's relationship with Ankara given the "two states, one nation" relationship. For Iran, Baku's attachment to Israel presents an imminent security threat. In the words of the Rome-based Iranian foreign policy analyst, Abdolrasool Divsallar, Iran is not ambitious but rather "threat averse." Tehran's main objective is to affect Baku's strategic calculus rather than initiate conflict. Iran's levers against Azerbaijan are Armenia and Shia militancy.

Iran's security guarantees vis-à-vis Southern Armenia are limited in scope but founded on national security considerations and credible

military resources. On the other hand, Armenia's national deterrence is entirely predicated on Iran's logistical cooperation. Meanwhile, the traditional instrument of deploying paramilitary Shia forces – an Axis of Resistance – has been of limited impact in the region. However, the proxy standoff between Turkic nationalism and Shia militancy lays the foundations for escalation, particularly if combined with Israeli determination to derail Tehran's nuclear program.

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