



## IMPACT OF MIDDLE EASTERN EVENTS ON THE SOUTH CAUCASUS

LASHA SHAVADZE\*

\*Caucasus International University Faculty of Social Sciences and Humanities Doctoral Student of the Political Science Doctoral Educational Program

**\*Corresponding Author: LASHA SHAVADZE**

### ABSTRACT.

*The ongoing geopolitical transformations in the Middle East region significantly impact the South Caucasus countries - Georgia, Armenia, and Azerbaijan. This research analyzes the escalation of the Israel-Iran conflict, Turkey's enhanced regional role, and their interconnections with South Caucasus security, economic, and regional stability issues. The research methodology encompasses comparative analysis of inter-country relations, assessment of energy corridors, and examination of geostrategic interests. The findings demonstrate that Middle Eastern developments directly influence South Caucasus economic development, energy security, and regional cooperation. The study reveals the complex interdependencies between Middle Eastern dynamics and South Caucasus regional architecture, highlighting the need for adaptive policy frameworks that can effectively respond to evolving regional challenges while capitalizing on emerging opportunities for enhanced cooperation and stability.*

**Keywords:** *Middle East, South Caucasus, geopolitics, regional security, energy corridors, geostrategic interests, regional stability, international relations*

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### Analysis of Middle Eastern Developments

The purpose of this article is to conduct a systematic analysis of contemporary geopolitical dynamics in the Middle East. We will analyze with particular attention the Israel-Iran conflict, the Syrian crisis, Turkey's regional ambitions, and the new integration processes of Arab countries. The analysis covers both military-political and economic and energy aspects, which is necessary for understanding the complete picture of impact on the South Caucasus.

The main task of the article is the detailed identification of mechanisms of Middle Eastern developments' impact on South Caucasus countries. Impact mechanisms can be divided into three main categories: direct geopolitical (military alliances, diplomatic ties, security coalitions), economic-energy (trade, investments, energy supply), and formal-informal (cultural relations, migration, transnational networks)<sup>1</sup>

Attention is focused on the role of energy diplomacy, as South Caucasus countries actively participate in the functioning of energy corridors between the Middle East and Europe. In this context, we will analyze how Israel's energy independence affects Azerbaijan's and Turkey's energy policies, and how Iran's and Russia's energy blockade changes the perspectives of South Caucasus regional integration.

In 2024-2025, Iran's nuclear program caused great concern in the international community. In May 2025, the International Atomic Energy Agency announced that Iran currently has 409 kilograms of uranium enriched up to 60%, which significantly exceeds the amount needed for civilian purposes (nuclear power plants). In May 2025, US Central Command chief Michael Kurilla stated that Iran is very close to creating nuclear weapons<sup>2</sup> Under the 2015 "JCPOA" agreement, Iran was obliged to limit uranium enrichment to 3.67%, but after Trump's withdrawal from the agreement in 2018, Iran began ignoring restrictions from 2019, and by 2021 it already had uranium enriched up to 60%, which is very close to the 90% level needed for nuclear weapons.

Israeli Prime Minister Benjamin Netanyahu stated that Iran's nuclear program poses an existential threat to Israel. According to Israel's assessment, Iran plans to produce 300 ballistic missiles per month, which poses a direct threat not only to Israel but to the entire world. Israel also expresses the assumption that if Iran obtains nuclear weapons, it will transfer them to its regional alliances, which will increase the risks of "nuclear terrorism."

The second decade of the 21st century is characterized by significant geopolitical transformations in the Middle East region, which directly impact the security and stability architecture of the South Caucasus<sup>3</sup>. In 2024-2025, the escalation of the Israel-Iran conflict reached a new level when on April 23, 2024, the two countries conducted direct military operations against each other for the first time in history<sup>4</sup>.

In spring and autumn 2024, the developments between Israel and Iran radically changed regional security dynamics. The airstrikes by Israeli Air Force against Iranian military facilities caused the proxy conflict to escalate into direct military confrontation<sup>5</sup>.

In June 2025, Israel's "Operation Rising Lion" significantly damaged Iran's nuclear infrastructure, while Iran's "Operation True Promise III" framework missile attacks managed to breach Israel's Iron Dome and reach Israeli territory.

These processes naturally have a great impact on South Caucasus countries, as the region historically represents a transit corridor for Middle Eastern geopolitical risks. Azerbaijan's energy resources have strategic importance for Israel, Armenia's and Iran's historical ties emphasize Iran's interests in the region, while Georgia, as a regional transit hub, has special significance for the entire region, since oil products from Asia are transported to Europe through Georgia. All of this takes on new context in the conditions of Middle East conflict intensification<sup>6</sup>.

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<sup>1</sup> Iskandaryan, A. (2024). Regional Integration vs. Fragmentation: South Caucasus in the New Middle East Context. *Caucasus Analytical Digest*, 132, 5-12.

<sup>2</sup> <https://www.cencom.mil/media/transcripts/> (last accessed 15.06.2025)

<sup>3</sup> Cornell, S. E., & Kakachia, K. (2024). Regional Security Architecture in Transformation: The Case of South Caucasus. *Caucasus Survey*, 12(1), 45-67.

<sup>4</sup> Grigoryan, A. (2024). Iran-Israel Escalation and Regional Implications. *Middle East Quarterly*, 31(1), 12-28.

<sup>5</sup> Takeyh, R. (2024). Iran's Nuclear Ambitions in the Shadow of War. *Foreign Affairs*, 103(4), 112-126.

<sup>6</sup> Markedonov, S. (2023). *South Caucasus: Between Regional Integration and Fragmentation*. Center for Strategic and International Studies.

The roots of the Israel-Iran conflict date back to Iran's Islamic Revolution of 1979. Before the revolution, these two countries maintained close strategic partnership, but after the revolution, their relations sharply deteriorated and turned into antagonistic confrontation. Iran's new theocratic government declared Israel an "illegitimate occupier" and began supporting regional proxy forces. In 1985, the creation of Hezbollah became the first significant step in implementing Iran's regional proxy strategy.

On April 1, 2024, Israel conducted an airstrike against the Iranian consulate in Damascus, which caused the death of 16 people, including a high-ranking officer of the Islamic Revolutionary Guard Corps (IRGC). On April 13, Iran for the first time in history openly attacked Israel and launched more than 300 rockets and drones in its direction.

The June 2025 events took the conflict to a new level. Israel's large-scale strikes against Iran's nuclear facilities significantly damaged Iran's infrastructure. Iran responded with massive missile attacks, which caused human casualties in both countries.

US President Trump took a tough stance against Iran's nuclear program and declared "Iran cannot have nuclear weapons"<sup>7</sup>. Despite negotiation attempts, Washington supports Israel's right to security. European leaders called on both sides for de-escalation and diplomatic efforts. Meanwhile, E3 countries (France, Germany, Britain) harshly criticized Iran's growing nuclear capabilities.

Russia and China actually support Iran, though they also publicly call on the parties for de-escalation. The Shanghai Cooperation Organization issued a statement condemning Israel's actions, and despite their opposition to Iran's nuclear program, the statement condemned Israel's attacks on Iranian facilities and called on the parties for negotiations and conflict de-escalation.

Despite Saudi Arabia traditionally being Iran's main regional competitor, it restored diplomatic relations with Tehran through Chinese mediation from 2023. Saudi Arabia's new strategy is based on economic development and the Vision 2030 program, for which regional stability is crucial. Prince Mohammed bin Salman tries to avoid involving Saudi Arabia in the direct Israel-Iran conflict, though he maintains relations with both sides<sup>8</sup>.

Regarding the United Arab Emirates, it actively supports Israel, especially in technological and economic cooperation. The UAE announced in June 2025 that they are ready to help Israel counter Iranian missile attacks, which represents a significant strategic step. Dubai is home to the world's largest Israeli diaspora in an Arab country.

Turkey took a unique and complex position in the Israel-Iran conflict. The NATO member country has historical military and economic ties with Israel, but at the same time, Erdogan's government increasingly implements anti-Israeli rhetoric. Throughout 2024-2025, Turkey harshly criticized Israel's actions in the Gaza Strip and Iran<sup>9</sup>.

Parallel to this, Turkey maintains complex relations with Iran, where competition and cooperation alternate. The two countries compete for influence in Syria, Iraq, and the South Caucasus, but cooperate in energy and trade spheres. Turkey also tries to play a mediator role in resolving regional conflicts.

Russia's traditional dominance in the South Caucasus significantly weakened after the start of Russia's "special military operation" in Ukraine in 2020. This caused the activation of various forces in the region, and the South Caucasus became a multipolar arena where Turkey actively participates, which at this stage, after the alliance with Azerbaijan, is in the most advantageous position. China, which is increasing investments in the region within the Belt and Road Initiative framework. Israel, particularly active in energy and military cooperation with Azerbaijan. Iran strengthens ties with Armenia. In 2023, during the Karabakh war, Iran declared support for Armenia and stated that the Armenia-Iran border represents a red line for Iran.

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<sup>7</sup> Carnegie Endowment. (2024). The Future of US-Iran Relations: Scenarios and Implications. *Carnegie Policy Brief*, 178.

<sup>8</sup> Jones, S. (2024). Saudi Arabia's Regional Strategy: Between Iran and Israel. *Washington Quarterly*, 47(2), 134-152.

<sup>9</sup> Gurzel, A. (2024). Turkish Foreign Policy and the Iran-Israel Escalation. *Insight Turkey*, 26(2), 89-106.

In September 2023, Azerbaijan established full control over Nagorno-Karabakh, which caused an increase in Azerbaijan's regional role. Armenia lost hope in the Russian "security umbrella" and began developing pro-Western orientation. Georgia maintains its existing status and continues to represent a regional hub.

Azerbaijan successfully used Israeli Hermes and Harop drones in the 2023 Karabakh war. The State Border Service of Azerbaijan acquired SkyStriker kamikaze drones and cybersecurity tools from Israel. In turn, Azerbaijan supplies Israel with 40% of its oil demand, making Baku a critical energy partner for Israel. In March 2025, the two countries signed an agreement for joint gas exploration in Israeli waters. Azerbaijani SOCAR acquired a 10% stake in an Israeli gas field<sup>10</sup>. Parallel to this, Azerbaijan is being considered as a candidate for inclusion in the Abraham Accords agreement, which will create additional opportunities for regional cooperation.

Energy cooperation between Armenia and Iran includes a renewed gas-electricity agreement in August 2023<sup>11</sup>, which provides for natural gas supply from Iran to Armenia's southern regions until 2030, while Armenia returns equivalent electricity to Iran. Trade between Armenia and Iran grew from \$350 million in 2021 to \$1 billion in 2024.

In April 2025, Iran and Armenia conducted the first joint military exercise on their common border, which emphasizes the deepening of security cooperation between these two countries.

Georgia conducts a balanced foreign policy regarding the conflict. Thanks to its geographical location, the country hosts strategic transit routes. The Baku-Tbilisi-Ceyhan oil pipeline and the Baku-Tbilisi-Erzurum gas pipeline ensure the supply of Azerbaijani energy resources to Israel.

The transformation of regional security architecture is directly related to the escalation of the Israel-Iran conflict and the expansion of its geographical scale. The specificity of the contemporary conflict lies in its impact beyond the boundaries of a specific region. The escalation of the Israel-Iran conflict is no longer limited to traditional Middle Eastern geography, and its sphere of action extends to the South Caucasus, Central Asia, and North Africa<sup>12</sup>.

The reduction of Iran's influence in the region and Israel's strengthened military positioning creates a new reality for South Caucasus countries, in which all three countries of the region are forced to reassess their security strategy and regional alliances. Turkey's role evolution is particularly significant, as it gradually becomes a unifying political and economic actor between the Middle East and the South Caucasus<sup>13</sup>.

Several possible scenarios exist for resolving the ongoing conflict in the Middle East. Below we will examine all of them and analyze the reality of their implementation.

The most acceptable but least likely scenario for conflict resolution is diplomatic resolution, which would require successful negotiations by the Trump administration with Iran regarding nuclear program limitations. Iran agrees to limit uranium enrichment to 5%, and in return, sanctions imposed on it are partially lifted. Strengthening regional stability will contribute to deepening economic cooperation<sup>14</sup>. Implementation of this is least likely because the antagonistic attitude of the parties excludes the possibility of achieving such an agreement.

The negative possible continuation of the conflict is escalation to the level of regional war, involving Iran's regional supporters. Iran will create alliances, which will cause a deep economic crisis. In this likely scenario of conflict, the South Caucasus will be involved in open confrontation, existing energy infrastructure will become a

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<sup>10</sup> Cohen, E. (2025). SOCAR's Investment in Tamar Field: Strengthening Israel-Azerbaijan Energy Partnership. *Israel Ministry of Energy Press Release*, March 17.

<sup>11</sup> Armenia MFA. (2023). Energy Cooperation Agreement with Iran Extended Until 2030. *Ministry of Foreign Affairs Press Release*, August 15.

<sup>12</sup> Rumer, E., & Sokolsky, R. (2024). Regional Security Architecture: Middle East and South Caucasus Linkages. *Survival*, 66(2), 45-68.

<sup>13</sup> Frappi, C. (2024). Turkey's New Regional Strategy: From Neo-Ottomanism to Pragmatic Multilateralism. *Middle East Policy*, 31(2), 78-95.

<sup>14</sup> Markedonov, S., & Suleymanov, E. (2024). Economic Interdependence and Political Stability in the South Caucasus. *Post-Soviet Affairs*, 40(3), 178-195.

target for opposing sides, and the region will face a humanitarian catastrophe<sup>15</sup>. This does not suit either side of the conflict and will most likely not be allowed by either the US or Russia.

The most likely and more or less acceptable continuation for everyone is maintaining controlled tension, where both sides try to avoid regional war escalation but cannot resolve the conflict<sup>16</sup>. South Caucasus countries will continue multi-vector diplomacy and adaptation to new geopolitical reality.

The impact of the Israel-Iran conflict on the South Caucasus covers multiple dimensions. Azerbaijan-Israel strategic partnership, which includes military, energy, and intelligence cooperation, makes Azerbaijan a significant component of Israel's regional security strategy. Parallel to this, strengthened Armenia-Iran relations in energy, economic, and military spheres create an alternative geopolitical connection in the region.

Georgia's neutral position and transit function make it a critically important actor for regional stability. However, maintaining a neutral position for Georgia represents a challenge for maintaining balance between competing geopolitical poles.

The dynamics of the 2024-2025 Israel-Iran conflict showed a classic example of transformation from proxy conflict to direct military confrontation. Iran's nuclear program and Israel's preventive strikes create a new geopolitical reality in the Middle East, which directly impacts all aspects of regional stability and international relations.

The June 2025 events represent a decision-making point when two countries for the first time engaged in direct and open military confrontation. Israel's strikes against Iran's nuclear infrastructure and Iran's massive retaliatory missile attacks showed both sides' readiness to take any step to achieve their strategic goals.

The international community's reaction, US nuclear negotiations and military readiness, EU de-escalation calls, Russia's and China's support for Iran showed global powers' disagreement regarding this conflict, while regional actors' different positions reflect complex balancing between national interests, regional stability, and international alliances.

The events of June 2025 represented a decision point, when the two countries first engaged in direct and open military confrontation. Israel's strikes against Iran's nuclear infrastructure and Iran's massive retaliatory missile strikes, further escalated by the direct involvement of US bombers, demonstrated both sides' readiness to take any step to achieve their strategic goals.

The reaction of the international community – including the US nuclear negotiations and military preparations, the EU's calls for de-escalation, and Russia and China's support for Iran – highlighted the divergent views of global powers regarding this conflict. Meanwhile, the differing positions of regional actors reflected a complex balancing act between national interests, regional stability, and international alliances.

The culmination of the June escalation, further intensified by the direct involvement of US bombers, led to intensive diplomatic efforts from the international community. Emergency sessions of the UN Security Council, coordinated (though driven by differing motives) pressure from the US, EU, Russia, and China proved decisive in preventing further escalation.

After several days of intense aerial and missile attacks, both sides finally agreed to a ceasefire, which was solidified through UN mediation and firm guarantees from global actors. The conflict's resolution primarily involved maintaining the **status quo** in terms of military actions, though its consequences left a deep mark on the region's geopolitical landscape.

As of July 2025, Iran-Israel relations remain extremely tense. Despite the ceasefire, trust between the two countries has been completely eroded.

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<sup>15</sup> Avdaliani, E. (2024). South Caucasus in the New Geopolitical Reality: Between East and West. *Caucasus Survey*, 12(4), 456-473.

<sup>16</sup> Freire, M. R., & Simão, L. (2024). Regional Security Complexes in Transition: The Case of the South Caucasus. *European Security*, 33(2), 234-252.

At this stage, both sides of the conflict are assessing the damage incurred and beginning reconstruction efforts for their damaged infrastructure. The economic toll on the region is particularly significant, as reflected in the increase of global oil prices.

Following the cessation of hostilities, both Israel and Iran are strengthening their defensive capabilities and maintaining a high state of combat readiness, which creates a constant threat of new confrontation. Air defense systems and intelligence activities have been intensified.

Even though direct military actions have stopped, long-term peace negotiations have not yet begun. The uncertainty surrounding Iran's nuclear program remains a key challenge. International efforts are focused on monitoring the situation and preventing further escalation.

Regional actors, such as Saudi Arabia, the Emirates, and Turkey, are re-evaluating their alliances and security strategies. The conflict has further deepened divisions in the region; some countries have strengthened ties with the US, while others have re-evaluated their relations with Iran.

The escalation of the Iran-Israel conflict, with the direct involvement of American bombers, has created significant geopolitical challenges for the South Caucasus, a region already existing in a complex and fragile security environment:

Georgia and Azerbaijan are key transit gateways for Caspian energy resources to Europe. The escalation of regional tensions directly threatens vital infrastructure such as the Baku-Tbilisi-Ceyhan (BTC) oil pipeline and gas pipelines. Furthermore, the security and functionality of the "Middle Corridor" trade route will be jeopardized.

The intensification of conflict in the Middle East directly impacts the already tense situation in the South Caucasus, where Russia's occupation and the unresolved Nagorno-Karabakh issue remain acute problems. Regional tensions could potentially fuel the exacerbation of existing conflicts or the emergence of new hotspots.

Against the backdrop of these events, Russia might try to exploit regional instability to strengthen its influence in the South Caucasus, particularly towards Georgia.

With increased internal and external pressure, Iran might intensify its influence northward, posing a significant challenge for Azerbaijan and Armenian-Iranian relations.

The diversion of resources and attention to the Middle East might reduce the intensity of Western support for the South Caucasus. Against this backdrop, Turkey's role will grow even further, complicating the region's geopolitical dynamics.

The escalation of the Iran-Israel conflict, with America's direct involvement, has significantly altered the geopolitical balance, placing the South Caucasus region under even greater uncertainty and threat.

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