

Reassessing Armenia's Deterrence Strategy in 2025

Leonid Nersisyan, Senior Research Fellow

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Introduction

Nearly five years have passed since Armenia's defeat in the Second Nagorno-Karabakh War, almost three years since Azerbaijan's September 2022 attack on Armenia's territory, and more than 12 months since the ethnic cleansing of Nagorno-Karabakh. This sequence of defeats and crises has laid bare the near-total failure of Armenia's deterrence mechanisms. Since 2023, the conflict has been in a no peace no war limbo, while Azerbaijan continues to use bellicose rhetoric and exert military pressure on Armenia, regularly opening fire on Armenian border villages and accusing Armenia of doing the same without providing any evidence. At the same time, over the past few years, some elements have shifted in Armenia's deterrence configuration that must be taken into account. The persisting security risks in Armenia, together with uncertain geopolitical dynamics, have underlined the necessity of continuously strengthening and adapting Armenia's deterrence strategy. In this paper, we review the ongoing process of rebuilding Armenia's deterrence mechanisms, in particular the reforms of the Armed Forces and the diversification of its foreign policy. We

also make recommendations regarding defense procurement and planning, capacity building and the local defense industry.

From Concepts to Implementation

Since the last edition of this paper in 2023, Armenia has continued steadily to diversify its security architecture. Defense cooperation with India and France is now up and running. These countries have become the two largest suppliers of military equipment to Armenia and training to the Armenian Armed Forces. Despite this progress, however, the military balance is still not in Armenia's favor and no external power has provided full military guarantees to Armenia, as was the case with Russia before 2020.

In the absence of a fully developed deterrence plan and in the midst of persistent threats of renewed aggression from Azerbaijan, Armenia continues to upgrade its military structure, diplomacy and foreign policy resources. In this volatile and tense environment, putting in place these three pillars of Armenian deterrence should be the main priority.

Since 2023, Armenia has published its long-term Armed Forces Transformation Concept through 2035 and finalized the Comprehensive Defense Concept and Territorial Defense Troops Concept, which are important steps in the right direction.

Having said that, the pace of ongoing military reforms remains suboptimal. The implementation of the abovementioned strategic frameworks has been fragmented and is heavily dependent on the individual capacities of the civil servants and officers in charge of these portfolios. This underscores the need for further improvement of governance in Armenia and capacity-building in the state apparatus. For example, while artillery forces have made significant strides in operational capability since 2020, the Territorial Defense Forces remain underdeveloped. Despite long-anticipated legislative changes and the formal adoption of the Territorial Defense Troops Concept, they have yet to emerge as a meaningful component of national defense.

Recommendations

1. Accelerate Military Reforms

Armenia should continue advancing its military reforms through short- and long-term work plans. Integrating different timelines based on shifting targets is important to achieve capacity to defend effectively against Azerbaijani aggression in the next three to four years and be capable of achieving a full military victory if attacked over the next 10 years. Armenia must modernize its regular Armed Forces and develop an effective reserve corps by creating Territorial Defense Forces that integrate professional and volunteer personnel. Progress on Territorial Defense Forces development has stalled due to the limited implementation of relevant legislation and strategic frameworks; this must be addressed as a matter of urgency.

2. Enhance Defense Procurement and Planning

Armenia should sustain its momentum in defense procurement, emphasizing air defense systems, command and control infrastructure, artillery, unmanned aerial vehicles, and modern anti-tank guided missiles. The window for emergency procurement is closing; and long-term planning must take precedence. This planning should be grounded in needs identified during the structural reform of the Armed Forces and focused on creating an integrated digital battlefield.

3. Invest in Talent Development and Institutional Capacity

Armenia must prioritize talent development and institutional capacity-building in the military and diplomatic domains. This includes education reform, targeted recruitment and collaboration with foreign experts to address urgent capability gaps.

4. Develop the Domestic Defense Industry

Armenia should continue cultivating its domestic defense industry by improving the competitiveness and transparency of its procurement system. It must also establish mechanisms to facilitate closer collaboration between the Armed Forces and industry, particularly in formulating technical specifications for defense products.

5. Recalibrate Foreign Policy for Strategic Balance

In foreign policy and diplomacy, Armenia should balance its Western-focused efforts with greater ones to deepen relations with powers that are not part of this bloc. In such a volatile environment, maintaining the momentum with the United States, the European Union, and individual EU member states should go in parallel with increasing cooperation with Iran and India, and with assessing the potential of further engagement with China. Cultivating diplomatic support is a key element of Armenia's deterrence strategy as it can galvanize the political will of partners to impose costs for the violation of Armenian sovereignty.

Learning the Lessons of 2020–2023

Following its victory in the 1992–1994 war, Armenia initially maintained military and diplomatic superiority over Azerbaijan, partly due to Russia's embargo on arms sales, which was informally breached to Armenia's benefit. This advantage began to decline after 2002 when President Vladimir Putin lifted the embargo, enabling Azerbaijan to capitalize on growing oil and gas revenues and increase arms imports from Russia and Israel starting in 2007. In response, Armenia adopted a defensive military doctrine emphasizing cooperation within Russian-led structures, including the Collective Security Treaty Organization's Integrated Air Defense System and the United Group of Forces. Armenia also sought to bolster its missile capabilities, acquiring modern Iskander missiles in 2016 to serve as a strategic deterrent by threatening Azerbaijani critical infrastructure. However, persistent internal challenges—including widespread corruption, nepotism, ineffective procurement practices, low-quality military education, and poor strategic planning—significantly diminished Armenia's military capabilities, undermining its ability to counter Azerbaijan's military growth effectively.

Yerevan took steps to reverse its strategic decline after the bitter defeat of 2020 and the Azerbaijani attacks of

September 2022. It dramatically increased defense spending, actively engaged in defense reform, and pursued new partnerships, particularly with India and France. Armenia also expanded its defense cooperation with the United States and Iran.

Armenia's defense spending reflects a determined, constrained response to persistent threats. A 128% increase in its defense budget between 2020 and 2025—reaching \$1.7 billion—marks a significant shift in national priorities. At the same time, Armenia's defense expenditure remains well behind that of Azerbaijan, whose budget reached nearly \$5 billion in 2025.

Armenia is conducting the largest military procurement drive in its history, totaling approximately \$2.5 billion. Recent agreements with India include the acquisition of 155-mm ATAGS towed artillery, 72 units of 155-mm MArG self-propelled guns, Pinaka multiple-launch rocket systems, Akash surface-to-air missile systems, Zen anti-drone technologies, Konkurs-M anti-tank missiles, small arms, and ammunition. In 2024, Armenia and India signed an agreement on military training and institutional cooperation.

Armenia has procured three GM-200 radars from France, 50 Bastion armored vehicles, 36 Caesar 155-mm self-propelled artillery systems, and various small arms and equipment. France and the United States have

actively supported Armenia's ongoing defense reforms.

Concurrently, Yerevan has invested heavily in constructing fortified defensive structures along its borders—a strategy indicative of a primarily defensive posture. In addition, the Armenian Armed Forces hold contracts exceeding \$420 million with domestic producers, underscoring the growing capacity of the national defense industry.

Assessing the Military Reform Agenda

The 2020 war and subsequent standoffs with Azerbaijan have tested Armenia's deterrence capabilities and its ability to wage modern war. Armenia's defense needs require sustained, in-depth military reform, talent development, and institutional capacity-building. However, ongoing efforts remain fragmented and in some cases are being implemented more slowly than necessary.

Forthcoming reforms, as part of executing the Armed Forces Transformation and Comprehensive Defense Concepts, must include the following steps:

- **Enhance Officer Education and Career Development**

Armenia must continue to improve officer education, merit-based advancement, and motivation. The

recent attestation process for contract soldiers and officers led to pay increases and is a step in the right direction. However, communication with the public regarding military career opportunities remains inadequate and is not yet capable of creating sufficient competition for those who have decided to become part of the Armenian Armed Forces.

- **Upgrade Command and Control Capabilities**

Professionalism and technical capacity must be improved, with a comprehensive digital transformation of the Armed Forces. This is essential for battlefield performance and efficient resource management, including conscription and reserve mobilization.

- The 2020 War and 2022 incursion revealed serious communication failures. Troops resorted to using civilian radios and mobile phones, or physically delivering handwritten orders, making them easy targets to Azerbaijani signals intelligence. These lapses resulted in additional casualties and poor situational awareness.

- **Strengthen Intelligence Capabilities**

Armenia must continue to invest in intelligence across multiple domains, including professional training, technical tools, data analysis, and open-source intelligence.

- ***Improve Joint Forces Interoperability***

Persistent problems remain in coordinating operations between branches of the Armed Forces and among individual units. This issue, previously identified in past white papers, remains largely unresolved.

- ***Monitor Modern Warfare Trends and Update Force Structure***

Studying ongoing global conflicts and adapting to evolving doctrines must become a priority, especially in today's environment. The Armed Forces Transformation Concept, creating a sergeant school, establishing special operations forces, and introducing updated training methods are important steps but remain insufficient. A new organizational structure of Armed Forces and separate branch-specific doctrines are urgently needed.

- ***Develop Combat-Ready Territorial Defense Forces (TDF)***

TDF development is critical to expanding the workforce. Despite the adoption of enabling legislation in 2024, implementation remains sluggish.

- ***Advance the Comprehensive Defense Strategy***

Despite adopting the Concept Paper last year, the shift toward a whole-of-society defense concept is lagging. The Security Council, which is tasked with coordinating implementation, requires

greater resources to fulfill this wide-ranging mandate.

- ***Integrate Volunteer Units into the Official Defense Structure***

Existing volunteer organizations, such as VOMA and Mets Tigran, must be formally integrated into the Armed Forces or the TDF. While some progress has been made, the process remains stalled due to the failure to adopt legislation on military-patriotic organizations.

- ***Reform Procurement Programs***

Emergency post-2020 procurement must transition to long-term planning based on the new force structure. Additionally, large-scale acquisitions should be paired with domestic production and international partnerships to support Armenian industry, create jobs, and promote technological development. Armenian defense companies capable of producing high-quality goods must receive stable, long-term orders to ensure sustainable growth.

- ***Modernize Defense Infrastructure***

Continued investment in modern, multilayered defense infrastructure is essential. Progress in this area has notably improved compared with the situation described in the 2023 white paper.

Foreign Policy Diversification

Another key element in developing an effective deterrence strategy is establishing a coherent and diversified foreign policy—one that provides Armenia with reliable partners and broad-based diplomatic support. The importance of optimal foreign policy and diplomacy should not be undervalued, as Armenia faces foreign policy challenges not only from Azerbaijan but also from Turkey. Besides, simultaneously implementing change in diplomatic and military channels multiplies the effect: deepening ties with new partners allows access to new defense technology and capacity-building opportunities, while activity in Armed Forces transformation, such as procurement, creates competition and interest around the country, helping to reach new diplomatic and foreign policy goals.

Armenia remains, at least officially, an ally of Russia. However, Moscow appears to lack the will and capacity to support Yerevan in a potential confrontation with Turkey and Azerbaijan, particularly in the context of the protracted and intense Russo-Ukrainian War. At this juncture, Armenia receives more active and tangible support from Iran and some Western countries—support that appears to have played a role in stopping Azerbaijani incursions into the Syunik region in May 2021 and

September 2022, and in preventing a new large-scale attack thereafter. Meanwhile, if the war in Ukraine stops soon, Moscow may attempt to expand its presence and influence in the South Caucasus and increase its involvement in Armenia–Azerbaijan negotiations, a scenario that Armenia should take into account.

Tehran has consistently affirmed the inviolability of Armenia’s borders and opposes the so-called “Zangezur Corridor” initiative promoted by Turkey and Azerbaijan. In April 2025, Iran and Armenia conducted joint military exercises for the first time along their shared border, coinciding with renewed Azerbaijani attacks on Armenian border villages and infrastructure.

The United States, France, and the European Union have also contributed to regional stability, exerting diplomatic pressure on Baku and voicing support for Armenia’s territorial integrity. The EU has taken on a more active role, launching a civilian monitoring mission along the Armenia–Azerbaijan border and extending its mandate for another two-year term until February 2027. While many European countries are politically and economically supportive of Armenia, the EU lacks the instruments and mandate to employ hard power, economically or politically, in the region.

India has emerged as Armenia's most significant new security and prospective economic development partner. Delhi has demonstrated openness to a wide range of defense procurement projects, with the known value of existing arms contracts already exceeding \$1.5 billion. However, it is notable that this relationship has not led to a vocal Indian diplomatic position on the South Caucasus. Additionally, some Gulf Cooperation Council countries may become valuable partners by promoting economic growth and providing access to new resources, a development that merits greater attention and engagement.

The United States, in contrast to its more limited involvement during the 2020 war, significantly increased its involvement in Armenia–Azerbaijan negotiations and cooperation with Armenia during the Biden administration. This shift led to the signing of a Strategic Partnership Charter in January 2025, the expansion of military collaboration through annual joint peacekeeping exercises (Eagle Partner), and the appointment of an American adviser to Armenia's Ministry of Defense. However, the full extent of future US engagement remains uncertain under the new Trump administration. Geopolitical variables—such as the trajectory of negotiations in the Russo-Ukrainian War and the negotiations with Iran—

could influence Washington's regional posture.

The shifting dynamics of the Russo-Ukrainian conflict, the waning of US assistance to Ukraine, potential decrease of US interest in the South Caucasus, and strains in transatlantic relations reinforce the nuanced diversification logic in Armenia's foreign policy. Yerevan should continue deepening its relationship with Iran, which remains the most credible “on-the-ground” deterrent against Azerbaijan. At the same time, it should pursue pragmatic engagement with India, individual European countries, and China, and maintain momentum with the EU, which is expected to sign a New Partnership Agenda in 2025. Armenia should also strive to establish a new normal with Russia, thereby preventing further deterioration of relations.

An additional avenue worth pursuing is the formation of “minilateral” partnerships—compact, focused groupings of strategic partners, such as the Armenia–France–India or Armenia–France–Greece–India formats.

Conclusion

Armenia's foreign policy should rely on economic cooperation and diplomatic alignment and hard-power deterrence supplied by regional powers with converging strategic interests. A nation's readiness is determined not solely by the size of its defense budget

or the number of armored vehicles and aircraft it possesses, but also by its intellectual grasp of modern warfare, the training and motivation of its officer corps, and the strength of its strategic diplomacy. All these dimensions must advance in parallel if Armenia is to establish a robust and credible deterrence configuration.



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