

CONNECTIONS

The Quarterly Journal

Volume XIV, Number 2

Spring 2015

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Russia and the Caucasus

R. Craig Nation *

Introduction

Russian influence in the South Caucasus region has a long history. Czar Ivan IV initiated construction of the Tarki fortress on the Caspian Sea as early as 1559. In the subsequent centuries Russia gradually extended control over the surrounding area, culminating with the 1829 Treaty of Turkmenchay that established the Aras River as the expanding empire's boundary with Persia.¹ Russian policy toward the region has been dominated by the goal of maintaining a position of influence ever since.

Challenges to Russian control have arisen from both internal and external sources. Between 1817 and 1863 Russia fought what it calls the Caucasian War against coalitions of local tribes led by the famous Imam Shamil, eventually prevailing in an armed conflict that was "prosecuted with incredible savagery."² Modern ethnic nationalism emerged in a Caucasus subjected to czarist control, with local identities conditioned by the status of Russia as a foil for resentment.³ A tradition of armed resistance to Russian control can be traced from the Caucasian War to the present. Against the background of the Russian Revolutions of 1917, the peoples of the Caucasus launched unsuccessful attempts to consolidate independent states, and during the 1920s and 1930s there were numerous local uprisings in defiance of Soviet power.⁴ The tradition of militant opposition to Russian domination has reemerged in the post-Soviet period and remains an important source of regional instability.

The greater Caucasus has also been a subject of geopolitical competition between external actors. During the Crimean War (1853–1856) Ahmed Pasha led Ottoman armies into the Caucasus with the goal of pushing Russia north of the Terek and Kuban Rivers, a campaign whose logic (and unsuccessful outcome) was replayed by Ottoman forces under Enver Pasha during the First World War. The Caucasus was also the target of an offensive by Hitler's Wehrmacht during the Second World War, who were beaten

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¹ V.V. Rogushchiva and Zh. A. Gordon, eds., *The Caucasus and Russia (Kavkaz i Rossiya)* (St. Petersburg, 2006).

² Charles King, *The Ghost of Freedom: A History of the Caucasus* (Oxford: Oxford University Press, 2008), 18. For a substantial Russian history of the war, see Mark Bliev, *Russia and the Highlanders of the Greater Caucasus on the Way to Civilization (Rossiia i gortsy bol'shogo Kavkaza na puti k tsivilizatsii)* (Moscow: Mysl', 2004).

³ On this phenomenon, cf. Iver B. Neumann, "Russia as Central Europe's Constituting Other," *East European Politics and Society* 7:2 (1993): 349–369.

⁴ Firuz Kazemzadeh, *The Struggle for Transcaucasia, 1917-1921* (Westport, CT: Hyperion, 1991); and Alex Marshall, *The Caucasus Under Soviet Rule* (London: Routledge, 2010), 147–174.

back by the Soviet armed forces at great cost.⁵ Parvin Darabadi characterizes these episodes as part of a larger struggle waged on the global chessboard to control a “great Eurasian Central-Eurasia megazone” including the Black and Caspian Seas.⁶ Today’s conflicts for influence in the Caucasus region between the U.S. and its Western allies and the Russian Federation fit neatly into this tradition.

The promise of a new beginning offered by the dismantling of the Soviet Union has not been fulfilled. Between 1994 and 1996 Boris Yeltsin’s Russia fought the First Chechen War in an attempt to squelch separatism in the Russian North Caucasus, with catastrophic results. In the Second Chechen War (1999–2009) Russia achieved greater success, but armed resistance in the region has not been eliminated. Against the background of the Soviet collapse Armenia and Azerbaijan waged war over the enclave of Nagorno-Karabakh, while Georgia lost control over the rebellious provinces of South Ossetia and Abkhazia, giving rise to protracted or “frozen” conflicts that remain unresolved.⁷ Since the accession of Vladimir Putin to power in the Kremlin in 2000, Russia has committed to a long-term effort to restore something like its traditional dominant status. When the Georgian government of Mikheil Saakashvili sought to regain control over South Ossetia in 2008, Russia responded with a devastating invasion that seemed to make its goals, and the capacity that it possessed to pursue them, crystal clear.⁸

Russia pursues an assertive regional policy in the Caucasus consistent with its historical traditions, which portray the region as “an inalienable part of the history and fate of Russia,” as well as its contemporary geostrategic interests.⁹ Meanwhile, its long-standing role as a major player in the region continues to shape its perceptions and priorities. Russia’s policy toward the South Caucasus is also aligned with a larger vision for post-Soviet Eurasia, which is viewed as the crucible within which Russia will eventually be able to reassert itself as a great world power – a dynamic exposed once again by Russian reactions to the conflict that has been unfolding in Ukraine since 2013. The goals of the Russian Federation in the Caucasus set it at odds with the Western security community in an area where both sides have important interests at stake. Managing these aspirations represents an important security challenge.

⁵ A.A. Grechko, *The Battle for the Caucasus (Bitva za Kavkaz)* (Moscow: Voennoe Izdatel’stvo Ministerstva Oborony SSSR, 1971).

⁶ Parvin Darabadi, *Caucasus and the Caspian in the World History and the 21st Century Geopolitics (Kavkaz i Kaspii v mirovoi istorii i geopolitika XXI veka)* (Moscow: Izdatel’stvo Ves’ Mir, 2010), 13.

⁷ R. Craig Nation, “Protracted Conflict in the Caucasus,” in *Caspian Security Issues: Conflicts, Cooperation and Energy Supplies*, ed. Marco Valigi (Rome: Edizioni Epoké, 2014), 27–46.

⁸ Ronald Asmus, *A Little War that Shook the World: Georgia, Russia and the West* (New York: Palgrave Macmillan, 2010).

⁹ K.S. Gadzhiev, *The Great Game in the Caucasus: Yesterday, Today, Tomorrow (Bol’shaia igra’ na Kavkaze: Vchera, segodnia, zavtra)* (Moscow, Mezhdunarodnye otnosheniia, 2010), 318.

Russian Interests in the Region

The Caucasus region is inherently fragile. Ethnic rivalry and frustrated nationalism remain significant sources of instability. The Russian North Caucasus includes more than 40 living languages and nearly 100 distinct ethnic communities. Despite post-Soviet migration patterns that have reduced diversity, all the states of the South Caucasus have significant minority populations. The region continues to struggle with the challenges of modernization and development, a process that post-Soviet conflict has slowed down. The imposed geopolitical rivalries in particular create dangerous polarization.

Russia has always regarded the Caucasus as “a zone of existential (*zhiznennno vazhnykh*) interests” that is of “strategically critical significance for Russian national security,” but in the first years of the post-Soviet period these priorities were subordinated to what proved to be a quixotic effort to affect a “strategic partnership” with the West. At the conclusion of the Soviet era the region was accorded only marginal importance in Western perspective.¹⁰ That perception changed following the “deal of the century” in 1994, when a consortium of oil companies signed an agreement with Azerbaijan to develop the hydrocarbon reserves of the Caspian Basin.¹¹ U.S. interest in the region expanded following the terrorist attacks of 11 September 2001. The Caucasus was now an area of concern in the so-called Global War on Terror, and after 2004 it became part of a transport corridor for the U.S. and ISAF expeditionary force in Afghanistan. For many of the same reasons—with Vladimir Putin directing Russian policy from 2000 onward, waging a new war to repress Chechen separatism, and committing to a revival of Russian power and influence in its “near abroad”—the Caucasus region regained its traditional salience in the spectrum of Russian security concerns.

During the first decade of the new millennium the Caucasus became an apple of discord in what began to be called a new “Great Game” played for regional hegemony.¹² The contest for influence soon took on an ideological veneer. For some in the West the Black and Caspian Sea region had become the “frontier of freedom,” where a contest between Western democratic values and Russian authoritarianism was underway.¹³ Moscow interpreted Western “penetration” of the region as an assault on a traditional sphere of influence and the “Russian Idea” of an integrated Eurasia that inspired it.¹⁴ Both sides began to describe their interaction in the Caucasus as a zero-sum competition that made compromise in search of negotiated solutions more difficult to achieve.

¹⁰ Ibid., 7, 200.

¹¹ Sonni Efrom, “Western Oil Firms Sign Deal for Drilling in Caspian Sea,” *Los Angeles Times*, 21 September 1994, available at http://articles.latimes.com/1994-09-21/business/fi-41153_1_caspian-sea.

¹² Alex Rasizade, “The Great Game of Caspian Energy: Ambitions and Realities,” *Journal of Southern Europe and the Balkans* 7:1 (2005): 1–17.

¹³ Ronald D. Asmus and Bruce P. Jackson, “The Black Sea and the Frontiers of Freedom,” *Policy Review* 125 (2004), available at www.hoover.org/research/black-sea-and-frontiers-freedom.

¹⁴ Marlène Laruelle, *L'idéologie eurasiste russe ou comment penser l'empire* (Paris: l'Harmattan, 1999).

Energy security was an important driver of rivalry. The Caspian region's relevance as an energy producer and the Caucasus' status as a corridor for the transshipment of hydrocarbons to Western markets made them a focal point for geopolitical competition. According to an influential strain of Russian analysis, from the mid-1990s U.S. policy consistently sought "the submission to its control of the energy resources of the Caucasus-Caspian region."¹⁵ Washington rejects this interpretation, arguing that expanding access to Caspian resources works to everyone's advantage and is in no way anti-Russian in spirit. But U.S. sources do not deny that there is something at stake. The U.S. Energy Information Administration has recently described the Caspian Basin as "an increasingly important source of global energy production" with a significant capacity to expand offshore natural gas production.¹⁶

The Russian Federation inherited a virtual monopoly of access to Caspian hydrocarbon reserves from the USSR, but its control has been challenged. The Baku-Tbilisi-Ceyhan pipeline, in operation from 2006, has been described as an "umbilical cord" tying Azerbaijan and Georgia more closely to the West.¹⁷ The 2009 Russia-Ukraine dispute over gas prices, which led to the temporary interruption of supplies to European customers in mid-winter, added force to calls for diversification. The Caspian region is now viewed by the European Union as a "fourth axis" for natural gas supply (after Norway, Russia and Africa), capable of supplying up to 20 percent of the continent's needs.¹⁸ The complicated attempt to create a Southern Corridor for the transport of natural gas from the Caspian Basin to European markets seems to have come to closure with a commitment to the construction of a Trans-Anatolia Pipeline (TANAP) from the second phase of the Shah Deniz natural gas field in Azerbaijan, utilizing the existing South Caucasus pipeline, and transiting Greece and Albania to link with a new Trans-Adriatic Pipeline (TAP) extending to Italy and beyond. Though this is a much-reduced version of Europe's original, ambitious *Nabucco* project, it remains a challenge to Russia. Moscow's South Stream project, planned to bring natural gas from Russia and the Caspian Basin into European markets via the Black Sea and the Balkans, was cancelled in December 2014 in view of Bulgarian and EU opposition occasioned by the Ukraine cri-

¹⁵ Gadzhiev, *The Great Game*, 170, and S. Cherniavskii, "Washington's Caucasian Strategy," *Mezhdunarodnaia zhizn'* 1, 22–25.

¹⁶ "Oil and Natural Gas Production is Growing in Caspian Sea Region," U.S. Energy Information Administration, 11 September 2013, available at www.eia.gov/todayinenergy/detail.cfm?id=12911.

¹⁷ Frederick Starr and Svante E. Cornell, eds., *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West* (Washington DC: Central Asia-Caucasus Institute and Silk Road Studies Program, 2005), 17.

¹⁸ *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Energy Infrastructure Priorities for 2020 and Beyond – A Blueprint for an Integrated European Energy Network*. COM(2010)677 final, Brussels, 17 November 2010, available at http://ec.europa.eu/danmark/documents/alle_emner/energi/101117_energi-infra_en.pdf.

sis.¹⁹ It has been replaced by a more modest variant, intended to move natural gas via Turkey into Greece, once again potentially eliminating the role of Ukraine as transit country. The project remains a major strategic initiative that Russia is pursuing at some cost – a measure of what is perceived to be at stake in the “war of pipelines” in the Caspian Basin. Moscow believes that its interests are being challenged by the West’s efforts to secure gas supplies by building alternative transit infrastructure. Geopolitical competition in the energy sector remains intense.

The southern flank of the Russian Federation also covers a Huntingtonian “fault line” between Christian and Islamic civilizations. The Caucasus region is plagued by local conflicts with a sectarian dimension and has become an arena for embedded terrorism. Russia’s relative success in counter-insurgency operations in Chechnya, ironically but not surprisingly, has had the effect of pushing armed resistance into the larger North Caucasus region. The Caucasus Emirate organization, pledged to the use of terrorism to secure the creation of an Islamic state in the Caucasus and beyond, represents a shift in the focus of resistance from the cause of national liberation to a variant of Islamic radicalism, or “Wahhabism” in Russian parlance. The Caucasus Emirate has been described by Gordon Hahn as “part of a global jihadi revolutionary movement or alliance, which includes but is not reducible to AQ [Al Qaida].”²⁰ This makes it, in principle at least, a threat to both Russia and the West – an assertion that seems to have been confirmed by the involvement of two U.S. citizens of North Caucasian extraction (Tamerlan and Dzhokhar Tsarnaev) in the Boston Marathon bombing in April 2013.²¹ Russian concern with the implications of Islamic extremism on its southern flank should not be underestimated. It is a challenge for which Moscow still seeks an effective solution. Administrative repression in response to the phenomenon may in fact only be expanding the problem.²²

Russia’s most important motives for engagement in the region are geopolitical. Moscow views the Caucasus region as a unified whole, encompassing the North and South Caucasus as well as Russia’s Krasnodar and Stavropol Krai. The intensity of anti-Russian sentiment in the region, coupled with the costs of maintaining control over an impoverished and socially convulsed area, have led to calls from Russian civil society

¹⁹ Claire Gatinois, “Le gazoduc South Stream, ‘patate chaude’ de la champagne électorale bulgare,” *Le Monde*, 4 October 2014, available at www.lemonde.fr/europe/article/2014/10/04/le-gazoduc-south-stream-patate-chaude-de-la-campagne-electorale-bulgare_4500598_3214.html.

²⁰ Gordon M. Hahn, *Getting the Caucasus Emirate Right* (Washington, D.C.: Center for Strategic and International Studies, 2011), 2.

²¹ Though sources from the region have rejected the idea of a connection, arguing that the Tsarnaev brothers’ violence was a product of American culture, the link with their native Caucasus seems manifest; cf. “Chechnya’s leadership distances itself from Boston’s ‘badness’: they have been brought in America,” *Novosti Rossii*, 19 April 2013.

²² See Geraldine Fagan, “A Word of Justice: Islam and State Repression in the North Caucasus,” *Central Asian Survey* 33:1 (2014): 29–46.

for disengagement, but these calls have had no apparent effect on elite perception.²³ Russian elites do not view the Caucasus as a peripheral region, but rather as a critical Eurasian land bridge linking the Black, Azov and Caspian Seas and, more broadly, the larger European world with Central Asia, the Silk Road and South and East Asia.²⁴ Stability in the region is considered critical to Russia's capacity to project influence into Central Asia and the Greater Middle East. Political violence in the North Caucasus makes Moscow particularly sensitive to social and economic trends and the potential for instability to "spill over" to the north.

The U.S. represents its policy as a benign attempt to encourage the emergence of secure, stable and independent states that are aligned with the West. In the dominant Russian view this disguises a long-term campaign to penetrate, destabilize and ultimately separate the region from Russia, part of a grand strategy intended "to accelerate the political and economic isolation of former Soviet republics from Moscow" and to subvert the Russian Federation itself.²⁵ The U.S. agenda for NATO enlargement, extended to the new independent states of Georgia and Ukraine following the "Color Revolutions" of 2003 and 2004, and in some interpretations renewed by U.S. support for Ukraine's Maidan Revolution in 2013–2014, has strengthened this perception.²⁶ Russia interprets U.S. actions as aggressive. Its own motives are portrayed as defensive, but they are not exclusively so. Promoting multilateral association in the former Soviet Union has become an important pillar of the Putin leadership's foreign policy, including ambitious plans to construct an enlarging Eurasian Economic Union and, beyond that, a Eurasian Union with political and security functions. Often downplayed or mocked in Western analysis, the project is being pursued by Moscow in deadly earnest. The states of the Southern Caucasus will be courted to align with their neighbor to the north, and coerced if they resist, if not for the economic advantages that association might bring them as a means to reduce or curtail Western influence.²⁷ In geopolitical terms, Moscow is locked into a zero-sum approach to the region that allows little space for reasonable accommodations.

The Limits of Russian Power

The Caucasus is a high-priority area for Russian foreign and security policy and its aspirations in the region are unambiguous. Whether it possesses the means to address them effectively is unclear.

²³ Zaurbek Shakhmurzaev, "Why Caucasus – this is Russia?" *Blog "RIA Kabardino-Balkariia,"* 31 March 2014, available at <http://kavpolit.com/blogs/zaurbek/2486>.

²⁴ Vladimir Papava, *The Central Caucasus: Fundamentals of Geopolitical Economy (Tsentral'naiia Kavkaziia: Osnovy geopoliticheskoi ekonomii)* (Tbilisi: Analytical Notes of the Georgian Foundation of Strategic and International Studies, 2007).

²⁵ S.S. Zhil'tsov, I.S. Zoni and A.M. Ushkov, *Geopolitics of the Caspian Region (Geopolitika kaspiskogo regiona)* (Moscow: Mezhdunarodnye otnosheniia, 2003), 110.

²⁶ Dmitri Trenin, "Russia in the Caucasus: Reversing the Tide," *The Brown Journal of World Affairs* 15:2 (2009): 131–142.

²⁷ "The Other EU: Why Russia Backs the Eurasian Union," *The Economist*, 23 August 2014.

The Five-Day War of August 2008 seemed to re-establish Russia's position as a dominant regional power. Georgia's armed forces, unprepared for a conflict on the scale they were forced to confront, had no choice but to fall back on their capital, exposing large parts of the country to occupation. Significant Western assistance was not forthcoming.²⁸ Russia demonstrated the will to engage militarily when its interests were challenged, along with the capacity to do so successfully. The lack of a meaningful Western response seemed to indicate an asymmetry of interests that worked to Russia's advantage. Other fragile polities bordering on the Russian Federation could only be sensitized to their exposure and more ready to accommodate with Russia as a result. On 28 August 2009 Moscow unilaterally recognized the independence of the Republics of Abkhazia and South Ossetia, throwing down the gauntlet in what has been described as an act of "deferred punishment for the recognition of Kosovo by the U.S. and many EU states."²⁹

Russian military forces are now permanently stationed in both Abkhazia and South Ossetia together with Federal Security Service (FSB) personnel and the lines of division from Georgia are being reinforced. The enclaves are fully dependent upon Russia for economic investment and tourist revenues, transportation links, the issuance of (Russian) passports allowing for international travel and political support. Forward presence gives Russia significant leverage over events in the larger region. Perhaps most importantly, Georgian movement towards NATO has been derailed.

The setback encouraged "a steep and tangible loss of Western interest in Eastern Europe in general, and the South Caucasus in particular," which to some extent remains in place.³⁰ Russian sources interpret Georgia's "aggression" against South Ossetia as the product of the new Great Game, an inevitable consequence of "the programmed, direct expansion of the West into the geopolitical space of the former USSR."³¹ According to its own justifications, by intervening in Georgia Russia demonstrated its reemergence as an independent strategic actor prepared to defend its interests—at arms, if need be—wherever they might be challenged.

The longer-term consequences of the war do not appear to be quite so benign. Certainly Russia's tactical successes have not served to overcome the structural weaknesses that plague its attempt to craft and sustain an effective regional policy.

Russia's actions in August 2008 left it substantially isolated. Only a handful of states reciprocated the gesture of according the breakaway entities diplomatic recognition (Nauru, Nicaragua and Venezuela – offers of recognition by Tuvalu and Vanuatu were subsequently withdrawn). Of special note was the refusal to accord recognition by the

²⁸ Mike Bower, "The War in Georgia and the Western Response," *Central Asian Survey* 30:2 (2011): 197–211.

²⁹ Manfred Quiring, *Pulverfass Kaukasus: Konflikte am Rand des russischen Imperiums* (Bonn: Bundeszentrale für politische Bildung, 2009), 41.

³⁰ Svante E. Cornell, "The Caucasus in Limbo," *Current History* 110:738 (2011): 283.

³¹ V.A. Zakharov and A.G. Areshev, *Caucasus after 08.08.08: Old Players in the New Power Layout (Kavkaz posle 08.08.08: Starye igroki v novoi rasstanovke sil)* (Moscow: Kvadrila, 2010), 6.

member states of the Shanghai Cooperation Organization and Collective Security Treaty Organization, Russia's key multilateral Eurasian forums.

In October 2012 the Georgian Dream Coalition, founded and financed by the eccentric millionaire Bidzina Ivanishvili, defeated Saakashvili's United National Movement by a comfortable margin in a parliamentary contest. Giorgi Margvelashvili won the presidential election of October 2013 on behalf of Georgian Dream, an outcome driven in part by Saakashvili's presumed responsibility for the failure of Georgian operations in South Ossetia. In power, Georgian Dream has sought to normalize relations with Russia, renouncing the use of force to recoup its lost territories on behalf of a strategy of "engagement through cooperation."³² Economic exchange with the Russian Federation has been revived. But Tbilisi has neither acknowledged the legitimacy of the occupied territories, nor turned away from the desire to integrate with the West and eventually associate with the EU and NATO. Russian military deployments may be considered a deterrent to a renewal of hostilities, but they are regarded as threatening by Tbilisi, which has reconstructed its armed forces to greater strength and effectiveness than pre-war levels. Force modernization continues, including a move toward an all-professional army compatible with NATO standards.³³ Historically, Georgians were viewed by Russia as a sympathetic population. Today an atmosphere of alienation and enmity prevails that makes it difficult if not impossible for the Russian Federation to employ soft power resources in pursuit of national goals. This situation is not likely to change anytime soon.

Russia has used its status as defender of the breakaway enclaves involved in "frozen" conflicts in the South Caucasus (Abkhazia, South Ossetia and the Nagorno-Karabakh enclave disputed between Armenia and Azerbaijan) to prolong regional influence. Recognition of Abkhazia and South Ossetia has reduced tensions on one level by creating a *fait accompli*, but it also allows Moscow to hold the future geopolitical evolution of Georgia hostage.

The case of Nagorno-Karabakh is more ambiguous, and also more dangerous. Together with France and the U.S., Russia is a charter member of the Minsk Group, charged with mediating a peaceful resolution to the conflict. It is also an important arms supplier to both belligerents, and the biggest diplomatic supporter of Armenia, a primary party to the conflict. Armed clashes, sniping and ceasefire violations are frequent occurrences along the line of contact that surrounds Nagorno-Karabakh and the adjacent occupied territories. Both Armenia and Azerbaijan are engaged in costly military build-ups, and provocations on both sides provide an occasional *casus belli*. President Ilham Aliyev and other high-ranking Azerbaijani officials have repeatedly asserted that Azerbaijan reserves the prerogative to resort to force to resolve the dispute if diplomatic

³² Government of Georgia, *State Strategy on Occupied Territories: Engagement through Cooperation* (Tbilisi, January 2010).

³³ Giorgi Menabde, "Georgian Defense Minister Unveils Plans to Create Entirely Professional Army Compatible with NATO Forces," *Eurasian Daily Monitor* 10:7 (2013): 3.

options are exhausted.³⁴ Russia poses as a mediator pledged to a peaceful resolution of the conflict, most recently in August 2014 when Putin sponsored a face-to-face meeting between his Armenian and Azerbaijani counterparts Serzh Sargsyan and Aliyev in the Russian resort of Sochi following a major surge in fighting that took over forty lives.³⁵ Yet Russian interests do not necessarily encourage the aggressive promotion of conflict resolution. Writing in the *New York Times* in the wake of Russia's annexation of Crimea, a former advisor to Azerbaijan's state-run oil company characterized Nagorno-Karabakh as "the next front in Russia's efforts to rebuild its lost empire."³⁶ This may overstate, but there is no doubt that Moscow views the status of the Armenian enclave as a means to enhance its regional posture. To this end, the "frozen" status quo serves its purposes most effectively by perpetuating dependence and ensuring some degree of leverage over all regional actors, including Azerbaijan itself.

Russia's strongest base of support in the South Caucasus is its bilateral relationship with Armenia. The two states have significant historical and cultural ties, and their positions on most international issues are closely aligned. As long as Armenia feels threatened by Azerbaijan it will remain strategically dependent upon Moscow. This is reflected by Armenian membership in the Collective Security Treaty Organization, a robust bilateral security treaty, and a significant Russian military presence keyed to the 102nd Military Base located in Gyumri, Armenia's second-largest city. On several occasions Russian officials have hinted that if Azerbaijan opts to use military force against Armenia, Russia will intervene on its behalf.³⁷ Armenia is dependent upon Russian economic support, including trade and energy transfers at attractive prices. Russia has purchased controlling interest in large sectors of the national economy including railways, extractive industries, telecommunications and energy infrastructure. Given the extent of dependency, it is no surprise that in September 2014 Yerevan opted to refuse the EU's offer of an Association Agreement in favor of membership in the Russian sponsored Eurasian Economic Union.³⁸ Some analysts perceive an emerging strategic division in the Caucasus as a whole, with a Russia-Armenia-Iran axis juxtaposed against a Turkey-Georgia-Azerbaijan alternative, but this scenario almost certainly overstates the degree of coherence within the putative blocs. It is the bilateral relationship between Moscow and Yerevan that has real strategic weight.

³⁴ "Azerbaijan Never Ruled Out Military Settlement of Karabakh Conflict," *News from Azerbaijan*, 28 May 2013, available at <http://www.news.az/articles/official/80066>.

³⁵ Alexander Kolyandr, "Putin Mediates Talks between Armenia, Azerbaijan on Nagorno-Karabakh Conflict," *The Wall Street Journal*, 10 August 2014, available at www.wsj.com/articles/putin-mediates-talks-between-armenia-azerbaijan-on-nagorno-karabakh-conflict-1407686523.

³⁶ Brenda Shaffer, "Russia's Next Land Grab," *The New York Times*, 9 September 2014, available at http://www.nytimes.com/2014/09/10/opinion/russias-next-land-grab.html?_r=0.

³⁷ Iurii Belousov, "Russia's Southern Outpost (luzhnyi forpost Rossii)," *Krasnaia zvezda*, 10 October 2013.

³⁸ "Armenia Allowed in the Euroasian Union (Armeniiu vpustili v Evraziiskii soiuз)," *Novaia gazeta*, 1 September 2014.

Oil-rich Azerbaijan is the strongest and most populous state in the South Caucasus. Its relative wealth and special relationship with neighboring Turkey give it leeway to pursue a balanced and multi-vector foreign policy that includes stable relations with the Russian Federation. After the failure to renew the lease for Russia's early-warning radar facility at Gabala, Azerbaijan no longer hosts Russian military facilities. It has no significant Russian-controlled economic assets that could be used as a foundation for external influence. Although Baku exports natural gas to Russia, the momentum of its energy policy is toward the West. Commercial relations are growing, but Baku's economic interaction with the EU and Turkey is considerably more important. Though Russia's special relationship with Armenia is an irritant, Russia remains an important arms supplier, and in other ways the policies of the two countries are aligned. Moscow poses no challenge to Baku's authoritarian political tradition, as has been the case with the U.S. Azerbaijan is not threatened by Russia, and rather courted as a much-desired potential member of the Eurasian Economic Union. It is a courtship, however, that is unlikely to come to fruition. Azerbaijan's interests dictate a policy of strict non-alignment.

There is a sense in which relations between Russia and Azerbaijan reflect the large contradictions that plague Russian policy in the Caucasus as a whole. Russia is too weak economically to serve as a significant point of attraction, and certainly not as an alternative to engagement with the West. The case of Armenia, constrained by security dependency, is an exception. Russian soft power assets fail to impress – its social and political model is unattractive. Cultural convergence is in decline as the diverse people of the region reassert their distinctive identities. Despite Russia's long history as a part of the region, the words of General Aleksei Ermolov, expressed almost two hundred years ago, still contain a grain of truth – Russian policy in the Caucasus inevitably trips over the collision between “two completely different cultures.”³⁹ Russia can use armed force to pursue its interests against the background of local instability but the leverage that military power provides is limited. A restoration of hegemonic status is beyond its means. The Putin leadership will continue to cultivate regional influence, oftentimes as an end in itself, but there is a chronic risk, characteristic of Russian policy as a whole, of ending in a situation where “ambition is not matched by capability.”⁴⁰

A New Cold War?

Ukraine's “Maidan Revolution” of February 2014, and its violent aftermath, has exerted and will continue to exert considerable influence upon Russia's relations with the West and its policies in the Caucasus and Black and Caspian Sea regions. The conflict is far from resolved but its enduring impacts can already be discerned. All of them are disturbing, and some profoundly so.

³⁹ Aleksei Petrovich Ermolov, *Notes (Zapiski), 1798-1826* (Moscow: Vysshiaia Shkola, 1991), 384–385.

⁴⁰ James Nixey, *The Long Goodbye: Waning Russian Influence in the South Caucasus and Central Asia* (London: Chatham House Briefing Papers, June 2012).

The Putin leadership has been firm in the conviction that U.S. policy toward Russia is inveterately hostile. It describes the ousting of president Viktor Yanukovich as a U.S.-sponsored putsch designed to impose anti-Russian leadership on Kiev, committed to association with the West, including full membership in the NATO alliance, an outcome that the Kremlin has repeatedly described as unacceptable. Russia's responses, including the annexation of Crimea and support for a separatist movement in Eastern Ukraine, have confirmed to the U.S. and its allies that Putin is operating on the basis of a grand design to restore the lost empire or "Russian World" around an ideology imbued by traditional nationalism – an initiative that must be countered. Western economic sanctions, originally intended as a deterrent to further aggression, have become punitive in spirit, and if protracted will have the effect of reversing the trend toward Russia's economic integration with the world economy that has been one of the most promising dynamics of the entire post-Soviet period. Hostile rhetoric has encouraged enemy images that will be difficult to erase. The capacity to function cooperatively with the Russian Federation as a security partner in areas of shared mutual interests would seem to have been lost, perhaps irretrievably. Russia's initiatives in Ukraine have achieved some tactical advantages (securing its naval facilities in Sevastopol, expanding access to Black Sea resources, maintaining some leverage over Ukraine's future geopolitical orientation), but at very great cost. And the conflict is far from over – the worst may be yet to come.

In the Caucasus, fallout from the Ukrainian conflict will almost certainly strengthen the most uncooperative and belligerent dimensions of Russian policy. Hopes to promote a more cooperative relationship between Russia and NATO as a foundation for benign enlargement have been shattered. Moscow's dogged opposition to Georgia's association with the Alliance has been reinforced. Worst-case scenarios concerning the Kremlin's approach to the region's protracted conflicts may become self-fulfilling prophecies, while Moscow's conviction to "never reconcile itself to the thought that the Soviet Empire has been lost" has been reinforced.⁴¹ Under these circumstances the effort to build a real security community in the greater Caucasus and a context where priorities may be shifted toward the pressing challenges of modernization, development and cultural harmony will be put off to the Greek Calends.

The Caucasus remains a shatterbelt, where Russian interests are defined in such a way as to make them incompatible with the vision of the region's future that is dominant in the West. The Ukrainian conflict seems to be exaggerating the degree of incompatibility. Russia's ability to pursue its interests in the region is limited, but not insignificant. If the foundations for cooperation collapse altogether, against the background of continuing rivalry over Ukraine, it could become a most dangerous contender.

⁴¹ Cited from Eldar Ismailov and Vladimer Papava, *Rethinking Central Eurasia* (Washington, D.C.: The Johns Hopkins University Central Asia and Silk Road Institute, 2010), 10.

Norms versus Interests: The Ambiguous Nature of NATO's Democratic Conditionality in Armenia

Shalva Dzebisashvili *

This article represents a part of a larger study that examines the relevance of the Western (NATO) standards to the process of Armenian defense transformation. In particular, it pays close attention to the democratic values of the Alliance and the degree of their practical application by the partner country within the respective cooperation agenda. The interplay of strategic mutual interests as the motivating force for NATO's conditionality and Armenia's compliance is reviewed closely, as are the relevance of the language of communication and the varying interpretations of cooperation mechanisms. The article is an attempt to evaluate the status of democratic progress and, in particular, to assess the degree of democratic control over the armed forces in Armenia. The search for motives and reasons for democratic deficit or failure remains outside of the scope of this analysis.

Introduction

The brief review of the normative foundation of the Alliance as well as the context of its gradual development makes it possible to conclude that the mere intention of cooperation with NATO, let alone membership, preconditions a certain degree of national compliance, i.e. institutional transformation of a partner country in a number of defense related areas. A country entering into a partnership relationship with NATO would face fundamental requirements similar to the principles of Security Sector Reforms (SSR) that are predominantly focused on a deep democratic transformation of defense and military institutions.

Sharing the claim that the Alliance consistently promotes norms of transparency and democratic control of the armed forces, we still struggle to find the deep and coherent elaboration of political criteria, whereas the practical-military dimension of criteria is better structured under the concept of "force interoperability" with the mechanisms provided by The Partnership for Peace (PFP) and the Individual Partnership Programme

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(IPP).¹ Generally, NATO requirements and standards are better defined politically than practical-procedurally and are based on the common acknowledgement of the major role of democratic institutions in running the country. Applied to the field of defense and military, it essentially rests upon the primacy of the democratic control of military forces and the wide application of SSR to establish Western standards of governance in defense field.

Though the Alliance possesses the mechanisms of monitoring and evaluating the degree of national compliance via the Planning and Review Process (PARP) and MAP (ANP) progress reports, the existing framework of cooperation and partnerships (PFP) still leaves enough space for national authorities to decide for themselves on the speed and depth of cooperation and does not rule out actions that run against the spirit of compliance (free riding). This ambiguity, generated from the very first steps of launching a partnership framework, is in fact an inherent challenge of its normative nature with a high likelihood of practical repercussions. The feature of “hollowed conditionality” might be explained by the desire of “founding fathers” to assist countries that aspired to NATO membership, but also to create architecture perfectly suitable to those countries that do not seek membership and would like to “contribute to Euro-Atlantic security without compromising their own distinct foreign and security policies.”² The conditions for the second category of countries theoretically must be the same as for those countries that, despite their desire to join the Alliance, did not get the explicit guarantees of imminent accession.

The example of the South Caucasus countries speaks for the existence of two sets of partner nations for NATO: those interested in full membership (Georgia), and those interested in maintaining some kind of cooperation with the Alliance due to various internal or external interests (Armenia and Azerbaijan).³ Similar to other partner countries, all three Caucasian republics enjoy PFP as a major tool for developing deep political and military cooperation with NATO. Since neither country is provided the prospective of membership (Georgia was not admitted to MAP in 2008), the question of how to provide stronger incentives for cooperation becomes very hard to answer. In this case, some authors ask what added value the Alliance provides, and out of the 1600 PFP activities, they struggle to identify “carrots” other than membership (know-how, training, expertise, skills) strong enough to ensure compliance.⁴

¹ Marina Caparini, “Security Sector Reform and NATO and EU Enlargement,” in *SIPRI Yearbook 2003: Armaments, Disarmament and International Security* (Oxford: Oxford University Press, 2003), 260, <http://www09.sipri.org/yearbook/2003/files/SIPRIYB0307.pdf>.

² Robert Simmons, “Ten Years of the Euro-Atlantic Partnership Council: A Personal Reflection,” *NATO Review – Partnerships: Old and New*, 1 April 2007, available at www.nato.int/docu/review/2007/Partnerships_Old_New/10_years_NATO_Atlantic_council/EN/index.htm (accessed 9 September 2014).

³ Alberto Priego, “NATO Cooperation towards South Caucasus,” *Caucasian Review of International Affairs* 2:1 (2008): 50.

⁴ Barbora Marônková, “NATO’s Partnerships Before and After the Chicago Summit,” in *PANORAMA of Global Security Environment*, ed. Marian Majer, Róbert Ondrejcsák and

Given the risk of a partner country's partial compliance or even free-riding, the unique PFP platform of practical military cooperation provides additional impetus for the creation of two-tiered armed forces: one that meets NATO standards and is interoperable, and another based on an old model and usually much larger than the former.⁵ Consequently, if evidence of such national behavior is found, the underlying motives of states (and actors representing state and institutions) must be studied thoroughly, with specific emphasis on the convergence of strategic interests of the state and the Alliance, domestic agenda priorities and the potential benefits of rhetorical actions for local stakeholders.

Basics of Influence: NATO's Interests in the Region and Mechanisms of Cooperation

This chapter shall provide a brief overview of the complex nature of interests the Alliance pursues regarding the South Caucasus (SC) region. We stress the importance of periodic limitation to our study and concentrate on the basic events that happened within the time span of 2004–2012. The main emphasis at this stage will be placed on general political messages NATO sent to the region and a brief review of existing practical leverage to secure the declared interests of the Alliance in the region.

The Alliance's Interests in the South Caucasus Region

One of the key conclusions drawn from the analysis of the Alliance's policy of conditionality was that the success of conditionality, i.e. the degree of national compliance, is strongly contingent upon the strategic interest of the Alliance towards a partner country and, respectively, towards the credible implementation of commitments. Thus, it becomes highly relevant to know how NATO viewed the region in the aforementioned period, and what role the specific countries played within the strategic agenda of the Alliance.

In 2002, then-Secretary General Lord Robertson stated that the SC region was of no specific relevance to the Alliance.⁶ This is understandable, given that at the time, all the SC republics were engaged in a broader PFP framework and no specific political course was identified until the Prague Summit in 2002 (Georgia voiced its desire to become a member), which would unequivocally confirm any nation's major interest to join NATO. Just one year later the same Secretary General took a comprehensive trip, during which he visited the capitals of all three countries, meeting presidents and defense

Vladimír Tarasovič (Bratislava: Center for European and North Atlantic Affairs [CENAA], 2012), 146, 148, http://cenaa.org/analysis/wp-content/uploads/2013/02/Maronkova_final.pdf.

⁵ Caparini, "Security Sector Reform," 246.

⁶ Martin Malek, "NATO and the South Caucasus: Armenia, Azerbaijan, and Georgia on Different Tracks," *Connections: The Quarterly Journal* 7:3 (2008): 30.

ministers and publicly stating the importance of the region for the security of Europe.⁷ The growing importance of the region to the Alliance should not be regarded in isolation from the global context, and the practical steps that followed speak clearly for that. The Istanbul Summit in 2004 elevated the partnerships with Caucasus and Central Asian countries to a top priority and led to the creation of the position of the Secretary General's Special Representatives in both regions.⁸ In 2003 NATO took a major role in ISAF operations, took over the command of forces and actively invited partner nations to contribute to operations either by deploying forces or through other contributions. The U.S. Government Accountability Office (GAO) echoes this in the following statement:

The growing size and significance of NATO's operation in Afghanistan has increased both NATO's emphasis on developing PfP countries' capabilities for participating in NATO military operations and the strategic importance of the Caucasus and Central Asian PfP countries to NATO, given their proximity to Afghanistan.⁹

This implies that ISAF operations and the geographic proximity of SC countries to Central Asia provided an additional logistical capacity (airlift and railway) for coalition supplies to Afghanistan. Azerbaijan and Armenia's proximity to Iran also played a certain role in forming the Alliance's strategic attitude.¹⁰ Politically it was accompanied by the appointment of two liaison officers in both regions, whose main mission was to work daily with local defense and other state institutions and to assist the Special Representative in developing guidelines with regard to NATO's overall strategy towards the Caucasus and Central Asia. It should also be noted that over time, all the SC countries joined the U.S. military operation in Iraq by sending troops, thus creating an additional level of bilateral military cooperation. As recognition of these efforts, the next Secretary General of NATO, Jaap de Hoop Scheffer, visited Georgia, Armenia and Azerbaijan on 4 and 5 November 2004 and specifically emphasized the importance of democratic governance in Tbilisi, whereas the prospects of peaceful resolution to the Nagorno-Karabakh con-

⁷ Priego, "NATO Cooperation," 52–53; "NATO Secretary General to Travel to Georgia, Armenia and Azerbaijan," NATO, Press Release (2003)046 046, 13 May 2003, http://www.nato.int/cps/en/natohq/news_20003.htm.

⁸ Simon Schmidt, *NATO and the South Caucasus: An Analysis of Cooperative Activities within the IPAP Framework in the South Caucasus Partner Countries* (Yerevan: International Center for Human Development, ICHD, 2012), 2.

⁹ *NATO Partnerships: DOD Needs to Assess US Assistance in Response to Changes to the Partnership for Peace Program*, GAO-10-1015, Report to the Chairman, Committee on Foreign Relations, U.S. Senate (Washington D.C.: United States Government Accountability Office, 2010), 3, 17, <http://www.gao.gov/assets/320/310716.pdf>.

¹⁰ Svante Cornell, "NATO's Role in South Caucasus Regional Security," *Turkish Foreign Policy Quarterly* 3:2 (2004): 130; Vladimir Socor, "NATO Prospects in the South Caucasus" (contribution to "Building Stability and Security in the South Caucasus: Multilateral Security and the Role of NATO" on the occasion of the NATO Summit 2004, Central-Asia Caucasus Institute, School of Advanced International Studies, Johns Hopkins University, 2004), 2.

flict were discussed in Baku and Yerevan.¹¹ During these visits, the growing menace of global terrorism and transnational crime was also highlighted as well as the potential contribution of the region to European energy security. Basically, the South Caucasus linked with Central Asia has been recognized as an important transit route for energy resources and “a bulwark against drug smuggling and extremist organizations.”¹² Georgia’s desire to join the Alliance created an additional dimension of political linkage to the region, which in turn pushed for stronger military reforms within commonly accepted norms of democratic governance. As the NATO Parliamentary Assembly’s report states, the open door policy and the framework of military cooperation in the region had to be regarded as assistance to national armed forces to develop “in a manner consistent with democratic governance.”¹³

Even though the primary political objective of NATO in South Caucasus has been the overall stability of the region, the potential involvement of the Alliance in the resolution of regional conflicts (Nagorno-Karabakh, Abkhazia and South Ossetia) has been vehemently denied. During the aforementioned visits, the statements and speeches of Secretary Generals have always stressed the priority of the Organization for Security and Cooperation in Europe’s (OSCE) engagement in facilitating possible solutions, leaving NATO no viable option in this regard. The Riga Summit Declaration in 2006 demanded a peaceful solution of ethno-territorial conflicts in the region, yet did not explicitly define the format or desired model of said solution.¹⁴ During another instance in 2006, the possibility of sending NATO peacekeeping forces to the Caucasus was explicitly ruled out by the Chairman of the Alliance’s Military Committee, General Raymon Henault.¹⁵ It seems that a general consensus—one that does not foresee any serious political or military action—has been reached among NATO members, aimed at increasing NATO’s peacekeeping role in the region. Nonetheless, NATO was able to agree on one of the fundamental principles of conflict resolution, favoring the importance of territorial integrity, which was particularly emphasized during the Chicago Summit in 2102, causing the Armenian delegation to decrease the level of its participation.¹⁶

¹¹ “Caucasus visit focuses on partnership,” NATO, 3 November 2004, available at www.nato.int/cps/en/natohq/news_20669.htm.

¹² “NATO’s Role in South Caucasus Region,” Committee Report 168 DSCFC 06 E, NATO Parliamentary Assembly, 2006, 4, available at www.nato-pa.int/Default.asp?SHORTCUT=998.

¹³ *Ibid.*, para. 4 and 5.

¹⁴ “Riga Summit Declaration,” NATO Press Releases, 29 November 2006, para. 39 and 43, available at <http://www.nato.int/docu/pr/2006/p06-150e.htm>.

¹⁵ Malek, “NATO and the South Caucasus,” 49.

¹⁶ “Chicago Summit Declaration,” Press Release (2012) 062, 20 May 2012, para. 47, available at http://www.nato.int/cps/en/natohq/official_texts_87593.htm?mode=pressrelease; see also Richard Giragosian, Zaur Shiriyev and Kornely Kakachia, “Security Perceptions: The Views from Armenia, Azerbaijan & Georgia,” in *The South Caucasus 2018: Facts, Trends, Future Scenarios* (Tbilisi: Konrad Adenauer Stiftung, 2013), 205–206, http://www.kas.de/wf/doc/kas_35353-1522-35-30.pdf?130913081416.

The decisions made public during the Summit represent a logical continuation of the strategic policy review initiated shortly before the Lisbon Summit two years ago. The significant increase of NATO's dependency on military forces and material/financial donations of partner-nations in Afghanistan and Kosovo, in light of serious defense budget cuts by member states, forced the Alliance to assign the Partnership Concept much more weight. The Strategic Concept adopted at the Lisbon Summit in 2010 specifies the role of the partnership as preparing interested nations for membership.¹⁷ Interestingly, however, it also specifies with great clarity that it will develop existing partnerships "while preserving their specificity."¹⁸ The messages of the Chicago Summit in May 2012 reiterated the need for keeping flexible formats of partnerships. Most importantly, they went a step further and exemplified the areas where the flexible formats no longer posed impediments to the deepened cooperation in an operational context (including NATO Response Force – NRF), training and exercises.¹⁹ Even though the declaration did not provide any specific details on Armenia and Azerbaijan (except the reiteration of Georgia's membership aspirations), the signals sent were clear enough to indicate that the military-operational dimension of cooperation lies at core of the Alliance's interest in those countries that are not pursuing membership. Evidently, Armenia and Azerbaijan fall under this category.

The U.S., representing the most potent member of the Alliance, traditionally pursued the general objectives of regional stability and the promotion of democratic transformation. Within this general pattern, U.S. interests were initially "non-country-specific."²⁰ The radical shift of American policy toward addressing the global threat of terrorism and related risks also caused changes in the national approach to the Caucasus region. As Vladimir Socor highlights, U.S. regional policy disregarded traditional (military) threats and put great emphasis on addressing international terrorism, proliferation of weapons of mass destruction (WMDs), arms and drug smuggling.²¹ Within this context and in light of the tremendous increase of the Caspian states' capacity to export energy sources to Europe, the role of each country in the South Caucasus became much more articulated. The 2010 Report by the Congressional Research Service identifies Azerbaijan as an important energy supplier, Georgia as a model for implementing democratic reforms in post-Soviet area and a "key conduit through which Caspian Basin energy resources

¹⁷ "NATO – Active Engagement, Modern Defence – Strategic Concept for the Defence and Security of the Members of the North Atlantic Treaty Organisation Adopted by Heads of State and Government in Lisbon," *NATO*, 19 November 2010, para. 29, http://www.nato.int/cps/en/natolive/official_texts_68580.htm.

¹⁸ *Ibid.*, para. 30.

¹⁹ "Chicago Summit Declaration," para. 22.

²⁰ James Nixey, "The South Caucasus: Drama on Three Stages," in *America and a Changed World: A Question of Leadership* (London: Robin Niblett, 2010), 126, http://edoc.bibliothek.uni-halle.de/servlets/MCRFileNodeServlet/HALCoRe_derivate_00005179/CH_16492_us0510_nixey.pdf.

²¹ Socor, "NATO Prospects in the South Caucasus," 3.

flow to the West.”²² Armenia received comparably little recognition in the document and is mentioned within the general context of international crime, conflict resolution in Nagorno-Karabakh and the desirability of improved relations with Turkey. Naturally, the U.S. global security interests played a key role in initiating security and military cooperation with all three countries. The intensive military programs launched in the region from 2003 onwards were nevertheless intended to support the general process of domestic political reforms. As former Assistant Secretary of State Elizabeth Jones stated in 2003, the results of U.S. assistance are that “as each day passes, the countries of Central Asia and the Caucasus are becoming better equipped, better trained and better coordinated” and all efforts are integrated with programs to enhance human rights and political reforms.²³ The continuity of said policy and objectives is apparent in the Congressional Budget Justification documents for foreign operations from 2004 to 2012, turning South Caucasus into the largest financial recipient of U.S. aid (about one fifth of all aid to Eurasia).²⁴

On 2 April 2009, in an article in *Der Spiegel* the German Foreign Minister, Frank-Walter Steinmeier, explained that the core of NATO interests embraced the trinity of “goods”: the good for the candidate country, good for NATO and good for pan-European security.²⁵ It is symptomatic of how fast the cancellation of the NATO-Russian Council (a reaction to Georgia-Russia War in 2008) was lifted in March 2009.²⁶ It also exemplifies how the interests of an aspiring country can be overruled by the interests of the Alliance, namely by key members of the Alliance. The German ambassador to NATO, for instance, blatantly called the decision to freeze relations with Russia “stupid.”²⁷ The decision to restore the Council’s work was explained by existing common interests with Russia in Afghanistan and in areas of arms control and disarmament, WMDs, terrorism, piracy and drug trafficking.²⁸ This example testifies to the existence of a significant disparity inside the wide spectrum of the Alliance’s interests. It also makes clear that despite the political commitment to admit Georgia as a member, which increased NATO’s political ties to the region, the importance of strategic calculation should never be underestimated.

²² Jim Nichol, *Armenia, Azerbaijan, and Georgia: Security Issues and Implications for U.S. Interests*, CRS Report for Congress (Washington, D.C.: Congressional Research Service, 2010), 32–33.

²³ *Ibid.*, 31–32.

²⁴ *Ibid.*, 42.

²⁵ Frank-Walter Steinmeier, “Germany’s Foreign Minister on NATO: ‘We Face New Threats and Challenges,’” *Der Spiegel*, 2 April 2009, available at www.spiegel.de/international/europe/germany-s-foreign-minister-on-nato-we-face-new-threats-and-challenges-a-616969.html.

²⁶ Ahto Lobjakas, “NATO Lacks the Stomach for South Caucasus Fight,” *Caucasus Analytical Digest* 5 (2009): 3.

²⁷ *Ibid.*

²⁸ Archil Gegeshidze, “Post-War Georgia: Resetting Euro-Atlantic Aspirations?” *Caucasus Analytical Digest* 5 (2009): 8.

As Jamie Shea argues, all partnerships can only be strengthened if shared security interests persist that further “common or at least compatible value systems.”²⁹ Since the tendency of rapidly diminishing defense spending among NATO members (without prior consultations) has become a problem and gradually amounted to serious capability shortages, the integration of partners into the planning and command structures to participate in the “sharp end of operation” with the possibility of “a full seat at the NATO table” is a decision NATO leadership apparently favors for its respective partner nations.³⁰ Here, we clearly see the area of mutual benefits, where not only Georgia, but also Armenia and Azerbaijan would find serious incentives to respond to the Alliance’s interests and deepen their cooperation programs.

NATO and Defense Transformation in Armenia

It has been often said that the turning point in relationships between the NATO and SC countries was the inauguration of the IPAP. Although all the countries were already engaged in PARP and IPP formats long before, the real political push and the changes on the ground only became visible in 2004 when Georgia entered the IPAP and Armenia and Azerbaijan joined the following year. At that time the overall conditions of the defense and security sectors in all three countries could largely be described as heavily affected by Soviet legacy. Many reports testify that the entire hierarchy of values was constructed in such a way that the security of the state was given much higher priority than that of the individual, while defense institutions featured

over-centralized decision-making system on strategic and even operative issues, a hierarchy which excluded civilian involvement in formulating, controlling and implementing defense missions, an arbitrary system of resource allocation, the absence of transparency to the public and public representatives, and a poor capacity to achieve medium and long-term planning.³¹

The appalling deficits of defense institutions and armed forces could certainly be attributed to the existing gaps in democratic governance. The tendency from 2004 to 2005 showed some signs of worsening, allowing Freedom House to attest to Armenia’s weak quality of governance, the prevalence of vested interests within power structures and the insufficient level of law enforcement and monitoring.³² Not surprisingly, the

²⁹ Jamie Shea, “Keeping NATO Relevant,” *Carnegie Europe Policy Outlook*, 19 April 2012, available at http://carnegieendowment.org/files/keeping_nato_relevant.pdf.

³⁰ Ibid.

³¹ Gagik Avagyan and Duncan Hiscock, *Security Sector Reform in Armenia* (London: Safeworld, 2005), 40; Philipp Fluri and Hari Bucur-Marcu, *Partnership Action Plan for Defence Institution Building: Country Profiles and Needs Assessments for Armenia, Azerbaijan, Georgia and Moldova* (Geneva and Bucharest: Geneva Centre for the Democratic Control of Armed Forces, 2007), 5, www.dcaf.ch/content/download/35356/525929/version/1/file/bm_pap-dib_profiles_2007.pdf.

³² “Nations in Transit: Armenia 2004,” Freedom House, 2004, available at <https://freedomhouse.org/report/nations-transit/2004/armenia>.

political control of the armed forces, represented by the oversight function of the national parliament and the civilian leadership of the defense ministry, raised serious questions. The defense system was highly militarized and demonstrated serious signs of corruption and financial interests.³³

NATO in National Strategic Agenda: The Political Purpose of Cooperation and Defense Reforms

This section aims to shed light on the degree of political influence NATO exerted in Armenia from 2004 to 2012 by assessing how successful it was in promoting Euro-Atlantic cooperation as the crucial foreign policy objective of the national agenda. Additionally, we look at how the key principles of democratic control of the defense and military were promoted and consequently reflected in reality.

NATO in Armenia's Strategic Agenda

The regional approach was a major element of the Alliance's policy towards the South Caucasus. According to First Deputy Defense Minister Davit Tonoyan, the "indivisibility of the region" developed by the Alliance is a distinctive platform that serves it well for the formulation of individual policy towards each country.³⁴ The existing security situation in the region is indeed very complex and events in any country could have a significant impact on the others. From this perspective, the effects of the Nagorno-Karabakh conflict must once again be highlighted. Said conflict heavily influenced the security culture and domestic politics in Armenia and allowed political leaders from Nagorno-Karabakh to gain power in Armenia in the late 90s, consolidate power and eventually "capture the Armenian presidency" by Robert Kocharyan (president of the Nagorno-Karabakh Republic from 1994 to 1998) in 1998.³⁵ Since then, the security of the breakaway region became even more an integral part of Armenian security policy considerations and determined the very nature of the political structure and decision making. Thus, it was no surprise that not only defense but the entire political culture was "driven by a deeper trend of insecurity and militarization," often resulting in the predominance of primitive politics.³⁶ Another factor that played a crucial role in forming Armenia's security perceptions is the traditional view that regards Turkey as the main enemy in the context of a possible confrontation with Azerbaijan. As Deputy Defense Minister Davit Tonoyan stressed in an interview, Armenia's security perceptions are strongly influenced by the (negative) role Turkey plays in the region and effectively has an impact on Armenia's policy towards NATO as well as on the relevance of the

³³ Avagyan and Hiscock, *Security Sector Reform in Armenia*, 1.

³⁴ Author's interview with the First Deputy Minister of Defense of Armenia Mr. Davit Tonoyan, 30 July 2014.

³⁵ Richard Giragosian, "The Political Dimension: Armenian Perspective," in *The South Caucasus 2018*, 12, http://www.kas.de/wf/doc/kas_35353-1522-1-30.pdf?130910135923.

³⁶ *Ibid.*, 20.

Russian factor for the country.³⁷ Despite these reservations, the growing size of the Alliance and the global scale of operations it assumed raised its political relevance for Armenia and caused the policy change. Already in 2003 the Armenian foreign ministry voiced its desire to “ensure its security by developing the widest possible international ties, especially with the world’s “most influential” security body.”³⁸ Similarly, the NATO-affiliated *Baltic Defence Review* reported that although the very strategic goal of counterbalancing the Turkish-Azerbaijani alliance was met by the Russian military presence in the country, deepening cooperation with NATO was regarded as very beneficial and served the following objectives:³⁹

- To stimulate political dialogue on international security issues
- To create units interoperable with NATO and able to participate in international peacekeeping missions
- To use PFP programs to reform the Armenian armed forces
- To enhance bilateral military-political ties with NATO member and partner countries.

It is evident that Yerevan identified that both multilateral as well bilateral frameworks of cooperation served a very practical interest of institutional reforms of defense and the military transformation along with a general interest of strategic security balance. The National Security Strategy (NSS), which is the guideline for consequent actions, formulates the intensification of cooperation with NATO as an integral part of the policy of “complementarity.”⁴⁰ This notion is largely referred to as the ability of the country to pursue multi-vector foreign and security policies with the aim to cover all directions that promise certain potential benefits. The benefits of the complementarity policy in the context of NATO would mean better international political-military linkages and better security guarantees for Armenia. The statements of Presidents Robert Kocharyan and Serzh Sargsyan, who shared the view that “joining NATO would barely improve country’s security, and affect its relations with neighboring countries,” must be taken into account.⁴¹ In line with these claims, some sources also argue that the European Union (EU) is much more relevant for Armenia in the long run to lessen its dependency on Russia.⁴² However, the considerable amount of normative and policy evidence suggests that these and similar statements seem to be mostly directed towards a Russian audience and more so perform the function of rhetorical pacification of a major

³⁷ Author’s interview with the First Deputy Minister of Defense of Armenia Mr. Davit Tonoyan.

³⁸ Nichol, *Armenia, Azerbaijan, and Georgia*, 25.

³⁹ Arthur Aghabekyan, “National Security Policy and Defence Structures’ Development Programme of Armenia,” *Baltic Defence Review* 3 (2003): 26.

⁴⁰ “National Security Strategy,” Ministry of Foreign Affairs of the Republic of Armenia, 26 January 2007, 10, http://www.mfa.am/u_files/file/doctrine/Doctrineeng.pdf.

⁴¹ Malek, “NATO and the South Caucasus,” 31.

⁴² David S. Yost, “Armenian Perceptions of International Security in the South Caucasus,” *NATO Defence College Research Paper* 32 (2007): 2–3.

ally rather than of the real policy imperative. A short excerpt from an IPAP document clarifies that the national desire of “full integration into European structures and institutions” is accepted as “Armenia’s main foreign policy objective.”⁴³

It would be reasonable to recall the concerns expressed in the context of the potential added value of cooperation with NATO to those countries that do not envisage membership as the ultimate strategic goal of cooperation. This question is especially relevant in cases in which the Alliance has not identified its strategic interest and, as in the case of Armenia, seems to pay less attention to the country (whereas Azerbaijan and Georgia enjoy large energy resources and transport potential).⁴⁴ Potential benefits of such cooperation are generally referred to as the increased capacity of political negotiations, access to training and technical assistance programs, increased interoperability, stimulation of defense reforms and the ability to “counter external pressures from other countries.”⁴⁵ It seems that said opportunities exactly matched the Armenian expectations, motivating the political leadership to intensify its ties with the Alliance. The NATO Parliamentary Assembly Report (NPAR) documents the official position of the Armenian authorities who reiterated the vital importance of NATO to the country’s security interests.⁴⁶ It becomes apparent that due to the small size and very limited resources of the country, the national authorities realized the necessity of broadening the instruments of national security policy making. According to former Armenian Foreign Minister Vardan Oskanyan (whose view is shared by many officials), with only two borders open, flexibility in foreign relations becomes critical and a sound basis for conducting foreign policy.⁴⁷ Understandably, the partnership aspirations towards NATO are formulated in a way as not to endanger the existing military ties with Russia. Nevertheless, the priority of strengthening relationships with the Alliance became apparent even in the rhetoric of the country’s top officials. Thus, for instance, in 2008 President Serzh Sargsisyan stressed that Armenia’s top foreign security priority was the friendly relations with Russia and good relations with the United States and NATO, so that the latter does not jeopardize the former.⁴⁸

The period between 2007 and 2010 is marked by a significant increase of political consultations at various levels between Yerevan and Brussels. Both the president of Armenia as well as the defense and foreign ministers visited the NATO headquarters, while the Special Representative visited Yerevan for bilateral consultations at least twice

⁴³ Aghasi Yenokyan, “Country Study – Armenia,” in *Defence Institution Building: Country Profiles and Needs Assessments for Armenia, Azerbaijan, Georgia and Moldova – Background Materials*, ed. Fluri Philipp and Viorel Cibotaru (Geneva: Geneva Centre for the Democratic Control of Armed Forces, 2008), 26.

⁴⁴ Avagyan and Hiscock, *Security Sector Reform*, 10.

⁴⁵ *NATO Partnerships*, 13.

⁴⁶ “NATO’s Role in South Caucasus Region,” para. 47.

⁴⁷ *Ibid.*, para. 40.

⁴⁸ Nichol, *Armenia, Azerbaijan, and Georgia*, 5.

a year.⁴⁹ The regularity of meetings on all levels has increased significantly and can be easily monitored by official sources of the respective ministries and the Alliance. According to the Armenian Mission to NATO, NATO officials conduct 9 to 12 official visits to Yerevan each year, while Armenian officials take 11 to 16 trips to Brussels.⁵⁰ Thus, summarizing the strategic-political aspect of the relations developed towards NATO, it can be said that the heavy reliance on Russian military guarantees and the close political linkage to Moscow did not prevent the Armenian government from seeking a beneficial cooperation with the Alliance. Further, since Russia itself had institutionalized its contacts with NATO, there was no good reason not to do the same. As some sources rightly indicate, the motivating factors for the Armenian authorities to join the PFP framework were, above all, the fear of falling behind its neighbors, Georgia and Azerbaijan, and the necessity to be informed about the material aid and training provided to Azerbaijan.⁵¹

The Purpose of Cooperation and Defense Reforms

The formulation of clear objectives, such as expected benefits from NATO's cooperation formats, has found its place in Armenia's strategic documents. For instance the National Security Strategy, adopted in 2007, pursues deeper connections to European security structures, higher compatibility of forces with NATO forces and modernization of the armed forces in "closer conformity with the defense systems of advanced states, including their forces."⁵² On the one hand, the term "modernization" can be viewed in terms of technical upgrades and innovations, but also can refer to reforms of the general defense system and military. The latter, however, implies much deeper transformational processes (institutional, procedural, structural, etc.) than the technical aspect of modernization. For example, the stronger scope of military interoperability (PARP) was enlarged in 2005 with a stronger emphasis on institutional reforms (IPAP), while the NPAR from 2007 confirms this claim.⁵³ The evidence, however, speaks more for the prevalence of practical benefits of force interoperability and related standards. Particularly the active engagement of Armenia in NATO-led operations (in Kosovo and Afghanistan) since 2004 pushed for more intensive bilateral military cooperation with key allied nations such as the U.S., Germany, France, Greece and Italy.⁵⁴ This naturally

⁴⁹ Schmidt, *NATO and the South Caucasus*, 3; "Viewing NATO from the South Caucasus: Armenia, Azerbaijan and Georgia," Committee Report 167DSCFC07EBIS, NATO Parliamentary Assembly, 2007, para. 12, available at <http://www.nato-pa.int/default.asp?SHORTCUT=1283>.

⁵⁰ Author's interview with Mr. Mher Israelyan, Defence Advisor at Armenian Mission to NATO, 17 March 2013.

⁵¹ Nichol, *Armenia, Azerbaijan, and Georgia*, 25.

⁵² "National Security Strategy," 11–12.

⁵³ "Viewing NATO from the South Caucasus," para. 35, 36.

⁵⁴ Richard Giragosian, "Armenian Military & Security Policy: Regaining a Strategic Balance," Regional Studies Center, 6 December 2012, 1, available at http://regional-studies.org/images/documents/publications/journals/yerevak/Yerevak_article_ENG_11.12.pdf.

brought the military-technical aspect to the forefront and overshadowed other aspects of cooperation.

Armenian authorities recognized the existing misbalance, yet it seemed that this was exactly what they were expecting. The NPAR from 2006 testifies that the NATO-PA delegation identified a broader consensus among political parties in Armenia that were more interested in the practical benefits of cooperation, such as political dialogue and achieving “certain standards.”⁵⁵ This stance is further strengthened by Deputy Minister Davit Tonoyan, who believes that the initial weight of “democratization” of the defense sector and democratic values have been replaced by a heavier emphasis on the practical benefits of cooperation related to the national participation in NATO-led operations and the valuable expertise predominantly provided by member states and not the Alliance as an organization.⁵⁶ Thus, a clear distinction must be made between the value of membership and the value of cooperation for Armenia. The benefits of cooperation are tangible, identifiable and very much appreciated. Concerning the value of membership, there is no evidence of wider discussion within the government. The officials who openly support the idea of NATO membership seem to create serious discomfort for the Armenian leadership. The case of National Assembly Speaker Artur Baghdasaryan, who in a *Frankfurter Allgemeine Zeitung* interview in 2006 outlined the strategic goals of Armenian membership in the EU and NATO, is very much telling, as he was forced to step down and withdraw his party (“Orinats Yerkir”) from the government.⁵⁷ As long as the issue of membership is off table, the open support of cooperation activities with NATO and its key member states seems much less problematic. For instance, in July 2011, while discussing IPAP implementation, Armenian and U.S. officials agreed to hold joint exercises in 2012 and expand the “spheres of cooperation” that, according to U.S. officials, did not pose any obstacles to Armenia’s military pact with Russia.⁵⁸

It is crucial to understand how Armenian authorities understand the notions of defense and institutional reforms. The reasons are simple, namely, the fact that the views they share are directly reproduced into national commitments embedded in bilateral documents (IPAP or PARP). This, in turn, is acknowledged by NATO representatives as a national obligation to pursue reforms in line with agreements made with the Alliance.⁵⁹ As already stated, the sequential introduction of each new cooperation format was designed in a way that enlarged and complemented the existing ones, such that the cooperation seemed beneficial. Thus, it is no surprise that the PARP was increasingly used for addressing the institutional aspects of the defense reforms, and in this particular area supplemented by PAP-DIP, which itself proved instrumental in shaping the IPAP format. In fact, they are fully compatible and strengthen each other in achieving the de-

⁵⁵ “NATO’s Role in South Caucasus,” para. 41.

⁵⁶ Author’s interview with the First Deputy Minister of Defense of Armenia Mr. Davit Tonoyan.

⁵⁷ Malek, “NATO and the South Caucasus,” 32.

⁵⁸ Emil Danielyan, “Armenia Plans More NATO-Backed Defense Reforms,” *Eurasia Daily Monitor* 8:153 (2011), available at www.jamestown.org/single/?tx_ttnews%5Btt_news%5D=38299&no_cache=1#.VBMty_mSy08.

⁵⁹ “Viewing NATO from the South Caucasus,” para. 4.

fined objectives.⁶⁰ Interestingly, the rare examples of local expertise in Armenian-NATO relations reveal a common terminological tradition of SSR and draw a kind of separating line between the notions of *democratic* and *defense* reforms. For example, a report produced by the Centre for European and North Atlantic Affairs (CENAA) mentions the Armenian IPAP as an important tool for facilitating “democratic and defence reforms.” NATO is regarded here as key provider of assistance and advice in democratic, institutional and defense reforms “that would bring the Armenian armed forces into conformity with NATO standards.”⁶¹ The emphasis on armed forces and NATO standards, as well as a repetitive contextual disconnection of defense, institutional and democratic reforms, points towards a peculiar understanding (intentional or not) of defense reforms as the major means of primarily achieving military-technical interoperability of forces.

The peculiarity of the contextual understanding of IPAP’s mission is further supported by the Armenian perception of the PARP, which, according to a number of documents, is the core element of cooperation with NATO, “helping to develop the ability of its forces to work with NATO forces on operations.”⁶² Contrary to this statement, NATO’s understanding of defense reforms seems to be a bit different and attaches the notions of quality of the democratic and institutional improvement to defense reforms. Already in the very first year of Armenian participation in IPAP (2005), the requirements for institutional defense reforms stressed the need to separate general staff from the ministry proper, the establishment of a corps of civil servants and the reform of defense planning and management.⁶³ The same NPAR from 2007 also clearly states that the IPAP would strengthen the institutional cooperation between Armenia and the Alliance and provide more transparency in governance. A strong mismatch of perceptions is visible here. It is also evident that a strong continuity of the selected approach is preserved on the Armenian side, as the Armenian delegation to the NATO Parliamentary Assembly frequently reiterated that various cooperation mechanisms with NATO support the modernization of the defense system, its efficiency and interoperability.⁶⁴ One may find different explanations for the term *modernization*, yet in general it is possible that the *modernization* in this particular context implies the recognition of the superiority of Western military thinking and technology. This stance is additionally strengthened, as the Deputy Defense Minister Davit Tonoyan pointed out in an interview, by the enhancement of the fighting capacity of armed forces as the main goal of cooperation

⁶⁰ “Individual Partnership Action Plan 2009: Armenia,” North Atlantic Treaty Alliance, 2009, para. 1.1, 1–1, <http://www.mil.am/files/IPAP%202009-2010-Unclassified-1349253637-.pdf>.

⁶¹ Gayane Novikova and Sergey Sargsyan, “Chapter 1: Armenia,” in *Security Sector Reform in Countries of Visegrad and Southern Caucasus: Challenges and Opportunities*, ed. Marian Majer (Bratislava: Centre for European and North Atlantic Affairs [CENAA], 2013), 17, available at <http://cenaa.org/analysis/wp-content/uploads/2013/10/Chapter-1-Armenia-Novikova-Sargsyan.pdf>.

⁶² Ibid.

⁶³ “Viewing NATO from the South Caucasus,” para. 35–36.

⁶⁴ Ibid., para. 13, 14.

with NATO.⁶⁵ Further analysis of the relevant documents as well as national actions provides a more telling picture of the concrete priorities in this regard.

The expected benefits may certainly differ from the actual benefits, and during the course of action may result in a significant delay of the general cooperation process. Nonetheless, the Armenian authorities' decision to link the idea of defense reforms with major assistance from NATO, rather than Russia, is an extremely interesting example in itself. It is evident that Armenia successfully established political links to a global security organization by adopting a common language of communication with international stakeholders.⁶⁶ There is no good reason to deny the existing differences in perceptions and expectations, which is also logical and understandable. Yet it is critical to distinguish between the differences regarding the essence of defense reforms that require deep systemic transformation and the discrepancies of views on less relevant issues of policy making. Local experts illustrate this dilemma in admitting that the military mission of armed forces depends on the effective implementation of reforms in the area of defense, which is hampered by external threats, "current circumstances" and "significant objective limitations."⁶⁷ Though there is no detailed explanation of the aforementioned *circumstances* and *objective limitations*, it is possible to further examine as to whether these concerns are reflected both in policy and in actions or inactions on the ground. This will shed light on the nature of said reservations and lead either to evidence that supports this claim or rather reveal the formality of such excuses, which is aimed at masking the reality. According to the DCAF Report of 2007, no critical factors were identified that impeded "a swift revision of the current practices of defense control on behalf of the electorate and implementation of required improvements."⁶⁸

One may therefore conclude that the cooperation with NATO grew to become an integral part of the Armenian security agenda. Though some sources claim that the EU is much more important for the country in long run due to its "baby steps" towards human rights, rule of law and lessening its dependency on Russia, the same logic can be easily applied to NATO.⁶⁹ For example, according to the explicit statement of the Armenian Delegation in the NPAR, the IPAP and the European Neighborhood Policy (ENP) must be regarded as complementary.⁷⁰ The Alliance asks for the general compliance with norms of democratic governance of defense, offers tailored, detailed plans of cooperation and via the concepts of NATO standardization and force interoperability should, in fact, lessen the dependency of the Armenian armed forces on the Russian military. The benefits Armenia hopes to gain from the cooperation process are twofold: one is linked to the desire to establish a certain balance of global powers in its strategic policy mak-

⁶⁵ Novikova and Sargsyan, "Armenia," 18.

⁶⁶ Michela Telatin, "The Development-Security Nexus and Security Sector Reform" (Ph.D. diss., University of Westminster, 2011), 89, available at <http://westminsterresearch.wmin.ac.uk/9571>.

⁶⁷ Novikova and Sargsyan, "Armenia," 11.

⁶⁸ Fluri and Bucur-Marcu, *Partnership Action Plan*, 12.

⁶⁹ Yost, "Armenian Perceptions," 2–3.

⁷⁰ "Viewing NATO from the South Caucasus," para. 40.

ing, while the second is related to the very practical gains of military-technical cooperation contributing to the effective upgrade of its units in a Western manner. Yet there is some evidence of different interpretations of missions of major cooperation frameworks (IPAP, PARP) by NATO and Armenian officials. Whereas the Alliance increasingly regards the aforementioned mechanisms as a means to strengthen the democratic institutional pillar of defense reforms, the Armenian authorities primarily focus on developing the interoperability and general capabilities of their armed forces. Consequently, they increasingly ignore the collective format of the PFP (EAPC), initially widely welcomed and supported, and engage in favor of the “28+1” (former 26+1) format and bilateral programs (member country–partner country) that seem much more promising.⁷¹

Democratic Control of the Armed Forces

This section of the paper will focus on Armenia’s performance in the field of democratic control of the armed forces. Published IPAP documents, DCAF reports as well as NATO-affiliated academic contributions and local reports will contribute to the comprehensive analysis of the achievements. Keeping in mind that IPAP documents are much more “political” than PARP and are typically based on the content of the previous IPAP cycle document (especially in the introduction), the formulation of the approved objectives and actions provide us with a sufficient degree of clarity regarding the progress in the areas of defense relevant to our study.

Democratic control of the military is usually represented by the capacity of the national parliament to control and monitor processes within its defense services, by its constitutional obligation to hold executive bodies (including the defense ministry) accountable for their actions and the proper chain of decision making between the government organs with the civilian authority at the top. The findings of the previous chapters support the claim that for Armenia’s leadership, the practical aspect of defense cooperation with the Alliance appears more relevant than its “political” features, namely the democratic dimension. To a certain degree, it seems that the phase of “defense democratization” has been formally completed, allowing the parties to proceed with practical actions from which both sides can benefit. We will therefore try to prove whether the democratic requirements of the Alliance have indeed been fully met by the Armenian side, and how NATO perceives the national achievements in this field.

Some authors argue that the defense transformation process in the country can be bluntly divided into generations of reforms, with the second generation aiming for the introduction of democratic principles of civilian control of the armed forces.⁷² Civilian control of the military refers to the governmental structure in which a civilian minister runs the defense ministry and the president or the head of state holds the highest political responsibility for a country’s defense and security. The view provided by an Armenian

⁷¹ *Individual Partnership Action Plan 2009: Armenia*, Chapter 1, action 1, 2–1; *Individual Partnership Action Plan 2011–2013: Armenia*, NATO North Atlantic Council, 2011, para. 2.2, <http://www.mil.am/files/IPAP-2011-2013-ENG-Declassified-1349350859-.pdf>.

⁷² Giragosian, “Armenian Military & Security Policy,” 2.

representative at the NATO headquarters supports this approach, as he states that the adoption of IPAP meant a step towards higher responsibility in supporting defense reform programs focusing on a stronger Western civilian control model within the ministry and other steps to improve force capabilities in peacekeeping operations.⁷³ Again, a strong reference to the practical-military aspect of cooperation must be noted here. Still, as the civilian control of the military has turned to the major principle of democratic reforms, its implementation became vital for the general objective (mirrored in IPAP) of getting closer to standards of Western governance.⁷⁴ Naturally, the democratic pillar of the IPAP's requirements led to the consequent enlargement of the PARP's content in 2005, adding ten new Partnership Goals (PGs) to the 23 agreed upon in 2004. In 2007, there were 39 PGs in total.⁷⁵

The NSS adopted in 2007 clearly highlights the recognition that Armenia's overall security depends on a number of key factors, among which the democratic ones enjoy higher priority. The document declares democratic principles of governance (transparent, efficient institutions and independent judiciary) as top guarantees for national security that rank above force compatibility.⁷⁶ We disregard the ambiguity of the *compatibility of the armed forces* at this stage. It is crucial, however, to note that the primacy of democratic governance over other factors of national security has been formally recognized by national authorities and anchored in top strategic documents. Furthermore, within the area of domestic security, the NSS again gives institutional reforms to strengthen democratic governance (efficient public administration) priority ahead of building effective armed forces (second priority), which, according to document, must be based on civilian control and "democratic planning."⁷⁷ Again, we leave out the ambiguous term, *democratic planning*, which raises the general question of its utility. Yet the key point here is clearly national adherence to the democratic principles as the first priorities that must be met and ensured. For this purpose, we must briefly examine the presidential authority as the chief executive party responsible for the democratic and transparent functioning of defense institutions. Next, we must review the interplay of the executive bodies within the government and ultimately examine the status and capacity of the national parliament to execute its oversight and control functions.

Within the period of our research (2004–2012), President Robert Kocharyan was re-elected for a five-year term and as a response to internal political tensions agreed to make constitutional changes in 2005 that would "distribute some power away from the presidency."⁷⁸ Despite the constitutional amendments and the active involvement of the Venice Commission, presidential authority remains substantial and the "power ministries" remained strongly under Kocharyan's personal grip. As the DCAF Report of 2008

⁷³ Author's interview with Mr. Mher Israelyan, Defense Advisor at the Armenian Mission to NATO.

⁷⁴ Yenokyan, "Country Study – Armenia," 26.

⁷⁵ "Viewing NATO from the South Caucasus," para. 30.

⁷⁶ "National Security Strategy," 1.

⁷⁷ *Ibid.*, 6–7.

⁷⁸ "NATO's Role in South Caucasus," para. 35.

states, the president continues playing a key role in foreign and security (defense) policy making, maintains the responsibility to convene government sessions on related security issues and holds the defense minister personally responsible for developing and implementing defense policy priorities.⁷⁹ The link between the president and the government remains strong and the defense minister clearly holds more power and authority than other members of the government. An example was the parliament's decision to withdraw already initiated changes to the Law on Compulsory Military Service in 2004 after Defense Minister Serzh Sargsyan stated that there was no intention on the ministry's side to approve the changes. In a similar vein, the minister refused to agree on the establishment of the post of a military ombudsman, although this is specifically addressed in the IPAP document.⁸⁰ Ultimately, as a result of the legal amendment, the post was created in 2006, yet not as a separate body, but under the Office of the Human Rights Defender.⁸¹

Understandably, NATO reports and assessments do not reflect the internal mechanisms of governmental decision-making. However, they may well address issues of intra-governmental coordination or cooperation. This aspect of governance is very much relevant, as it relates to the general process of democratic deliberation and reduces the risk of single-handed actions, especially in the field of defense. In 2005 the Alliance accepted Armenia's plan for defense reform, which also envisaged the creation of an inter-agency commission to oversee the military.⁸² In fact, this body acquired a more detailed mission after the Strategic Defence Review (SDR) was put on defense reform agenda as the key task to be performed. Concerning the overall coordination of the reforms and their communication to the Alliance, the close link between the Ministry of Foreign Affairs and the Ministry of Defense is clearly visible. The first IPAP document presented at the NATO headquarters and signed by Defense Minister Serzh Sargsyan was developed in strong cooperation with the Ministry of Foreign Affairs and the president's administration.⁸³ Another source claims that the coordination of ministries was managed by the National Security Council (NSC), chaired by the president and the minister of defense in the capacity as the council's secretary.⁸⁴ According to the available sources, the NSC has no clear status or permanent secretariat, thus serving as an informal arena for the coordination of joint political actions. Though the constitutional changes stipulated that the NSC would become a permanent advisory structure under the president, there is no evidence of its active and continuing work on defense-related issues.⁸⁵ Given the circumstances, the role of president's administration in formulating national defense priorities objectively increases. It also becomes instrumental in organizing NSC meetings and defining its agenda. This view is additionally strengthened by the fact that the

⁷⁹ Yenokyan, "Country Study – Armenia," 10–11.

⁸⁰ *Ibid.*, 17, 20.

⁸¹ Fluri and Bucur-Marcu, Partnership Action Plan, 23.

⁸² "NATO's Role in South Caucasus," para. 49.

⁸³ Yenokyan, "Country Study – Armenia," 24.

⁸⁴ Avagyan and Hiscock, *Security Sector Reform in Armenia*, 18, 30.

⁸⁵ Yenokyan, "Country Study – Armenia," 16–17.

initiative of building the Center for Strategic Studies was picked up and effectively implemented by the administration.⁸⁶ Once again, this underscores the existence of two centers within the executive branch that are responsible for the formulation of defense and security policies, but also suggests the existence of a close and direct link between the president and the defense minister with less chance of interference from the rest of the government. Further, it is important to note that all senior military and civilian officials in the defense ministry are appointed by the president.⁸⁷ To this regard, the role of personalities and the relevance of personal ties should not be underestimated. A good example is General Hayk Kotanyan, who chaired the Center for Strategic Studies, while at the same time serving as the military advisor to the minister and held the position of Head of Staff of the National Assembly until 2009.⁸⁸ Current President Serzh Sargsyan himself served as defense minister from 2000–2007, simultaneously holding the position of Secretary of the National Security Council.⁸⁹

Since defense reforms encompass various fields of defense activities, where new defense policies have to be implemented, defense officials are usually required to cooperate with the rest of government to achieve the necessary legal amendments or changes in defense budgeting. According to First Deputy Defense Minister Davit Tonoyan, the Ministry of Finance (and to a lesser degree, the parliament) remains the main venue for addressing defense budget issues.⁹⁰ However, even within the financial domain, the government seems to be limited in its authority to monitor and control defense spending. As the DCAF report highlights, though the prime minister formally has all means available to audit the Ministry of Defense, no evidence of such auditing has been found.⁹¹ The general weakness of the government to exercise effective control over defense institutions might be attributed to the traditionally strong position of the defense minister within the executive. Yet it seems that the exceptional links between the defense minister and the president contribute to the aforementioned quality and inviolability of the defense institutions. It has also been argued that the passive use and inadequacy of other state institutions, along with the marginalization of the National Security Council, do not allow for the proper use of formally existing mechanisms, thus leading to the mere implementation of preexisting decisions by the president, who dominates security and defense policy making.⁹²

Turning to the issue of the parliament's ability to execute its constitutional power of holding the government and the ministry of defense, in particular, accountable, a certain dichotomy comes to light. On the one hand, Armenia's legislative body formally holds all means available, yet in reality the application of control and monitoring mechanisms

⁸⁶ Ibid., 17.

⁸⁷ Avagyan and Hiscock, *Security Sector Reform in Armenia*, 32.

⁸⁸ Yenokyan, "Country Study – Armenia," 18.

⁸⁹ "Serzh Sargsyan – the President of the Republic of Armenia," Official Website, available at <http://www.president.am/en/serzh-sargsyan>, accessed 29 October 2014.

⁹⁰ Author's interview with the First Deputy Minister of Defense of Armenia Mr. Davit Tonoyan.

⁹¹ Yenokyan, "Country Study – Armenia," 17.

⁹² Giragosian, et al., "Security Perceptions," 191.

appears very limited. According to the DCAF Report of 2005, the National Assembly's authority rests on a number of basic and well defined functions, such as legislative initiatives and amendments, inquiries and questioning the members of executive, budgetary control and monitoring of state procurement and approval of strategic defense policies as well as the size of the armed forces (manpower).⁹³ The first relevant and public document for this period is the IPAP from 2005, which identifies a number of areas in which substantial gaps were identified and subsequent actions agreed upon. For instance, it acknowledges deficiencies in parliamentary control and civilian participation in defense policy and a serious need to speed up subsequent legal processes. In particular, it urges Armenia to enhance its committees' (for Defense and Security, Financial-Credit and Budgetary and Economic Affairs) roles in overseeing the defense sector and to improve their capacity by providing specific education and training to their respective staff members.⁹⁴ Additionally, the need to review the Military Discipline Code along with the establishment of the post of military ombudsman is stipulated. In fact, the first IPAP document challenges the ability of the parliament to perform its defense-related mission in a broad range of fields: defense policy, defense budgeting and defense law. The budgetary aspects mostly relate to the ability of the defense ministry to develop financial plans in a sound manner and present them in detail. This must therefore be discussed in a specific chapter dealing with defense budgeting and transparency. Still, it would be reasonable to make a general note that as of 2005, the defense budgets submitted for review to parliamentary committees were not detailed, the defense-related laws contained many gray areas and the only issue that caused heated discussion was the force deployment in Iraq.⁹⁵

In examining the subsequent IPAP cycle document, one may draw some conclusions regarding the progress made within the aforementioned areas of parliamentary authority. Within the IPAP period of 2007–2009, Armenia intended to optimize the parliament's role and involvement in defense issues by reviewing existing laws and providing additional staff training and education courses.⁹⁶ Most importantly, a national commitment was made, according to which a project team was to establish and conduct an SDR based on an updated NSS, threat assessment and defense concepts. It was also acknowledged that the team had to establish a reporting mechanism that would keep the defense ministry and other relevant state agencies informed about the progress of the SDR.⁹⁷ Meanwhile, the DCAF report from 2007 attests to serious deficiencies in the investigative functions of the assembly on defense matters, defense budgeting or other independent actions that would differ from the practice of authorizing a decision taken by the government.⁹⁸ Another DCAF report (from 2008) continues in similarly identifying the

⁹³ Avagyan and Hiscock, *Security Sector Reform in Armenia*, 31.

⁹⁴ "Armenia's Commitments under Individual Partnership Action Plan with NATO, 2005," sec. 1.6, 1.3.5, <http://www.mil.am/files/IPAP-English.pdf>.

⁹⁵ Avagyan and Hiscock, *Security Sector Reform in Armenia*, 31.

⁹⁶ Yenokyan, "Country Study – Armenia," 25.

⁹⁷ *Ibid.*, 25–26.

⁹⁸ Fluri and Bucur-Marcu, *Partnership Action Plan*, 13.

absence of formalized methods of control and auditing, the mere reliance on the defense minister's annual report and the risk of turning the control function into mere political rhetoric.⁹⁹

The language and formulation of action used in the IPAP of 2009 provide a sufficient level of understanding regarding the degree of progress Armenia has achieved in the subsequent period. Among 52 actions listed, fighting corruption and improving the democratic oversight of the armed forces hold priority for the success of the democratic and defense reforms.¹⁰⁰ In general, the language of earlier IPAP documents is reiterated with emphasis on the same range of defense-related issues. This tendency clearly does not speak to the significant improvement in the quality of parliamentary control. The same notions of promoting democratic oversight and parliamentary capacity along with committees' expertise are mentioned.¹⁰¹ The references to the need to update the military disciplinary code as well as the need to ensure maximum transparency in defense policy, budgeting and military human rights have not been changed.¹⁰² There is also no major change in the language used in the IPAP document for the period of 2011-2013. Similar emphasis on parliamentary committees' staff training and the need to increase general expertise in the areas of national security, defense, budgetary planning and finance are once again reiterated.¹⁰³

The legislature's inability to enforce its duties in the area of the democratic control of the military is very well acknowledged by defense officials. As Deputy Minister Davit Tonoyan stated, the defense-related committee meetings in parliament lack both in terms of quality and quantity of discussions, which must partially be attributed to the lack of expertise among committee members in defense and military matters.¹⁰⁴ Tonoyan also points to the general passivity of the parliament in terms of initiating general inquiries about the processes and issues relevant to defense, thus allowing the ministers to have more accountability. Furthermore, the Ministry of Defense, as explained by the Armenian Mission to NATO, does issue about ten reports annually addressed to president, parliament, security council, cabinet of ministers, interagency commissions and other stakeholders as well as targeted reports to public organizations (NGOs), yet mostly by request.¹⁰⁵ This fact speaks rather to the favor of the Ministry of Defense and underscores its ability to provide information if required. However, it also highlights two inherent deficiencies regarding parliamentary control of the military. Firstly, aside from the annual ministerial report, there is no institutionalized regular reporting system. Secondly, the legislative body's capacity to identify areas of interest and provide the needed expertise in defense and military matters is highly limited. Several rare occasions, such

⁹⁹ Yenokyan, "Country Study – Armenia," 17–21.

¹⁰⁰ Schmidt, *NATO and the South Caucasus*, 3–4.

¹⁰¹ *Individual Partnership Action Plan 2009: Armenia*, sec. 1.1, 1.4.

¹⁰² *Ibid.*, sec. 1.4.1, 1.4.2.

¹⁰³ "Individual Partnership Action Plan 2011–2013: Armenia," sec. 1.4.1.

¹⁰⁴ Author's interview with the First Deputy Minister of Defense of Armenia Mr. Davit Tonoyan.

¹⁰⁵ Author's interview with Mr. Mher Israelyan, Defense Advisor at the Armenian Mission to NATO.

as the heated discussions about the potential negative effects of Armenian participation in the RRCF (Rapid Reaction Collective Force of the CSTO) with a high risk of dragging the country into conflict with its neighbors, points to existing potential in cases when strategic-level issues are at stake.¹⁰⁶ However, as far as narrow defense-related policy areas concerned (planning, budgeting, human resources, etc.) no evidence of strong parliamentary involvement can be found.

It seems that there is a common view in Armenia as regards the defense transformation process across the generations of defense reforms. In line with Deputy Minister Davit Tonoyan's statement, local sources claim that the "second generation" of reforms largely dealt with the institutional development of the democratic (civilian) oversight of the military and achieved significant improvement.¹⁰⁷ According to this view, the democratization phase of the defense reforms has been successfully accomplished. Thus, a "third generation" of defense reforms is mainly aimed at the practical improvement of defense management in the areas of personnel management, military education and the increased transparency of the defense sector to avoid human rights violations within the armed forces. Indeed, the "civilianization" of the defense ministry and other defense structures improved in 2007, after which point the defense minister was no longer a military official.¹⁰⁸ This implied that the authority of the strategic decision making moved to a civilian body, yet the composition of the ministry was by and large still military-dominated. The majority of the top leadership remained former military servicemen with extensive military and combat experience in Nagorno-Karabakh who took up civilian positions by presidential decree in 2010.¹⁰⁹ Ideally, the military experience of a civilian speaks for better quality of expertise and competence in the field of defense. Yet the question remains as to whether the Soviet military experience still has any effect in policy making and implementation, which may be explored by analyzing results in various functional policy areas. At this stage, we can conclude that the formal NATO requirement of civilian leadership in the defense ministry can be regarded as completed. With regard to the "civilianization" of the lower level positions, subsequent research and analysis of human resources (HR) policy must be conducted.

As for the overall evaluation of the "reform-generations," a seemingly strong convergence of the assessments by the Armenian officials (Davit Tonoyan) and particularly NATO representatives is present at first glance. In 2006 the NATO Liaison Officer for the South Caucasus, Romualds Razuks, briefed the NATO PA delegation that the focus had switched from promoting democratic values to assisting Armenia in establishing democratic civilian control over the armed forces with an increasing emphasis on budget resource and personnel management.¹¹⁰ However, this statement reveals the opposite approach to the issue. Whereas the Armenian defense officials regard civilian oversight

¹⁰⁶ Novikova and Sargsyan, "Armenia," 14.

¹⁰⁷ Giragosian, *Armenian Military & Security Policy*, 2.

¹⁰⁸ Fluri and Bucur-Marcu, *Partnership Action Plan*, 17.

¹⁰⁹ "Deputies of the Minister of Defense," Ministry of Defense of the Republic of Armenia, <http://www.mil.am/1295954750> (accessed 12 June 2014).

¹¹⁰ "NATO's Role in South Caucasus," para. 31.

as the key element of democratic reform, and as largely successfully established, the emphasis by the NATO Liaison Officer on better defense policies as the precondition for more effective democratic and civilian control over the armed forces makes it clear that the “second generation” reform may not yet be complete.

This stance is also supported by findings from IPAP documents that cover the continuing deficiencies in parliamentary control and capacity to monitor defense institutions over a period of eight years. Freedom House identified the lack of transparency in governance as one of the key problems of the country, ultimately labeling Armenia as a “partly free” semi-consolidated authoritarian regime with a worsening democratic governance index since 2009.¹¹¹ The argument that democratization efforts in Armenia suffer from the significant limitations imposed by external threat and strategic circumstances could certainly be applied to this case.¹¹² However, it is less clear why actions aimed at increasing parliament’s competence in the defense field that contribute to the effectiveness of defense management and the development of sound and affordable plans and policies must be regarded as a factor jeopardizing the country’s security.

Conclusion

Finalizing our findings on the status of the democratic transformation of Armenia’s defense forces, we draw the following preliminary conclusions. First, we found sufficient evidence to state that the cooperation with NATO has been strongly established within the national political agenda as a major strategic objective that serves the country’s security interests. The benefits of cooperation for Armenia relate mostly to practical results in the areas of military interoperability and the forces’ combat effectiveness. The democratic dimension of defense reforms is clearly acknowledged by national authorities and formally mirrored in national commitments in respective cooperation documents as well as in top national strategic documents. Yet, the value and interpretation that the parties (Armenia and NATO) attach to the requirements for defense reforms vary significantly with the tendency of preserving such differences across the entire period examined. This conflict is clearly visible in the consistent repetition of the same formulations in all IPAP documents. Though the civilian control of the military is formally and structurally very well established at the ministerial level, the continuing deficiencies in parliamentary control and monitoring leave an ambiguous picture of Armenia’s democratic compliance. Consequently, the existing ambiguity can imply either that the formal nature of the democratic requirements for Armenia were caused by the absence of strategic interest or that the Alliance was unable to provide the added value of enhanced cooperation and subsequent compliance to that end.

¹¹¹ *Nations in Transit 2013: Authoritarian Aggression and the Pressures of Austerity* (Washington, D.C.: Freedom House, 2013), 11, available at <https://www.freedomhouse.org/sites/default/files/NIT%202013%20Booklet%20-%20Report%20Findings.pdf>.

¹¹² Novikova and Sargsyan, “Armenia,” 11.

The South Caucasus Between Russia and the West: How Pragmatic are the Stakeholders' Approaches?

Gayane Novikova *

The period from September 2013 until October 2014 is distinguished by a series of events that drastically changed the trajectory of developments in the post-Soviet area, including those in the South Caucasus.

In this case, a crucial role is played by Russia's relationship to the West, which is shaping the security environment in Europe and Eurasia. On the one hand, both sides blame each other for violating core principles of international law, including those related to the sovereignty of states and, on the other hand, each side introduces its own decisions and approaches as "pragmatic."

This article addresses the following question: "How pragmatic are these approaches?" It focuses on developments in the South Caucasus, viewed through the prism of decision making by the main regional and non-regional actors. Mainly owing to the allegedly pragmatic decisions of the stakeholders involved in processes in this region, the South Caucasus states have become even more divided and insecure. Armenia, Azerbaijan and Georgia have found themselves facing more difficulties both in dealing with each other and with all the external actors concerned.

Russia's Foreign Policy Pragmatism

The key components of Russia's foreign policy began to develop in the late 1990s as a response to Western ignorance of Russian national interests. They crystallized over the course of the following years, becoming more offense-oriented and, to some extent, more intolerant toward the West in general. This policy has been shaped in accordance with Russia's self-identification as one of the pillars in a multi-polar world, and an equal partner among global leaders in international affairs, capable of defending its strategic interests and national priorities.¹ This foreign policy focuses on "Russia's increased

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¹ *The National Security Strategy of the Russian Federation until 2020*, adopted on 13 May 2009, available in Russian at http://www.kremlin.ru/ref_notes/424.

responsibility for setting the international agenda and shaping the system of international relations.”²

Russia develops and implements its foreign policy on the basis of two ideas, both of which aim to contribute to the strengthening of power and influence of the Russian state. First, Russia should be a great power and serve as a bulwark for all conservative forces fighting against revolutions, chaos, and liberal ideas being spread by the U.S. and Europe. The second pillar of Russian foreign policy relates to the shaping of the Russian national identity and national idea. It is rooted in a belief in the existence of a great Russian world and a unique Russian civilization, which is in many ways different from Western civilization (which poses a threat to Russian national identity) and extends far beyond Russia’s geographic borders.³ The modern Russian state is a protector of this civilization and all people who define themselves as bearers of it and, hence, as Russian compatriots. In general, a concept of Eurasianism found fertile ground in new and independent Russia, a nation that defines itself as a model nation in opposition to the West. The most important figure among the modern Eurasianists is President Vladimir Putin, who gradually “injects” his vision of Russia’s greatness and its unique role in Eurasia into Russian society at large. He demonstrates its strength through the implementation of hard-nosed security measures in Russia’s immediate neighborhood, thereby challenging the West.

The first “test” was the Five-Day War with Georgia, followed by the recognition of the independence of Abkhazia and South Ossetia. The West reacted moderately to the violation of Georgia’s sovereignty and international law because this South Caucasus state (together with Armenia and Azerbaijan) was viewed *a priori* as an area of Russia’s “special, privileged, or national/strategic interests” and owing supposedly to Russia’s warnings against the background of developments surrounding Kosovo. However, the speedy annexation of Crimea and the Ukrainian crisis in general have become a watershed in relations between Russia and the West and pushed the latter in the direction of developing a unified strategy to counter and/or constrain Russia.

For Russia, Ukraine was always not only a constituent part of the “Russian world” and civilization, but also a state of strategic importance. Russia’s Foreign Policy Concept underlined that Russia should “build its relations with Ukraine as a priority partner in the CIS, and [...] assist its inclusion into deep integration processes.”⁴

The internal developments in Ukraine, which began in late November 2013, were evaluated in Russia as aggression by the West against Russian civilization, Russian values, and the Russian world in general.⁵ The euphoria throughout all strata of Russian

² *Concept of the Foreign Policy of the Russian Federation*, adopted on 12 February 2013; an unofficial English translation is available at www.mid.ru/bdomp/ns-osndoc.nsf/1e5f0de28fe77fdcc32575d900298676/869c9d2b87ad8014c32575d9002b1c38!OpenDocument.

³ Igor Zevelev, “The Russian World Boundaries,” *Russia in Global Affairs*, 2 (2014), available at <http://eng.globalaffairs.ru/number/The-Russian-World-Boundaries-16707>.

⁴ Ibid.

⁵ Sergey Markov, “A colored revolution is a new type of political technology that aims to change political power” (in Russian), 15 November 2005, available at <http://www.km.ru/>

society regarding the return (in Russian terminology) or the annexation (from the Western viewpoint, and in accordance with international law) of Crimea must be considered as a clear indication of the readiness of Russian society to support any step by the authorities—and President Putin in particular—to reestablish Russia as a strong political, military and economic power, at least in a limited area called Eurasia. Furthermore, the concept of a unique role for the civilizational factor, which was briefly mentioned in several Russian foreign policy documents, has found a firm and special place in present-day Russian foreign policy and has indeed become one of its pillars.⁶ Gleb Pavlovsky, the president of the Foundation for Effective Politics, called this new phase the “Ukrainization of Russian policy.”⁷ In fact, the Ukrainian issue *per se* promotes a legitimization of Putin’s regime and a strengthening of Russia’s economic independence (although through extremely tough measures). In addition it called for closer cooperation in the international arena with some other actors, the BRIC countries in particular. The EU and U.S. sanctions against Russia are also contributing to the radicalization of Russian society.

Viewed through the prism of the transformation of Russia’s national identity and its evolving National Security Concept, the inclusion of Crimea into the Russian Federation and its support for the mainly Russian-populated eastern regions of Ukraine are pragmatic, justified and logical. In the meantime, these developments have tremendously complicated Russia’s relations with the West.

The EU and NATO’s Limited Pragmatism

By launching the European Neighborhood Program in 2004, the EU demonstrated its readiness to work with immediate and distant neighbors to prevent external unconventional threats to the EU. Among these threats are terrorism and the gradually growing activity of terrorist organizations and individuals, uncontrolled migration, human trafficking and drug trafficking. Europe has needed to increase security along the EU borders, to secure a diversification of energy supplies and to reduce its dependence on Russian gas and oil.

It was believed that democratization and economic cooperation would contribute to the internal stability and prosperity of the EU neighbor states, making them more predictable in the process. Such developments, it was believed, would reduce unconventional security threats to the EU. Former European Commission President Romano Prodi noted in 2002 that the EU has “to be prepared to offer more than partnership and less than membership, without precluding the latter...” and to share “everything ... but institutions” with the partners. The aim is to extend to this neighboring region a set of

glavnoe/2005/11/15/arkhiv/smarkov-tsvetnaya-revolyuetsiya-eto-novyi-tip-politicheskikh-tekhnologii-po.

⁶ “The reverse side of the globalization processes is the increased emphasis on civilizational identity.” See the *Concept of the Foreign Policy of the Russian Federation*, art. II.14.

⁷ Gleb Pavlovskiy, “The Kremlin: from Conservative Policy to Revolution” (in Russian), *Russia in Global Affairs* 3 (2014), available at http://www.globalaffairs.ru/ukraine_crisis/Kreml-ot-konservativnoi-politiki--k-revoljutcii-16722.

principles, values and standards that define the very essence of the European Union.”⁸ In 2009, after the Russian-Georgian War of August 2008, the pragmatic approach—to provide more security to EU Member States that border Russia plus Ukraine, Belarus and Moldova—forced the EU to launch a new Eastern Partnership Program (EPP). Six post-Soviet states participated: Belarus, Ukraine, Moldova, Armenia, Azerbaijan and Georgia. The inclusion of the latter three states was determined by a consideration of Caspian energy resources and their supply to the European market.

There was a vague vision regarding general cooperation between the EU and its Eastern partners, but the Eastern Partnership (EaP) was also an attempt to shift from a completely regional approach toward an intensification of bilateral relations with the partner states in accordance with the latter’s respective priorities.

The next step in “bringing the neighbors closer” was the initiation of Association Agreements, which were evaluated by all sides concerned as an attempt to take a real step toward involvement of these post-Soviet states into the European integration project.⁹ Membership in the EU was not on the agenda.

Gradually becoming a geopolitical actor, the EU offered assistance and cooperation in four soft security areas. Although the Association Agreements mention “security policy” in the first area of cooperation, this does not mean cooperation in the security field: The European Union has not provided any security guarantees to its Eastern Partner states. However, security was and still is a core issue for all states involved.

Thus, some miscommunication initially existed between EU Member States and the EaP states: the latter were eager to acquire security guarantees for various reasons, yet the EU was unwilling and unprepared to provide them because of its own economic and political reasons. Having removed the security question from its EaP agenda, the EU minimized its influence on developments in all six states. It also gained no influence-enhancing leverage in the soft security area. In addition, as a geopolitical actor, the EU pursued its own interests – and hence to a certain degree ignored the interests of partners and “forgot” the initial goals of the EaP. EU policies are also becoming more inconsistent: for example, against the background of the civil war in Ukraine, the European Union has become very much interested in Azerbaijan as an economic partner and main energy supplier from the Caspian Sea area, all the while ignoring Azerbaijan’s systematic and increasing human rights violations.¹⁰

⁸ Romano Prodi, “A Wider Europe – A Proximity Policy as the key to stability,” speech 02/619 given at the Sixth ECSA-World Conference – Jean Monnet Project entitled “Peace, Security And Stability International Dialogue and the Role of the EU,” Brussels, 5–6 December 2002, available at http://europa.eu/rapid/press-release_SPEECH-02-619_en.htm.

⁹ *Joint Declaration of the Eastern Partnership Summit*, Warsaw, 29–30 September 2011, available at: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/124843.pdf.

¹⁰ “Joint Declaration of the Eastern Partnership Summit, Vilnius, November 28–29, 2013,” 3, available at http://static.eu2013.lt/uploads/documents/Programos_12/131129_Vilnius_Summit_Declaration.pdf; Richard D. Kauzlarich, “I have not seen a worse situation than now,” interview by Alakbar Raufoglu, *Contact*, 28 April 2014, available at <http://contact.az/docs/2014/Interview/042800076924en.htm>.

Of course, U.S.–Russian disagreements on several issues, including the future of Ukraine, affect EU–Russian relations. However, different approaches between the EU and the U.S. to Russia and to dealing with Russia are becoming more visible: the EU wants, and tries, to reduce its subordination to the U.S. and seeks to provide its own—albeit multi- and divided—“Russian policy.”

Another actor in the triangle composed of Russia, the South Caucasus and the West is NATO, as a political-military organization. Its direct aim and task is to provide security guaranties to its member states and stability to certain parts of the world. The search for security guaranties (accompanied by misinterpretations of signals from the U.S. and NATO) pushed Georgia toward NATO and played a large role in provoking the Russian–Georgian War of August 2008. The negative results are well known: Georgia lost its two breakaway regions. Furthermore, the consequences of this war signaled the beginning of the reevaluation of the West–Russia relationship. However, the events in Georgia in the summer of 2008 and ongoing developments in Eastern Ukraine clearly indicate tension between Russia and NATO on the one side, and on the other side the intention and capacity of these two actors to avoid involvement in military operations that could bring a direct military confrontation.¹¹

In sum, the confrontations between Russia, the EU and NATO are reminiscent of a game without rules. Their overlapping and conflicting interests and chosen styles of interaction with each other and with the small and weak states in the South Caucasus provoke the rise in insecurity in this region. The direct result of the “pragmatism” of these three non-regional actors is the further militarization of this region, escalating a deepening of the divide lines between the regional states and state entities, an exclusion of now-reluctant neighbors from regional cooperation projects and an increase in unpredictability as regards the future.

Pragmatism or External Pressure: Designing the Future

The Third Forum of the Eastern Partnership in Vilnius in November 2013 became a milestone, as it led to the implementation of two geopolitical and geo-economic integration projects. It also became pivotal for Europe’s future security architecture. Firstly it unveiled the weak aspects of the EPP and divided the EU by challenging the unity and strength of its Member States while paradoxically giving a new incentive, albeit indirectly, to the Eurasian Economic Union project.

Although Ukraine became a catalyst for the changes in the relationship between Russia and the West, and although future developments in the South Caucasus will be significantly influenced by relations between Russia, the EU, NATO and the U.S., four major features of the current developments in the South Caucasus must be underlined if

¹¹ The NATO–Russia confrontation ended with the Wales Summit Declaration (5 September 2014, available at http://www.nato.int/cps/en/natohq/official_texts_112964.htm) and Putin’s sharp critique of the West in a speech at the Valdai International Discussion Club (24 October 2014, available at <http://eng.kremlin.ru/news/23137>).

the trilateral trends in the relationships between Russia, the South Caucasus and the West are to be comprehended:

1. In three regional states—Armenia, Azerbaijan and Georgia—domestic problems take priority over external or foreign policy concerns.
2. Russia provides a tri-polar policy in the South Caucasus, making significant distinctions in its approach to each of the regional actors, including Abkhazia, South Ossetia and Nagorno-Karabakh. Its political, economic and military leverage is strong and influences the crucial decisions of its partners and non-partners in the region.
3. The EU is reshaping its policy toward the region, changing its approach to a more bilateral-oriented policy. However, its influence on internal processes in soft security areas, as well as in respect to the economies of Armenia, Azerbaijan and Georgia, is currently in decline as a consequence of the EU's internal problems, Ukrainian affairs and Russia's strong presence in the South Caucasus.
4. NATO has concentrated its efforts—and continues to do so—in the western part of Eurasia; it has avoided interfering in the Ukrainian situation while strengthening above all the defense capacities of the Baltic states.

Given these circumstances, the security deficit in the South Caucasus plays a significant role. Namely, it is an additional factor for the regional states as each of them faces the choice of direction in which to integrate, bringing with it certain security parameters. To some extent the political, economic, military and social components of this bipolar integration choice—either the EU or the Eurasian Economic Union (EEU)—are mutually exclusive, especially when viewed in political and military terms. The references to a so-called civilizational choice in regard to the South Caucasus states is artificial: Without a doubt, Georgia and Armenia belong to Europe, while Azerbaijan possesses both European and the Middle Eastern identity.

Azerbaijan: Playing a Regional Power

Azerbaijan claims, according to all its strategic parameters, a role as a regional power. For a simple reason, this state does not need to choose between Russia and the West as it is capable of conducting a more complementary policy thanks to interest in its energy resources and the fact that its territory can serve as a transit zone for Turkmen gas and Kazakh oil. The energy transit factor plays a significant role in Azerbaijan's relations with Russia, which views Azerbaijan as a competitor in supplying the European market with energy.

However, the oil factor plays a dual role in Azerbaijan's domestic and foreign policies, one that is directly linked to the unresolved Nagorno-Karabakh conflict. Firstly, the oil factor weakens Azerbaijan's position in the Nagorno-Karabakh conflict because of the need to prevent any interruption of oil supply to the West, meaning that Azerbaijan cannot allow itself to resume military action in the conflict zone. Secondly, the oil al-

lows Azerbaijan to balance Russia and the West off each other and to demand an immediate resolution of this protracted conflict by threatening a resumption of military action to liberate the “occupied territories.” Hence, neither Russia nor the EU is able to form negotiation proposals favorable to Azerbaijan,¹² thereby strengthening Azerbaijan’s intention to avoid becoming a member of any integration project.

Both Russia and the EU have chosen very “pragmatic” approaches to keep Azerbaijan in their respective orbits. The dependency of some European states on Caspian energy sources allows the Azerbaijani leadership to violate human rights and to completely ignore the demands of international human rights organizations as well as their calls to implement the parts of European programs defined within the frameworks of soft power. Because the financial equivalent of these programs amounts to only approximately 3 percent of Azerbaijan’s GDP, any threat of the reduction of financial support does not constitute real leverage against the authoritarian regime. Even more, it allows Azerbaijani authorities to successfully prevent any domestic social or political unrest.

In comparison to the EU, Russia has more leverage to influence Azerbaijan:

1. It sells weapons to Azerbaijan, depicting the growing arms supply deals as “pure business.”
2. A large Azerbaijani Diaspora resides in Russia. According to some sources, the total Azerbaijani population of Russia is estimated to be as high as three million, with more than a million and a half in Moscow. The flow of remittances, which constitute a hidden Azerbaijani economy, significantly assists the support of families.¹³
3. Russia (together with Iran) is intensively seeking to reach an agreement with other Caspian Sea littoral states, including Azerbaijan, to forbid any foreign military presence on this body of water. Such an arrangement would mean

¹² Russia, as a major non-regional actor in the South Caucasus area, cannot allow itself to be defined as unambiguously favoring one of the parties in the Nagorno-Karabakh conflict; its relations with both Armenia and Azerbaijan are of strategic importance. Conversely, its recognition of Crimean independence, the accelerated inclusion of Crimea into the Russian Federation and the reaction of the world powers tremendously complicates Russia’s position on the Nagorno-Karabakh issue. In turn, events in Ukraine have confirmed to the Azerbaijani authorities and society at large that the EU will not help to return Nagorno-Karabakh to Azerbaijani jurisdiction.

¹³ According to the Central Bank of Russia, \$1.139 billion were transferred from Russia to Azerbaijan in 2012. However, a CESD survey argues that the sum total of remittances from Russia to Azerbaijan amounts to no less than \$3 billion per year. See for more details: Center for Economic and Social Development (CESD), “Remittance Euphoria: Expansion or Dependency?” Baku, 30 April 2013, available at <http://cesd.az/new/2013/04/remittance-euphoria-expansion-or-dependency>.

countries could only move ahead on any large infrastructure projects in the Caspian Sea on the basis of consensus.¹⁴

Our analysis may be summed up as follows:

- Azerbaijan's interest in reducing tension in the area of the Nagorno-Karabakh conflict is not evident. However, the possibility that overt conflict will resume, in light of the aforementioned processes in the broader region and against the backdrop of events in Ukraine and Russia, the West's tension is slightly reduced.
- Azerbaijan's energy resources allow for massive sums of direct and indirect military spending to flow smoothly from the national budget.¹⁵
- Azerbaijan's geopolitical location and general developments in the Middle East allow Azerbaijani authorities to ignore negative evaluations by all international organizations and bodies regarding human rights violations and the lack of legal framework both in state governance and in the fight against corruption. External political, economic or legal levers to influence internal political processes in Azerbaijan are also absent.
- Owing to all of these factors, Azerbaijan can continue to be complementary in its foreign policy without making a choice between the EU and the EEU. It will also benefit from its relations with both Russia and NATO (Turkey, in particular) in the defense and security field.

The Georgian Dream: Only to the West, but Cautiously

Georgia did not face any dilemma in choosing its direction of integration. In the first years of its independence, European integration appeared in Georgia's foreign policy agenda as a politically and psychologically motivated decision. Firstly, it was based on the self-identification of Georgians as Europeans. Secondly, the Georgian elite perceives the historical period of 1800–1991 as an occupation of Georgia by the Russian Empire and later by the Soviet Union. Thirdly, Georgian society at large sees the Russian Federation as an occupational force, given its role in the Abkhazian and South Ossetian conflicts. Consequently, tensions between Russia and Georgia are systemic and deeply rooted. According to Georgia's National Security Strategy, adopted in 2012, "The 2008

¹⁴ Joshua Kucera, "After Summit, Caspian Sea Questions Linger," *The Diplomat*, 2 October 2014, available at <http://thediplomat.com/2014/10/after-summit-caspian-sea-questions-linger/>; Elena Dunaeva, "Results of the Astrakhan Summit of Caspian States," *New Eastern Outlook*, 9 October 2014, available at <http://journal-neo.org/2014/10/09/rus-itogi-astrahanskogo-sammita-prikaspijskih-gosudarstv/>.

¹⁵ In February 2013, President Aliyev of Azerbaijan stated that the military budget for that year would amount to \$3.7 billion. He reiterated that the Nagorno-Karabakh conflict would be resolved by military means if no progress was made within a reasonable period of time; cf. "Azerbaijan Sharply Increases Military Spending," *Atlantic Council*, 1 February 2013, available at <http://www.acus.org/natosource/azerbaijan-sharply-increases-military-spending>.

war demonstrated that the Russian Federation does not accept the sovereignty of Georgia, including Georgia's choice of democracy and its independent domestic and foreign policy.”¹⁶

On the other hand, an important distinction must be made between Georgia's political culture and the political cultures of its neighboring states: civil society in Georgia plays a significant role in political decision making and to a certain degree is capable of acting as an autonomous, independent force. Peaceful succession to power on several occasions indicates the political maturity of this society – one with a clear scale of priorities and a relatively united vision regarding the future. In this context, the signing of the Association Agreement including the DCFTA between the EU and Georgia on 27 June 2014 can be viewed as the next step toward the realization of the Georgian dream.¹⁷

Although there have been some positive shifts in Russian-Georgian relations since October 2012, a “Russian agenda” is not of high priority. At all political levels, the Georgian leadership is committed to integrating Georgia into Euro-Atlantic institutions and considers NATO, in particular, the only guarantor of its security.¹⁸ The message to Georgian society is apparently that NATO membership is a strategic goal that requires extended time and strong effort. Georgia's cooperation with NATO is increasing significantly, and it stands as the most advanced of the South Caucasus states.¹⁹

The prospect for Georgia's EU membership is, however, vague. Nonetheless, both the United States and the EU have increased their economic and political aid to Georgia in recent years as a consequence of its geostrategic location, transit possibilities and contribution to democratic developments in the region.

It must be acknowledged that in comparison to its reaction to Ukraine's Association Agreement with the EU, which has crucial geopolitical and geo-economic implications for all three sides involved, Russia's reaction to Georgia's Agreement was rational (or even somewhat indifferent). Russia possesses strong leverage mechanisms to prevent any unpredictable movement on Georgia's part.

Russia's recognition the independence of Abkhazia and South Ossetia means a *de jure* and *de facto* change of Georgia's state borders. In the meantime, this unstable situation has become cause for pressure and influence. Although the “Georgian conflicts” are now in a “deep freeze,” thereby deadlocking Georgian-Russian relations, it is apparent that the Georgian government has abandoned statements and actions capable of infuriating Russia.

¹⁶ Government of Georgia, *National Security Concept of Georgia* (2012), 3, available at <http://www.isn.ethz.ch/Digital-Library/Publications/Detail/?lng=en&id=156940>.

¹⁷ *The EU's Association Agreements with Georgia, the Republic of Moldova and Ukraine*, Brussels, 23 June 2014, available at http://europa.eu/rapid/press-release_MEMO-14-430_en.htm.

¹⁸ *National Security Concept of Georgia*, 3.

¹⁹ For more information, see the official documents concerning Georgia–NATO bilateral relations, http://www.nato.int/cps/en/natolive/topics_38988.htm; and the NATO's 2014 Wales Summit Declaration.

Russia has three military bases in the South Caucasus, two of which are located on *de jure* Georgian territory.

Georgia's economy is still very weak and the Russian market plays an important role: trade with Georgia significantly increased in 2013 after Moscow allowed the importation of Georgian products (mainly wine and mineral water).²⁰

The largest Georgian Diaspora is in Russia,²¹ while the inflow of remittances from Russia to Georgia constitutes about half of all remittances to Georgia.²²

Georgia is locked between Russia's partner states, including Turkey, and the flow of goods with Georgian labels that originated in EU Member States can be easily controlled. Also, it is obvious that the expansion of NATO and the EU has arrived in the middle-term at its end, especially in light of the Russia's confrontation with the West surrounding Ukraine and developments inside this post-Soviet state.²³ Reasons for the halt in expansion also stem from the larger context: namely, the rapidly growing instability in the Middle East and the danger of a penetration of nonconventional threats into Europe. Georgia's policy regarding both NATO and EU membership will be more balanced, and it will try to complete its obligations within the frameworks of the Association Agreement. Against the backdrop of the Ukrainian situation, its integration into the EU (especially regarding the DCFTA) will slow down – a process that will be accompanied by a further decline in living standards and could, in turn, be followed by social unrest.

To avoid this scenario, the new Georgian leadership aims to exploit Georgia's image as "a beacon of freedom" and to cultivate its privileged status as a recipient of Western investments. However, some minor positive shifts in the bilateral Russian-Georgian relationship allow the leadership of the two neighboring states to design a more pragmatic approach toward one another. Georgia does not wish to irritate Russia and will try to balance in both directions. In turn, Russia's strategic interest in Georgia has been sharply reduced after the establishment of strong control over Abkhazia and total control over South Ossetia. Finally, in the longer term, Georgia can benefit significantly from playing an active role in the South Caucasus region.

Armenia: The Choice was Made. What Comes Next?

On 3 September 2013, Armenian President Serzh Sargsyan stated during a meeting with Russian President Putin that Armenia intended to join the Customs Union and later the EEU. This U-turn was not expected by the EU representatives, with whom Armenia had

²⁰ "Georgia's Foreign Trade in 2013," *Civil Georgia*, 24 January 2014, available at <http://www.civil.ge/eng/article.php?id=26885>.

²¹ *Georgian Diaspora Study* (GIZ/Economic Policy Research Center, 2012), available at www.eprc.ge/admin/editor/uploads/files/GIZ_Georgian_Diaspora_Study_A4_Book_Print.pdf.

²² Givi Melkadze, "Labor Migration and Remittances to Georgia," *ISSET Economist*, 26 September 2012, available at <http://www.iset.ge/blog/?p=779>.

²³ "Obama: No 'immediate plans' to bring Ukraine, Georgia into NATO," *CBS News*, 26 March 2014, available at <http://www.cbsnews.com/videos/obama-no-immediate-plans-to-bring-ukraine-georgia-into-nato>.

been negotiating the Association Agreement and DCFTA over the last three and a half years. The EU's reaction was quite predictable: "given Armenia's wish to join the Customs Union of Russia, Belarus and Kazakhstan, announced in September 2013, the Association Agreement, incompatible with membership in the Customs Union, will not be initialed nor signed. The European Union will continue cooperation with Armenia in all areas compatible with this choice."²⁴ These two interrelated statements almost brought to an end Armenia's attempt to synchronize the two integration projects.

There are two questions to be discussed through the prism of Armenia's national security. First, was the choice to integrate into the Russia-led Eurasian Economic Union unavoidable? Second, was it made under pressure or did it constitute a pragmatic decision?

Several factors render Armenia's national security vulnerable on a broader scale:

- Involvement in the protracted international Nagorno-Karabakh conflict;
- Two borders with the neighboring states are closed as a consequence of this conflict;
- Heavy dependence on Russian energy (oil and gas) supplies;
- A decline in economic growth and a growing demographic problem (caused by emigration, among other reasons);
- The potential for social unrest is gaining momentum.

Taking these factors as well as the growing militarization of the South Caucasus and beyond into consideration, Armenia needs security guaranties most of all. The real military threat to Armenia can come only from aggressive actions by Azerbaijan directed at the unrecognized Nagorno-Karabakh Republic (NKR).

Reasons why neither the EU nor NATO will provide military guaranties to EaP states, including Armenia, have been examined above. Military-political and military-technical support to Armenia is provided by Russia in accordance with several bilateral agreements, including a Russian-Armenian treaty on the Russian military base in Gyumri, Armenia. Indeed, the 102nd Russian military base, together with the "Armenia" military group of the Border Force of the Russian Federation's Federal Security Service, are constituent elements in Armenia's defense system. In accordance with the signed Protocol on the introduction of amendments to the Treaty on the Russian Military Base in Armenia (August 2010), not only the term of its presence was extended, but also the sphere of its geographic and strategic responsibility was enlarged. In particular, the new version of Article 3 of the Protocol states that, in addition to the function of defending

²⁴ "EU Will Not Sign Agreement with Armenia, Commissioner Says," *Asbarez*, 13 September 2013, available at <http://asbarez.com/113868/eu-will-not-sign-agreement-with-armenia-commissioner-says>.

the interests of the Russian Federation, the Armenian armed forces will provide security to the Republic of Armenia across the entire perimeter of its borders.²⁵

Guaranties are also provided on the basis of Armenia's membership in the Collective Security Treaty Organization after the removal of the consensus principle in Article 4 of the CSTO Chapter.²⁶ However, their implementation under the present circumstances is questionable.

Another critical issue concerns Armenia's economic security, in particular with respect to the energy sector. A high level of participation by Russia in the Armenian economy, including ownership of major industrial complexes, makes Armenia highly dependent on Russia.²⁷ This situation allows Russia to implement a carrot and stick policy: Armenia receives preferential treatment in return for its political loyalty and support for the Eurasian integration project.²⁸

It must be emphasized that in the area of economic security as in the area of political-military security, the EU has nothing to offer to Armenia: it objectively cannot provide (and has no interest in providing) economic support to Armenia at a level comparable to Russia's investments in leading sectors of the Armenian economy. In addition, in the event that the Association Agreement with the EU, with its DCFTA component, would be signed and ratified, the Armenian economy would hardly survive.

The third important link to Russia is in the growing Armenian Diaspora. This factor plays a dual role in Armenian-Russian relations. On the one hand the Russian migration policy stimulates immigration to Russia from the CIS countries, thereby ensuring the free movement of labor.²⁹ This policy indirectly contributes to Armenia's dependence on Russia (as it can use the factor of working migrants to put political pressure on Arme-

²⁵ "Deal Signed on Extending Russian Military Presence in Armenia," *Radio Free Europe – Radio Liberty*, 20 August 2010, available at http://www.rferl.org/content/Russia_Armenia_Sign_Extended_Defense_Pact_/2133043.html.

²⁶ For more details, see: "Armenian Parliament has ratified important amendments to the CSTO Regulations and Treaty" (in Russian), *Regnum information agency*, 25 October 2011, available at <http://www.regnum.ru/news/1459434.html>.

²⁷ For a detailed analysis see Vladimir Socor, "Armenia's Economic Dependence on Russia Insurmountable by the European Union," *Eurasia Daily Monitor* 10:221 (2013), available at http://www.jamestown.org/regions/russia/single/?tx_ttnews%5Btt_news%5D=41740&tx_ttnews%5BbackPid%5D=48&cHash=408a5840473a1f08b45f64b8178116ba.

²⁸ In particular, see the results of Putin's official visit to Armenia in December 2013.

²⁹ *Concept of State Migration Policy of the Russian Federation until 2025* (in Russian), available at <http://www.fms.gov.ru/upload/iblock/07c/kgmp.pdf>.

nia) and to a deepening of Armenia's demographic problem.³⁰ The remittance flow plays a significant role for a country with a high unemployment rate.³¹

One very sensitive and important issue for Armenia is to be able to provide and guarantee security to the NKR. Integration with the EU, through the signing of the Association Agreement (and DCFTA), would threaten the economic security of the NKR, above all owing to the establishment of strong border controls and the customs arrangements between Armenia and the NKR. On the other hand, it could weaken the military support provided by Armenia to this unrecognized state entity.

Taking into account the spectrum of problems Armenia faces today, Russia's strategic partner role is evident, all the more due to the EU's inability to rescue the Armenian economy or to guarantee the nation's security. However, the sanctions imposed on Russia by the EU and the U.S. will undoubtedly slow integration processes inside the EaU. They will also negatively influence the Armenian economy.

The decision to join the Eurasian Economic Union resulted from a rational calculation of gains and losses in Armenia's integration prospects. This decision was even accepted by the Armenian opposition: at a meeting of oppositional forces on 24 October 2014, former President of Armenia Levon Ter-Petrosyan announced that integration into the EaU was unavoidable and necessary. He added that no reason exists to discuss this question at a time when the country faces serious domestic problems.

Conclusion

In the geopolitical game initiated by Russia and the EU, the South Caucasus states could only benefit through participation in both integration projects: the EU's Association Agreements and the Russia-led EEU. Armenia, Azerbaijan and Georgia are trying to balance these two options.³² The developments in Ukraine are, first and foremost, the result of the incapability or unwillingness of both Russia and the West to cooperate in the sphere of security understood in broader terms. This outcome contributes to a further increase in competition, tension, contradiction and confrontation between Russia on the

³⁰ According to the National Statistics Bureau of Armenia, on 1 April 2013 the population of Armenia was 3.029 million against 3.275 million on 1 April 2012. In January–March 2013, 259.2 thousand Armenian citizens left the country. In the same period, 223.7 thousand arrived in Armenia. The negative balance is 35.5 thousand compared to 25.4 thousand in the first quarter of 2012.

³¹ According to a statement by the Armenian Central Bank from 24 October 2013, private remittances sent home by Armenian labor migrants in the first half of 2013 reached \$ 713.1 million, increasing by 14.9% compared to the same period in the previous year; available at: http://remittancesgateway.org/index.php?option=com_k2&view=item&id=346:private-remittances-sent-home-by-armenian-labor-migrants-in-first-half-increase-by-14-9&Itemid=133. See also: Lili Karapetyan and Liana Harutynyan, *The Development and the Side Effects of Remittances in CIS Countries: The Case of Armenia* (San Domenico di Fiesole, Florence: European University Institute, 2013), available at <http://www.carim-east.eu/media/CARIM-East-RR-2013-24.pdf>.

³² In particular, the Armenian president participated in the 2014 Wales NATO Summit.

one hand, and NATO, the EU and the U.S. on the other. This trend negatively influences the security environment in Europe and Eurasia.

The integration projects that have been launched mirror these trends. Any attempt by Russia and its Western counterparts to reduce the existing tension and the confrontational postures should be welcomed by the South Caucasus states. Furthermore, the EU and the U.S. prolonging far-reaching sanctions on Russia will not lead to its isolation, as it is still the most influential actor in Eurasia. If (and when) Russia succeeds in diversifying its economy and reducing its dependence on the EU market and technologies, it will become more self-confident and less flexible in international affairs.

Russia, the EU and the South Caucasus: Forging an Efficient Over-Arching Cooperative Regional Security Scheme

Elkhan Nuriyev *

Introduction

Oddly enough, much of what is happening in the South Caucasus today resembles the turmoil of the pre-Soviet era and the inter-war period of the early twentieth century. As was the case then, Armenia, Azerbaijan and Georgia are again facing the daunting task of safeguarding their state sovereignty and protecting national security. The region's unique geostrategic position is now of crucial significance for the evolution of the twenty-first century world order. While competition for energy resources is a highly geopolitical issue, the rivalry over control and influence in the South Caucasus has become an ideological factor and acquired greater strategic importance for Russia and the EU.

The South Caucasus nations face the momentous choice between repeating the events of the early 1920s, when the Soviet Union was created, or those of the late 1940s, when the Marshall Plan was proposed. The return to past geopolitical models¹ has raised interesting, yet sensitive questions. Will the current and future circumstances of competition be like those of 1917–1920 or 1947–1949, merely with new content? Are Russia, the EU and the South Caucasus going to cooperate internationally in ventures that unite them in the reconstruction of a larger Europe, or will they fail that test?

What follows below is a detailed discussion analyzing the complex nature of EU-Russian policies towards their shared neighborhood as well as an examination of their impact on the current geopolitical landscape of the South Caucasus. It will also look into possible ways in which the EU, Russia and partner countries could devise new approaches to mutually beneficial cooperation by recognizing the interests of all parties involved.

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¹ Mark Bassin and Konstantin E. Aksenov, "Mackinder and the Heartland Theory in Post-Soviet Geopolitical Discourse," *Geopolitics* 11:1 (2006): 99–118; see also Elkhan Nuriyev, *The South Caucasus at the Crossroads* (Berlin: LITI, 2007), 264.

Changed Geopolitics of the EU–Russia Shared Neighborhood

Clearly, the waves of eastern EU enlargements in 2004 and 2007, in addition to the expansion of the European Neighborhood Policy (ENP) and the 2009 Eastern Partnership program, have induced the EU to formulate explicit interests in the the Former Soviet Union (FSU) area. In particular, with the accession of Bulgaria and Romania to the EU in 2007, the same time in which the European Commission proposed the Black Sea Synergy initiative, the South Caucasus actually became a region of direct concern to the EU's security strategy.

In essence, the EU realized the importance of new incentives for closer economic and political relations with partner countries and their gradual integration into the EU economy. By offering a privileged relationship based on mutual commitment to common values, the EU opened a new chapter with an ambitious plan to broaden cooperation with its eastern neighbors. While trying to assume a greater regional role, increasing its strategic importance for the neighborhood,² the EU's integration policies are aimed at promoting regional interests driven by various aspects. Among the most important ones are good governance, rule of law, protracted social conflicts, energy security and the fight against organized crime.

In practice, through action plans and association agreements, the EU has expanded its power eastwards and sought to persuade the FSU neighbors to adopt reform measures that contribute towards fostering the stability and security of their countries, and hence the well-being of the EU itself.³ As a result, the “expansive logic” of EU integration with the purpose of acquiring reliable partners has produced the need to spread and promote European norms and values beyond the political borders of the Union.⁴ In doing so, Brussels does not promise its South Caucasian neighbors eventual membership but rather tries to make the region more predictable and controllable by creating a secure geopolitical buffer for itself.

There is, however, potential for tension with Russia in the eastern neighborhood. Right from the outset, Russia agreed to have a special status with the EU-Russia Common Spaces instead of participating in the ENP. However, Moscow accused Brussels of trying to carve out a new sphere of influence and on several occasions Russia has voiced concerns over the Eastern Partnership, seeing it as another attempt to extend the EU's power in the quest for energy resources. For this reason, the South Caucasus that repre-

² Council of the European Union, *Joint Declaration of the Prague Eastern Partnership Summit*, Prague, 7 May 2009, 8435/09 (Presse 78), 6.

³ Benita Ferrero-Waldner, “Eastern Partnership – An Ambitious Project for 21st Century European Foreign Policy,” Statement by European Commissioner for External Relations and European Neighborhood Policy on the Eastern Partnership, European External Action Service, Brussels, 20 February 2009; see also European Council, *Report on the Implementation of the European Security Strategy – Providing Security in a Changing World*, S407/08, Brussels, 11 December 2008.

⁴ James Headley, “Is Russia Out of Step with European Norms? Assessing Russia's Relationship to European Identity, Values and Norms Through the Issue of Self-Determination,” *Europe-Asia Studies* 64:3 (2012): 428.

sents the shared neighborhood for both Russia and the EU, has turned into a place of clashes of interest and power plays.

In response to the EU's extension of power over the common neighborhood, Moscow has begun to demonstrate its geopolitical vigor and frequently uses rigid methodology when safeguarding Russia's national interests. As Russian influence has tended to increase in the South Caucasus, present-day relations with the three countries not only preoccupy Moscow but also present all too many opportunities and challenges for stability and security in the region. Given the lack of political solutions to the protracted social conflicts, Russia's diplomatic efforts continue to be committed to the region. Despite many shared problems, Russia and the South Caucasus countries are ultimately condemned to coexist and cooperate if they want to survive and prosper as sovereign nations. Therefore Russia is bound to remain actively involved in the region in the coming years – a region it definitely regards as part of its privileged sphere of influence.

On the other hand, the overall context of EU–Russia relations strongly affects the foreign policy strategies of the eastern neighbors. The extent of the contact with the partner countries is evidence of the serious intent of Russia and the EU to engage with the South Caucasus nations. Even as the EU and the United States make every effort to prevent Russia from rebuilding the post-Soviet territory, the entire region is turning into a stage for power maneuvering, color revolutions, secessionist movements and bloody civil wars. Notwithstanding the wide range of initiatives, partnerships and action plans for the South Caucasus, the current regional situation remains unstable, fragile and insecure. While the EU is viewing democratic change as a crucial indicator of lasting peace and stability on its new borders, the Kremlin has perceived the promotion of democracy backed by the West as a real threat to Russia's leverage over the Commonwealth of Independent States (CIS) space. It should therefore come as no surprise that the EU's extension of power for security purposes has increasingly been met with Russian countermeasures.

Divergent Logic of Regional Reshaping

Since Vladimir Putin's return to the Russian presidency in March 2012, Russia's foreign policy has been motivated by major ideological concepts rather than traditional geopolitical considerations of territorial expansion. Above all, the most important are the concepts of "sovereign democracy,"⁵ "the Russian world" and "the great Russian civilization."⁶ Indeed, Russia's desire to re-establish its great power status has become a constant focus of the Kremlin's international behavior. President Putin has repeatedly reminded the West that Russia is a World War II winner and a nuclear superpower, mainly arguing that his country has a legitimate right to be recognized in its great capac-

⁵ Andrey S. Makarychev, "Russia's Search for International Identity Through the Sovereign Democracy Concept," *The International Spectator* 43:2 (2008): 49–62.

⁶ Igor Zevelev, "Russia's National Identity Transformation and New Foreign Policy Doctrine," *Russia in Global Affairs*, 7 June 2014, available at <http://eng.globalaffairs.ru/number/The-Russian-World-Boundaries-16707> (accessed 12 November 2014).

ity as an authority.⁷ According to Russian Foreign Minister Sergei Lavrov, “competition is becoming truly global and acquiring a civilizational dimension, that is, the subject of competition now includes values and development models.”⁸

In this context, the South Caucasus has been an area of East-West competition for more than twenty years. And it is precisely this fact that has put the whole region at risk in the absence of greater Western assertiveness. Even so, Russia and the EU have their own contradictory interests in the region. Out of increasing suspicions of Western presence in the South Caucasus-Caspian Basin, Russia is now trying to reinforce its influence in this part of the FSU area and has effectively begun to actively resist the EU’s perceived encroachments upon its backyard.

In a broader sense, regional strategies of Russia and the EU seriously differ from each other in terms of interests and approaches. This means that Moscow actually perceives the EU’s Eastern Partnership as a serious challenge to its traditional sphere of influence in the Southern Tier. The Kremlin has therefore developed a new model of economic integration—the Eurasian Union project—in an attempt to alter the status quo in the CIS territory in line with Russia’s national interests. Moscow has also formulated a strategically pragmatic regional approach that aims at restoring friendly relations with the countries of the region.

From a geopolitical standpoint, EU–Russian competition, often perceived as a battle along civilizational lines, is most likely a real but ever-more subtle contest of the opposing value systems and ideologies that represent different models promoted by Moscow and Brussels. Both the EU and Russian integration policies towards the region are built upon the vision that internal security challenges arise from outside their borders. In this way, the countries in question eventually turn into cornerstones of the principal players’ regional security strategies. For the most part, Russia regards closer integration with the EU as a geopolitical loss and, by the same token, a growing rapprochement with Russia is generally viewed as an attempt to restrain the EU’s leverage in the region. With this competing approach to integration, the EU and Russia seek to expand their power and protect their interests in the South Caucasus and beyond.

Seeing as the Eurasian Union and the Eastern Partnership are in direct competition with each other, the EU and Russia have indeed become locked into an integration trap—battle over who is most capable of attracting partner countries and on what terms. So far, the EU–Russian geopolitical contest has resulted in the failure of their integration policies towards the region. As a consequence, prospects for genuine cooperation between Moscow and Brussels are diminishing.

Clearly, the Eurasian Union project promoted by President Putin is connected with the Kremlin’s strong desire to create a single zone around Russia that shares economic

⁷ The annual special *Direct Line with Vladimir Putin*, Russia’s 1 TV Channel, 17 April 2014, the English translation is available at <http://eng.kremlin.ru/news/7034>.

⁸ Sergey Lavrov, “Russia and the World in the 21st Century,” *Russia in Global Affairs*, 9 August 2008, available at http://eng.globalaffairs.ru/number/n_11291 (accessed 12 November 2014); see also Andrey P. Tsygankov, “Russia in the Post-Modern World: The End of the Normalization Paradigm?” *Post-Soviet Affairs* 25:4 (2009): 347–369.

and security agreements. Moscow's sole goal is to secure Russia's privileged sphere of influence in the CIS territory. Given the impact of the unresolved conflicts on future developments in the South Caucasus, Moscow could make a concerted effort to exploit internal fault lines in order to serve as a major arbitrator in the peace process and to pursue its objectives using military force. To be sure, Russia's geopolitical interests challenge the EU's integration policies as this process creates dividing lines and could have broader geostrategic implications for Western democracies.

Internationally, the Kremlin advocates a philosophy suggesting that the EU should accept Russian-style *Realpolitik* and respect the Moscow-established rules of the game for the FSU area. The Kremlin has thus far taken what the British researcher, Roy Allison, calls a "protective integration" approach towards the former-Soviet countries of Eurasia.⁹ In addition to promoting strategic initiatives within the format of the Customs Union, the Collective Security Treaty Organization and the Shanghai Cooperation Organization, President Putin's Eurasian Union project is the newest, thoroughly thought-out plan and actual passionate manifestation of the protective integration logic.

Recognizing the region's geopolitical importance to European security, the EU, in turn, frequently talks about democracy when thinking of geopolitics.¹⁰ By doing so, the EU and the U.S. unwittingly help President Putin fulfill his CIS strategy. Brussels and Washington have not coordinated with each other to craft achievable policy goals, while Moscow moves closer to creating its own Eurasian security alliance that can compete with the EU and NATO.¹¹

All in all, both the EU and Russia try to bring the neighbor countries into their orbits, however the policies and means used by Brussels and Moscow to achieve this goal differ greatly. Such a complex reality highlights the existence of the two competing approaches to the reshaping of the region, which prolongs the cycle of instability but does not resolve security problems that could potentially spill over into Russia and the EU over time.

Russia's Strategic Goals and Interests

As the Kremlin strategists examine the real power situation in the international arena, the significance of the CIS or the so-called "near abroad" becomes abundantly clear to the Russian Federation. Moscow knows that the security of Russia is inextricably linked to political and economic developments in the CIS countries. In order to emerge as a great power, Russia concentrates on expanding strategic ties with the FSU neighbors.

⁹ Roy Allison, "Virtual Regionalism and Protective Integration in Central Asia," in *Eurasian Perspectives: In Search of Alternatives*, ed. Anita Sengupta and Suchandana Chatterjee (Kolkata: Shipra Publications, 2010), 29–48.

¹⁰ Kristi Raik, "Talking Democracy, Thinking Geopolitics: The EU's Eastern Partnership Policy Faces Difficult Choices," *FIIA Comment* 11 (Finnish Institute of International Affairs, 2011), 1.

¹¹ Elkhan Nuriyev, "How the West Helps Putin Fulfill His CIS Strategy," *The Moscow Times*, 6 April 2014, available at <http://www.themoscowtimes.com/opinion/article/how-the-west-helps-putin-fulfill-his-cis-strategy/497604.html>.

For that reason, the Kremlin's concept of geopolitical standing suggests Russia's special relationships with near abroad countries, whether their political systems are similar or different and whether they share geopolitical interests and problems or have none in common.¹²

Therefore the South Caucasus is the region of prime national interest to Russia. Russia has essential economic and security interests that are vital to Moscow, from the South Caucasus to the Caspian Sea and Central Asia. To be sure, Russia cannot simply shirk engagement in this area. As the August 2008 Russian-Georgian war vividly illustrated, and as the Nagorno-Karabakh peace process shows us today, Russian influence and engagement grow stronger. The Kremlin insists that the ex-Soviet republics not only retain but also strengthen security arrangements with Moscow. The main purpose of these arrangements is to make sure that the FSU states do not develop closer security relations with the EU, NATO and Western democracies.

Even a brief analysis of how Russia is responding to the changing strategic environment in its immediate region shows how threatened Moscow feels. In essence, Russian policymakers believe that the current wave of globalization and the process of westernization represent an obvious threat to Russia's national security.¹³ The very fact that the Western policies are backing economic goals pertaining to the Caspian region has already brought the EU into conflict with Russia's strategic interests. Added to this rivalry, the issues of pipeline routes, foreign policy tradeoffs and regional security tend to involve intense competition over who receives how much gas. Besides, with Russian military and political assertiveness growing in the South Caucasus and beyond, the Kremlin authorities seek to strengthen Russia's military potential through increases to the defense budget in the coming years.¹⁴ Likewise, there is much talk about the need to protect the country's frontiers and turn them into an impenetrable barrier against would-be adversaries of the Russian state.

Russia is certainly a powerful neighbor with genuine security concerns in the region and will remain so in the future. It is no surprise that the Kremlin wishes to restore the former Soviet Union with a new outlook that would not only gratify Russia's interests, but also those of the entire CIS area. As one Moscow-based policy analyst points out, it

¹² For a more detailed analysis of Russia's growing engagement in the post-Soviet territory, see Elkhan Nuriyev, "Motives and Incentives for Engagement – the Russian Perspective of a Eurasian Union," in *Building Confidence in the South Caucasus: Strengthening the EU's and NATO's Soft Security Initiatives*, ed. Ernst M. Felberbauer and Frédéric Labarre (Vienna: National Defense Academy, 2013), 59–68.

¹³ For more details on this issue, see Bertil Nygren, *The Rebuilding of Greater Russia: Putin's Foreign Policy towards the CIS Countries* (London and New York: Routledge, 2008); see also James Greene, "Russian Responses to NATO and EU Enlargement and Outreach," Chatham House Briefing Paper, June 2012, available at [http://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Russia and Eurasia/ 0612bp_greene.pdf](http://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Russia%20and%20Eurasia/0612bp_greene.pdf).

¹⁴ Vladimir Putin, "Being Strong: National Security Guarantees for Russia," *The Huffington Post*, 22 February 2012. A longer version of this op-ed appeared in the Russian newspaper *Rossiiskaya Gazeta* on 20 February 2012.

is not imperial ambition that lies at the heart of this policy, but rather Russia's security needs, whereby the Russian policymaking process is defined by the best way to maintain security.¹⁵ This regional perspective best illustrates Russia's broad interests, of which President Putin's Eurasian Union is but one important part. Moscow makes decisions that advance the Russian agenda of geopolitical influence and economic cooperation. Strengthening security ties with the South Caucasus countries is a prerequisite for Russia's continued success in the twenty-first century. The Kremlin circles believe that now is not the time to be timid; now is the time for Russia to affirm its leadership and take steps in order to protect Russia's national interest in the region.¹⁶

However, the Kremlin strategists also understand that Russia needs to enhance its attractiveness as a center of integration and to demonstrate its potential for long-term stability at any cost. It remains to be seen, however, as to whether Russia's economic modernization will be implemented successfully and to what extent the country's internal reforms can boost the Eurasian Union's attractiveness for the South Caucasus nations. Thus, the next few years will prove decisive in the struggle to reshape the FSU area and integrate the CIS countries into the Eurasian Union.

Shortcomings and Weaknesses of EU Policy

Since the mid-1990s, the EU has increased its political and economic engagement with the countries of the South Caucasus. The politicization of EU actions actually started with the conclusion of Partnership and Cooperation Agreements with Armenia, Azerbaijan and Georgia in June 1999 in Luxembourg. Although the signing of the accords was formally seen as a qualitative breakthrough in EU relations with the South Caucasus, the actual role and impact of the EU remained insignificant. Just then, the EU also began to express its interest in developing commercial energy projects in the Caspian Basin, depending on regional security and the diversification of sources. The EU Member States recognized the geopolitical importance of the South Caucasus, thus viewing Azerbaijan, Georgia and Armenia as a strategic corridor linking southern Europe with Central Asia.

Likewise, the EU acknowledged the rich potential of the Caspian hydrocarbon resources and realized that oil and gas development projects could help secure and stabilize world energy supplies in the future. In fact, the EU has intensified relationships with the South Caucasus countries to access the Caspian Sea's energy deposits and decrease Europe's dependence on Russian energy imports. In so doing, the EU has concluded agreements on transnational projects that will provide the flow of substantial energy supplies from Azerbaijan and the Caspian Sea region to the EU.

Nevertheless, rapid improvements in EU–South Caucasus relations made in 2004 and 2009 were spurred by a series of new political breakthroughs such as the ENP and

¹⁵ Author's private conversation with a Russian political scientist who requested anonymity, Moscow, 16 October 2009.

¹⁶ Author's private conversation with a senior Russian official who requested anonymity, Moscow, 17 October 2009.

the Eastern Partnership initiative. Indeed, the EU strategy in the South Caucasus underwent an overall transformation from enlargement to regionalization. As such, the Eastern Partnership, designed to provide greater impetus for the EU's relations with the partner countries, was generally seen as a continuation of the ENP and was also meant to genuinely improve the EU's integration policies. However, from the very beginning the EU's engagement with the South Caucasus under the ENP was frequently criticized both in academic and political circles. Besides, since its adoption the Eastern Partnership has been called into question for being ineffective. Above all, the critics have argued that the EU lacks the ability to offer its eastern partners the full benefits of freedom, interaction and cooperation.¹⁷

Meanwhile, it is worth pointing to two major factors that have influenced the Eastern Partnership's policy expectations in the EU's eastern periphery. First, right from the outset the Eastern Partnership required strong support from the EU Member States that are still playing a key role in the formation of European policy towards the South Caucasus. While some of EU Member States have failed to take an active role, others simply lack strong vision when it comes to policy towards the EU's eastern countries. As a consequence, polarization within the EU between those that prefer to pursue a "Russia-first" policy and those that see it as the serious obstacle to the formation of an effective strategy towards the eastern neighborhood has actually impeded a reorientation of the EU's integration policy in the South Caucasus.

Second, the expectations of the partner countries regarding the Eastern Partnership differ not only from that of the EU Member States, but also from each other's. They do not share the same situations, resources or weaknesses. For that reason, the EU has sought to find appropriate ways of responding to the heterogeneity of the eastern partner nations, which are characterized by different degrees of interest in EU integration. Due to its new instruments, such as action plans and association agreements, the Eastern Partnership has certainly developed a new level of strategic cooperation between the EU and South Caucasus, thus adding value to the ENP. The key question raised, however, was whether both the EU and the partner countries would succeed in committing themselves to meeting the Eastern Partnership's policy goals in the years to come.

On the other hand, the EU has used Russian geopolitical assertiveness as a justification to play a greater role in the region on several occasions. The signing of the various action plans and the negotiations on association agreements actually helped advance the EU's political and economic interests in the shared neighborhood. Yet the EU could not act coherently as a single state actor in developing a strategic vision for the South Caucasus. This failure has limited the EU's influence and enabled Russia to increase its leverage over the partner countries. Besides, Russia's strong military presence in the conflict-torn areas has complicated the EU's strategic thinking on the South Caucasus. In recent years, EU strategy towards the region has therefore been dominated mainly by considerations of how European policies will affect the EU-Russian relations.

¹⁷ George Christou, "European Union Security Logics to the East: the European Neighborhood Policy and the Eastern Partnership," *European Security* 19:3 (2010): 413–430.

In addition, none of the EU Member States that are engaged in the regional geopolitics at a high level are able to independently exert significant influence on the neighborhood countries. If these Western European democracies would act in concert, the EU could probably be one of the major players in the South Caucasus and could even become the most influential power in the middle to long-term. However, the incapability of the European powers to shape a common and well-integrated policy for the South Caucasus has prevented them from reaching their full potential. The EU's political ineptitude has helped Russia's skillful diplomacy to consolidate its geopolitical standing in the region; the vacuum left by Brussels was immediately filled by Moscow.

Even though the South Caucasus is on the periphery of Europe geographically, the processes currently underway are by no means peripheral to European security and stability or to the security interests of the EU Member States. While the FSU countries grapple with their choices in the rapidly changing regional geopolitics, the EU has been slow to make the three countries a focus of its foreign policy. Given the recent deterioration of the regional security environment, the EU has mostly preferred to hold back and take a wait-and-see approach. The EU Member States have thus far lacked solidarity and the ability to defend their rights, their interests and their values. This means that Brussels is reluctant to stand up to Russia both geopolitically and geo-economically.

Still, one should acknowledge the vital role the EU has played in building up economic and political relations with the states of the South Caucasus. The EU has sought to engage more strategically in cooperation with the three nations, mostly with a view to their deeper integration with the European community. By doing so, the EU has contributed towards bringing these states closer to a wider EU-centered order of democracy, integration and prosperity. The EU has, however, declined to be a relevant security actor since Brussels primarily seeks to defuse tensions with Moscow, which has always been suspicious of the western encroachments. As a result, the EU and Russia have been unprepared to play a sort of geopolitical zero-sum game, in which one side loses what other wins. This has ultimately harmed the interests of the South Caucasus neighbors more than it has helped them.

Understanding the Choices of the Partner Countries

Despite many shared problems, the three countries of the South Caucasus are developing differently and pursuing separate political agendas. Although it is not yet clear whether they will be successful in developing democratic polities in the near future, the Eastern Partnership represents an important means of drawing attention to the eastern neighbors and offers more cooperation and political support in return for genuinely transformational reforms. As such, the Eastern Partnership's success hinges on whether the partner countries are willing to make greater use of regional cooperation in order to become closer to EU norms and standards.

However, the lack of conflict settlement and the absence of peace bring considerable risk of instability to the EU's borders. While the EU tries to promote stability, democracy and prosperity in the South Caucasus, different security perceptions of the eastern neighbors continue to be key obstacles in forging closer relations with the EU and with

each other in the interest of a stable reshaping on the region. The three countries' varying orientations make economic cooperation less straightforward and undermine regional integration, negatively affecting the relations of the EU with its eastern neighbors. While small countries seek greater stability, their national security concerns differ greatly from one another.

Evidently, regional security issues plague the South Caucasus. Russia's military presence in Abkhazia and South Ossetia is perceived in Tbilisi as the most serious threat to Georgia's national sovereignty. The continuing military standoff around Nagorno-Karabakh is challenging the national security of both Armenia and Azerbaijan, especially because Moscow plays both sides, maintaining a military base in Yerevan but also selling Baku billions of dollars worth of weapons. Under such complex circumstances, Russia has pressured the leaderships of the three countries to join the Eurasian Union as Moscow is gravely concerned about their strong alignment with the EU. Indeed, economics and politics in these states are in many ways determined by their relationship to Russia and vice versa. This means that the Russian factor remains considerable in the foreign policy strategies of the FSU nations. As a consequence, they see constant cooperation with Russia as the best solution, though they also develop relations with the EU both bilaterally and multilaterally.

Even so, the South Caucasus countries face increased vulnerability due to disputes in strategic relations between the EU and Russia as well as geopolitical tensions in greater world affairs. Local decision makers seem to understand that neither Russia nor the EU has a real desire to pursue cooperative policies towards the shared neighborhood. There came a difficult time for the leaders when they realized that Russia and the EU had chosen competition over cooperation in the South Caucasus-Caspian Basin. At the decisive moment, each of them announced their respective choices.

Clearly, Armenia withdrew from its negotiations with the EU, turning towards Russia instead. This was a predictable move from the outset because Yerevan has long been seen as Moscow's traditional ally and has always fully relied on Russian military and security assistance. In turn, Azerbaijan's non-membership in the World Trade Organization makes the country ineligible for the Deep and Comprehensive Free Trade Agreement. Baku has remained reluctant in terms of stepping onto the integration path with the EU and instead focused on the issue of visas. However, Azerbaijan's choice is likely to continue with a perilous balancing act that allows Baku to stay away from the Eurasian Union and manipulate EU energy interests in the region. Finally Georgia, the only country with a pro-EU government, has long strived to meet EU criteria. Tbilisi first initiated the Association Agreement during the Vilnius Eastern Partnership summit in November 2013 and formally signed it along with a far-reaching trade partnership deal in Brussels on 27 June 2014. Yet Georgia's Russian dream remains unfulfilled, despite Tbilisi's eagerness to mend relations with the large neighbor in the region. The EU looks unconcerned about Georgia's new Russian course, which means that Tbilisi's policy rethink has most likely been approved by Brussels.

Consequently, these different choices mean the three eastern partners are much more diverse in terms of their geopolitical ambitions to expand relations with the EU. Presu-

mably, the EU's integration strategies simply do not work without clear membership prospects for the eastern neighbors. Brussels should find new ways of devising a more realistic, coherent and articulated policy so as to better fit into the modern geopolitical motivations of the South Caucasus. The Ukraine crisis has broken the status quo in the eastern neighborhood and the repercussions are now rapidly unfolding. Therefore, the next chapter of the FSU states is still being written and there is much work to do before long-term stability and lasting peace become firmly rooted in the South Caucasus.

The Way Forward: Cooperation Trumps Confrontation

Given the continuing EU-Russian rivalry over alternative energy projects, no one can accurately predict the outcome of the zero-sum game in the South Caucasus-Caspian Basin. Much will depend on the evolution of Russia and the ultimate direction the countries of the South Caucasus and other FSU states will choose. However, the process of reshaping a region can take on different forms and there are two main scenarios for the future.

The most likely scenario is increased competition for resources and influence in the region, which currently seems inevitable because EU Member States are striving to reduce their deep dependency on Russian gas. Intense geopolitical contest will negatively affect EU-Russian energy relations and could lead to significantly greater distance between Brussels and Moscow. For the South Caucasus countries, this scenario means that they will increasingly be caught in between Russia and the EU, trying to find a way to meet both sets of needs and to avoid being a battle ground for Moscow and Brussels. It is clear that Russia and the EU are now fighting the regional security issues instead of deciding them.

Nevertheless, there may also be a cooperation scenario, albeit less realistic at the moment. This could still come to pass if Moscow and Brussels demonstrate the political will to engage in better dialogue. Economic incentives, trade interests and joint responses to new security challenges could push both sides to think strategically and settle the two integration schemes in their shared neighborhood. Without a doubt, reconciliation would not be a simple process. It would take a long time and is essential not only to Russia and the EU, but also to the future of the FSU countries and the rest of the world. In order to better coordinate their integration policies, Russia and the EU need to actively develop an economic and political basis for reconciliation through constructive interaction between the Eurasian Union and the EU.

The economic component could be the EU's greater interest to commence a dialogue on a free-trade zone with the Eurasian Union.¹⁸ Such a special, free economic zone

¹⁸ Establishing a free-trade zone with the EU is fully compatible with the existing status of relations between Russia and other post-Soviet states currently governed by a CIS free trade area. According to the CIS Free Trade Area Treaty, "the current agreement shall not prevent the Parties from participating in customs unions, other free trade or cross-border trade agreements, provided they comply with WTO rules" (author's translation from Russian). See Article 18.1

would certainly not resolve the regional security problems, but it could induce Russia and the EU to pursue cooperative engagement in the South Caucasus and strengthen economic integration with the partner countries.

At the same time, the EU needs to formulate an integrated energy policy on the basis of a new comprehensive vision. Creating a kind of new format of multilateral dialogue between the EU and the five Caspian littoral states (Russia, Iran, Azerbaijan, Kazakhstan and Turkmenistan) would probably make it possible to find common ground and to remove differences on important strategic issues in relation to constructing a pipeline across the bottom of the Caspian Sea.¹⁹ Hence, the establishment of an EU-Caspian multilateral energy framework, in which Russia's participation is key, could be a starting point for decreasing competition over resources in the South Caucasus, Central Asia and the Caspian Sea region.

On the other hand, the political component of reconciliation between Russia and the EU could be developed through a new model for cooperative security. It is extremely important that Russia and the western powers understand that the Europe of the twenty-first century should be free of both new and old dividing lines. Forging a more efficient overarching cooperative security model based on relations of genuine and profound partnership is a concrete means of reaching that goal. Moscow and Brussels should explore new complementary forms for managing regional crises. This would strengthen their relationship much beyond where it is today and help them take fairly bold action to rectify the current security situation in the South Caucasus. Much has to do with consolidating the diplomacy of the OSCE Minsk Group even further by giving it a stronger political element. This could be accomplished by merging the OSCE Minsk Group and the EU. Whatever happens in the near future, the challenge of devising a coherent strategy focusing on an integrated, coordinated approach that recognizes the shared interests of Russia, the EU and the South Caucasus countries still remains unresolved.

Conclusion

Evidently, Russia and the EU's security cannot be guaranteed as long as both remain isolated from each other. Statesmen in Moscow and Brussels do not need to relearn the painful lesson that isolationism is a road to disaster. Although the voices of division remain strong, the new environment in which Russia and the EU find themselves harbors a variety of security challenges. Nevertheless, those challenges may indeed be transformed into opportunities if Russia and the EU can opt for responsible and decisive action.

The EU, Russia and the South Caucasus are entering into a period that is likely to bring even greater change than they have seen in the past twenty years. There are urgent

of the CIS Free Trade Area Treaty, available in Russian at <http://www.e-cis.info/page.php?id=20062>.

¹⁹ See Elkhan Nuriyev's comments as reported in the media, "Geopolitical Risks Make TAPI Project Practically Impossible," *Trend News Agency*, 29 October 2014, available at <http://en.trend.az/business/economy/2327584.html>.

demands for innovative models of cooperation for new problems lurking on the horizon. The greatest challenge Russia and the EU should encounter in their shared neighborhood would be designing and implementing a concrete peace plan for the South Caucasus. Solving the problem of reshaping the region requires sustained commitment on the part of both Russian and European leaders.

Sailing the South Caucasus through Troubled Waters towards Regional Integration

George Vlad Niculescu *

Just like other parts of Eurasia,¹ the South Caucasus is facing a new breed of East-West geopolitical competition interwoven with three evolving challenges:² 1) a growing ideological gap between Russia and the West; 2) the chronic persistence of protracted conflicts; 3) the dilemma of the post-Soviet states: European vs. Eurasian integration.

More specifically, the South Caucasus geopolitical landscape is shaped by:

1. Geopolitical competition between Russia and the West in the wake of the ongoing Ukrainian crisis, which effectively brought the era of European cooperative security to an end.
2. Growing Russian regional assertiveness, whereby the Eurasian Economic Union (EEU) is increasingly used as a vehicle to counter strides towards European integration, while OSCE-led conflict resolution is manipulated to create geopolitical leverage over the regional states.
3. A tacit Russian-Turkish partnership of convenience, basically motivated by both parties' focus on different fronts: Russia is engaged in the geopolitical confrontation with the West over Ukraine, while Turkey has been absorbed by the fluid evolutions in the Middle East (particularly in Syria and Iraq).
4. The inability of the EU to exert, or at least claim, a bolder regional role because of its own institutional constraints and lack of appetite for new CSDP missions in the aftermath of the Euro crisis.
5. NATO's self-restrained regional role limited to soft security cooperation in the "28+1" format, driven by its refocus on deterrence and defense of the territory of its Eastern members against a resurgent Russia and the fact that the region is less of a strategic priority in the wake of unwinding the ISAF operation in Afghanistan.

Overall, the geopolitical competition between Russia and the West over Ukraine may have a negative impact on the South Caucasus: it may either freeze the current status quo, or it may push it into the whirlwind of instability around Ukraine. Two factors seem decisive for this analysis:

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¹ The term "Eurasia" is used hereafter to refer to the territory of the former Soviet Union, bar the Baltic states.

² For details see George V. Niculescu, "The Evolving Challenges in Eurasia," Brief Analysis, Center for East European and Asian Studies, 5 March 2013, available at <http://www.cseea.ro/publicatii/view/brief-analysis/the-evolving-challenges-in-eurasia>.

1. Russian progress in ensuring geopolitical control of Ukraine may rather tend to support the first option. Otherwise, faced with a stalemate in Ukraine, Moscow might have to deal with a strategic dilemma: either expand its confrontation with the West in the South Caucasus or reinforce the status quo to avoid annoying Turkey and prevent it from taking action.
2. Turkish tacit acceptance of Russian incursions in Ukraine may also favor the status quo in the South Caucasus, while Ankara's brazen reaction—via NATO or directly—may dramatically raise the risk of instability in the South Caucasus.

Against this complex and deeply worrying regional background, where Russia and Turkey (re)emerge as the dominant regional powers, what strategic policy changes might Western decision makers envisage consolidating their position as a viable South Caucasus player? From a methodological perspective, I address these questions through the lens of the evolving challenges in Eurasia.

Unresolved European Security Issues Linger

The geopolitical competition between Russia and the West became predictable after President Vladimir Putin stated in April 2005: "Above all, we should acknowledge that the collapse of the Soviet Union was a major geopolitical disaster of the century. As for the Russian nation, it became a genuine drama. Tens of millions of our co-citizens and compatriots found themselves outside Russian territory."³ The seeds of the new confrontation were planted into those words, while alluding to both the goal and the strategy of the new Russian resurgence.

However, this statement came after two rounds of NATO enlargement (1997 and 2004) and after the Big Bang enlargement of the European Union (2004). Moreover, it came after the Rose and Orange revolutions in Georgia and Ukraine, respectively, and brought pro-Western leaders into top state positions seeking NATO and EU membership for their countries. In response, Russia suspended the implementation of the CFE Agreement from 2007, while in the summer of 2008 it fought and won the Five-Day War against Georgia. Afterwards, Moscow recognized Abkhazia and South Ossetia's "independence." The Russian-Georgian War was Russia's reaction to NATO's 2008 Bucharest summit decision to recognize Georgia and Ukraine as aspirants for NATO membership.

Both the suspension of the implementation of the CFE Treaty as well as the recognition of the independence of the Georgian breakaway republics enshrined a very clear geopolitical message from Moscow: Russia was not happy with the current European security arrangements built around the OSCE Decalogue and it no longer felt obliged to fulfill its commitments. In 2009 the Russian president at the time, Dmitry Medvedev,

³ Vladimir Putin, "Annual Address to the Federal Assembly of the Russian Federation," 25 April 2005, The Kremlin, Moscow, available at http://archive.kremlin.ru/eng/speeches/2005/04/25/2031_type70029type82912_87086.shtml.

came up with a proposal to discuss a new European Security Treaty, allegedly aiming to create a common undivided space in the Euro-Atlantic region to finally do away with the Cold War legacy. To that end, Medvedev suggested formalizing the principle of indivisible security in international law as a legal obligation pursuant to which no nation or international organization operating in the Euro-Atlantic region was entitled to strengthen its own security at the expense of others (nations or organizations). Eventually, the West rejected this Russian proposal as it felt it might have prohibited future enlargements of NATO and the EU.

In that very same year, the EU launched the Eastern Partnership, aiming to create the conditions to accelerate the political association and further economic integration of six partner countries from Eurasia. This EU initiative has been perceived by the Russians firstly as a geopolitical process because of the wide-ranging consequences of what the EU thought was a purely technical, norm-setting process of modernization and, secondly, it was seen as a competitor to the Eurasian integration in the former Soviet space.

In December 2013, after the Vilnius Eastern Partnership summit where former president Yanukovych refused at the last minute to sign an Association Agreement with the EU, the Ukrainian crisis began. Following the Euromaidan protests of pro-Western Ukrainians and the unexpected ousting of Yanukovych by the Ukrainian Rada, Moscow quietly annexed Crimea. It has also stirred up and supported pro-Russian insurgents in Eastern Ukraine to the outright dismay of the West, which responded with waves of economic and political sanctions. At present, the area from Vancouver to Vladivostok has been overtaken by a new East-West geopolitical competition, while *Realpolitik* rather than cooperative security seems to prevail in shaping the future fate of Eurasia.

The Ideological Gap between Russia and the West

Over the last few years, many international observers have noted a widening gap between perceptions in the West and in Russia regarding democracy and individual rights and freedoms. Russia and the West seem to have embarked on another ideological competition in many respects similar to that of the Cold War. The difference is that Moscow now supports a sort of a mixture of state-based nationalism and autocratic traditionalism to counter Western support for democracy and individual freedoms across Eurasia. Others bluntly refer to the current dominant Russian ideology as “anti-Americanism.”

Not only has Russia gone in the wrong direction in terms of sustaining the values of democracy and individual rights and freedoms, but may also have projected a negative influence beyond its borders:

With Russia setting the tone, Eurasia (consisting of the countries of the former Soviet Union minus the Baltic states) now rivals the Middle East as one of the most repressive areas on the globe. Indeed, Eurasia is in many respects the world’s least free sub-region, given the entrenchment of autocrats in most of its 12 countries.⁴

⁴ Freedom House, “Freedom in the World 2013: Democratic Breakthroughs in the Balance,” available at <https://freedomhouse.org/report/freedom-world/freedom-world-2013>.

The 2013 presidential election in Georgia boasted Eurasia's best rankings on Freedom House's Freedom in the World scale,⁵ earning a "Partly Free" status and scoring a 3 for both political and civil rights (on a scale of 7, 1 being the highest score). It was widely regarded as fair and honest, marking a further step toward the consolidation of democracy. Meanwhile, under strong Russian political pressure, Armenia gave up its plans to initial an Association Agreement and a Deep and Comprehensive Free Trade Area (DCFTA) with the EU and decided to join the Eurasian Customs Union instead. It has kept the same "Partly Free" status and scores for political and civil rights from the previous years (5 and 4, respectively). Moreover, Azerbaijan again received a "Not Free" status because of low political rights scores (6 on a scale of 7) and its civil liberties rating, which declined from 5 to 6, due to property rights violations and crackdowns on opposition and civil society in light of the presidential elections.

Under the mildly Islamist Justice and Development Party (AKP), Turkey, like Russia, shares a certain incompatibility with European democratic values. While the early 2000s provided hopes for the supporters of democracy and individual rights and freedoms in Turkey, tightly linked to the strong drive towards Europeanization, recent years have seen a reversal of that trend: "Turkey has experienced marked deterioration on some central pillars supporting a balance of power, such as the media and the judiciary."⁶ The Turkish commitment to democratic principles and to European integration has significantly declined among most political forces as well as in the public opinion. Moreover, it has become increasingly clear that Turkish leaders do not consider themselves Western, neither in terms of managing domestic affairs, nor in foreign policy matters. Yet the huge distinction between Moscow and Ankara's attitudes towards the West is that while Moscow pursues conflicting positions against the West almost every time, Ankara proves more pragmatic: in contrast to Russia, Turkey is "a power with which the West can work. [...] [although] whenever Turkey and the West do cooperate, it will be because their interests happen to align rather than as a result of shared values."⁷

The current geopolitical competition between Russia and the West is likely to worsen the state of democracy in the South Caucasus in the years to come. That might be the case, as "Russia's intervention in Ukraine, which amounts to acts of war, openly flaunts the principles on which the post-Cold War order in Europe is based, posing a challenge both to the European Union and the United States. A winner-take-all approach undermines the prospect of establishing functioning liberal democracies around the EU's periphery."⁸ Moreover, "as a consequence of placing security and stability high on the

⁵ Freedom House, "Freedom in the World 2014," available at www.freedomhouse.org/report/freedom-world/freedom-world-2014.

⁶ Diba Nigar Göksel, "Turkey and the EU: What Next?" The German Marshall Fund of the United States, "On Turkey" series, 5 December 2012.

⁷ Svante Cornell, Gerald Knaus, and Manfred Scheich, *Dealing with a Rising Power: Turkey's Transformation and Its Implications for the EU* (Brussels: Centre for European Studies, 2012).

⁸ Michael Leigh, "A Strategy for Europe's Neighborhood," The German Marshall Fund of the United States, *Europe Program Policy Brief* 1:1 (September 2014).

agenda of ENP countries, the Ukraine crisis has also pushed democracy and democratization lower on the list of their priorities.”⁹

Other factors are also likely to affect democracy in the South Caucasus. For example, the EU’s prolonged economic crisis and preoccupation with its own future has dimmed its appeal as a model to many in the East European neighborhood. Other external influences, including intolerant forms of religious activism and extreme nationalism fed by the persistence of protracted regional conflicts, are increasingly shaping the policies of regional states. In addition, the Russian propaganda machine emphasizes “the misgivings” of Western societies and the pains and sacrifices a country needs to make in order to join the West, while “Russia’s penetrating, vivid messages are ineffectively counteracted by the boring, vague responses of European and national governments.”¹⁰

Consequently, if it continues with its current policy of unabatedly emphasizing the conditionality of stronger engagement with regional actors from the democracy status, the West risks excluding itself from Eurasia as “the odd boy in town.” It is increasingly obvious that, under these circumstances, promoting liberal democratic standards for political rights in the South Caucasus might become a liability for the West, as they would heavily undermine its leverage in shaping regional engagements. To maintain its position in South Caucasian affairs, the West should probably tone down its criticism of the “undemocratic governance systems” and replace it with a pragmatic goal of defending regional economic and security interests. Maintaining a minimal standard for the observation of civil rights may offer a face-saving solution for how to respond to previous commitments. That would also imply seeking new regional arrangements according to common interests, not necessarily based on the acceptance of common values. For example, enhancing the level of engagement with Azerbaijan may be required to consolidate regional governance in the South Caucasus.

A multipolar approach to broader Eurasian geopolitics might also be needed, as the decline of Western influence in the world could weaken the parameters of global stability in the coming years. Promoting the universalism of Western values could possibly further accelerate such negative changes. It is quite likely that sharing democratic values would make it possible to preserve the current Western alliances, while a pragmatic approach to democratic values may attract new allies and break potential anti-Western alliances. The leverage created by sustaining increased regional involvement in Eurasia by Iran, India and China, aside from Russia and Turkey, should be also considered from this perspective.

The Resolution of Protracted Conflicts

The unresolved conflicts in the South Caucasus (in Abkhazia, South Ossetia and Nagorno-Karabakh) are undermining efforts to build up effective regional cooperation and generating regional instability as well as asymmetric security risks. The existing conflict

⁹ Alina Inayeh, Daniela Schwarzer, and Joerg Forbrig, eds., *Regional Repercussions of the Ukraine Crisis* (Washington D.C.: The German Marshall Fund of the United States, 2014).

¹⁰ Ibid.

management mechanisms have not yielded the expected outcomes, which may have rather a lot to do with the lack of regional strategic leadership. In a plea for better coordinated strategic leadership of the existing crisis management mechanisms, international experts have been calling on Russia, the United States and Europe to reenergize conflict resolution in the Euro-Atlantic area. To that end, developing new means to strengthen diplomacy, supplementing traditional negotiations with contributions by civil society and building up public support for peaceful conflict resolution are often favored as examples.

Over the last decade, Turkish foreign policy, crafted by current Prime Minister Ahmet Davutoğlu, shifted towards engaging in all neighboring areas as a means of gaining recognition as simultaneously a European, Middle Eastern, Balkan, Caucasian, Central Asian, Caspian, Mediterranean, Gulf and Black Sea power. In fact, these multiple regional identities have driven Turkey towards a multifaceted foreign policy aiming “to promote good neighborly relations with all, to replace disagreement with cooperation, to seek innovative mechanisms and channels to resolve regional conflicts, to encourage positive regional change, and to build cross-cultural bridges of dialogues and understanding.”¹¹ In the view of many experts, Turkey may deserve a bolder regional role in resolving the protracted conflicts in the South Caucasus. On the other hand, Turkey has only been marginally involved in conflict resolution so far, partly to protect its strategic partnership with Russia from potential contentious issues and partly because Turkish involvement was not welcome by some local, regional and international actors.

Russia has become a problem for Europe since the OSCE system failed to achieve its goals in the post-Cold War era, while Moscow has sought to impose its own security arrangements on Europe. It was NATO and the EU that brought peace to former Yugoslavia, while the OSCE has continuously failed to bring up conflict resolution in Abkhazia, South Ossetia, Nagorno-Karabakh and Transnistria. Moscow has simply ignored the OSCE Decalogue in Ukraine/Crimea and in Georgia while seeking to justify itself by alluding to others who have previously done the same (e.g. NATO in Kosovo).

The chronic persistence of the protracted conflicts in the South Caucasus (and in Transnistria) might also be seen as Russia’s refusal to accept the OSCE rules. A parallel can be drawn between the ongoing Ukrainian crisis and the protracted conflicts in the South Caucasus and Transnistria. In all these cases, Russia tacitly prevented a peaceful solution to the conflicts, while formally playing the role of a peacemaker/provider of humanitarian relief. Moscow may continue to do so until a more favorable geopolitical configuration of the European security system is agreed upon with the West. Otherwise, it may implement the policy of the *fait accompli*, whereby it may solve the protracted conflicts on its own terms, irrespective of what the OSCE and its other members say or do. The Russians have already played out this scenario in Crimea and in Eastern Ukraine and may apply it in the South Caucasus as well. However, “The region e.g. the Eastern

¹¹ Valeria Giannotta, “Turkish Foreign Policy Evolution and Goals under the AKP Government,” *Balkananalysis.com*, 19 January 2012, available at <http://www.balkananalysis.com/turkey/2012/01/19>.

Partnerships area) requires security architecture that takes the current challenges into consideration, and demands determined action by the West towards solutions to the frozen conflicts.”¹² Therefore, the West might take a more proactive and imaginative role in conflict resolution in the South Caucasus. For example, it may consider initiating multilateral talks with the authorities from Sukhumi, Tskhinvali and Tbilisi about options for conditional recognition of the sovereignty and territorial integrity of Abkhazia and South Ossetia, while more boldly proposing the use of the EU’s military peacekeeping assets and capabilities for conflict resolution in the South Caucasus.

Conflict resolution in the South Caucasus might actually become a test case for developing new European security rules and mechanisms, which could integrate Russia and Turkey in a different way than since the end of the Cold War. In this vein, the West should work more actively with both Russia and Turkey on resolving the protracted conflicts in the South Caucasus with the goal of overcoming the chronic deadlock that has persisted since the end of the Cold War. A multilateral approach could ensure better regional strategic coordination of the existing crisis management mechanisms, strengthen the regional ownership of the peace processes, in particular through developing and implementing a joint post-conflict regional vision, and even counter the fears of Russian-imposed solutions harbored by some local actors.

However, the way forward to meet such a goal may not be an easy ride given Russia’s failure to adapt its conflict resolution policies to multilateral approaches, particularly in Georgia. The road is steep in light of Turkey’s unresolved issues with some of the main parties of the protracted conflicts, most notably with Armenia. Furthermore, current U.S. foreign policy attaches a relatively low priority to conflict resolution in the South Caucasus and the EU has institutional constraints regarding its involvement in conflict management and resolution in its neighborhoods and is unable “to carry out a wider range of military tasks to protect its interests and project its values.”¹³

The European vs. Eurasian Integration Dilemma of the Post-Soviet States

The steps taken by Russia, Belarus and Kazakhstan to create a Eurasian integration process have spurred suspicions in the West about an emerging geopolitical project aiming to rebuild the Soviet Union (or the Czarist Empire) into a new institutional outfit. Consequently, a Western myth of the Eurasian Economic Union (EEU) as a means to “re-Sovietize” Eurasia has emerged. This interpretation has not been supported by the reality of the Eurasian Customs Union (ECU) so far. However, according to most experts, the EEU project might be evolving towards deeper political integration:

Nonetheless, events between the invasion of Georgia and the armed seizure of Ukrainian territory in 2014 forced policy makers and international affairs specialists worldwide to acknowledge the possibility that the Russian Federation under Vladimir Putin has reorganized its entire foreign and domestic policy in order to pursue a single

¹² Inayeh, et al., *Regional Repercussions*.

¹³ Daniel Keohane, “Strategic Priorities for EU Defence Policy,” *FRIDE Policy Brief* No. 146 (2013).

objective, namely, the establishment of a new kind of union comprised of former Soviet republics and headed by Russia itself.¹⁴

In addition, experts have highlighted a blatant incompatibility between the DCFTA agreements, signed by the EU and a number of post-Soviet states, and the commitments that should be made by members of the ECU (the current precursor to the EEU). This incompatibility is apparently posing a dilemma to the post-Soviet states between setting up free trade with the EU and joining the ECU/EEU, while causing both Russia and the West to focus on geopolitical competition.

Turkey has a unique position regarding European integration and trading with Russia: on the one hand, Ankara is locked into a customs union with the European Union, though its prospects to become a full-fledged member anytime soon are rather minimal. On the other hand, Turkey has developed a vibrant economic and trade relationship with Russia over the last decade. Bilateral trade relations have increased by a factor of seven since 2001, making Russia Turkey's second-largest trade partner after the EU. Ankara has had no better policy choice than being a core promoter of regional economic integration, and has struggled to make the Black Sea Economic Cooperation (BSEC) an effective tool to achieve that goal. Over the last year or so, Turkey went further in getting closer to Russia in terms of economic association. In November 2013, President Recep Tayyip Erdoğan asked President Putin for help in joining the Shanghai Cooperation Organization. Furthermore, in June 2014, Kazakh president, Nursultan Nazarbayev, publicly invited Turkey to become a member of the EEU. This invitation, issued by the political figure who 20 years ago first proposed the Eurasian economic integration project, might have been motivated by the need to acquire an external guarantee that the EEU would not evolve into the precursor of a new Russian empire. In an indirect response to this invitation, in July 2014, during bilateral talks with his Russian counterpart in the margins of the G20 trade ministers meeting in Sydney (Australia), Turkish Economic minister Nihat Zeybekçi suggested establishing a Free Trade Zone between Turkey and the EEU. Expert discussions on this proposal may already be underway as of last September.

The South Caucasus countries have been highly divided in their approach to the European vs. Eurasian integration dilemma and the current geopolitical competition between Russia and the West has pushed them into making undesired choices. The first "victim" was Armenia.

The announcement of Armenia's decision to join the Russia-led Eurasian Customs Union (ECU) by President Serzh Sargsyan in Moscow at the beginning of September 2013, following the conclusion of a lengthy four-year negotiation with the EU on an Association Agreement and a DCFTA, took many by surprise. However, experts on the South Caucasus had known for years that Yerevan had almost irremediably linked its security and economy, and particularly its energy sector, to Russia. In fact, Armenia

¹⁴ S. Frederic Starr and Svante E. Cornell, eds., *Putin's Grand Strategy: The Eurasian Union and Its Discontents* (Washington, D.C.: Central Asia-Caucasus Institute and Silk Road Studies Program, 2014).

chose to partially sacrifice its independence and sovereignty for the sake of keeping a convenient *status quo* in the settlement of the Nagorno-Karabakh conflict against a shifting strategic balance in favor of Azerbaijan. One year later, on 10 October 2014 at a summit held in Minsk (Belarus), President Sargsyan signed Armenia's accession treaty to the EEU. However, Yerevan has continued to pursue European integration, while taking into account its new trade commitments by seeking to conclude an Association Agreement Light, or a Partnership and Cooperation Agreement Plus.

While Armenia joined the EEU, becoming what experts call a "reluctant follower" of the Eurasian integration project, Georgia has chosen the path to European integration at the expense of Eurasian integration. On 27 June 2014, the prime minister of Georgia, Irakli Garibashvili, signed an Association Agreement and DCFTA with the EU, thereby joining, besides Ukraine and Moldova, what experts call the "European integrators" group. Although the Association Agreements fall short of guaranteeing future membership in the EU, they aim to deepen EU's political and economic relations with the Eastern Partners, and to gradually integrate these countries into the EU's internal market.

Meanwhile, Azerbaijan seems to have sided with the so-called "rejectionists" group (including also Turkmenistan and Uzbekistan), who simply prefer to stay away from any form of regional integration, seeking instead to become increasingly self-reliant. Economic analyses are practically unanimous in noting that due to the structure of the Azerbaijani economy, mainly fueled by energy exports to Europe, "the negatives [consequences of EEU membership] outweigh the positives." Even semi-official Russian analysts have acknowledged this, with one noting that "if Azerbaijan joins the Customs Union, that it is jointly with Turkey and this will not happen soon because of the nature of the Azerbaijani economy."¹⁵ However, one Azerbaijani expert finds that "A stronger Russia than in the 1990s may further enhance its geopolitical clout in various, subtle ways so as to develop and execute problem-solving scenarios that would gratify not only Russia's interests but also the entire post-Soviet neighborhood. Such a move could urge CIS political leaders to accept [the] Kremlin's rules and eventually integrate their countries into a Eurasian Union."¹⁶ Such views clearly refer to the West's inability to offer viable solutions to the protracted conflicts in the South Caucasus, specifically in the case of Nagorno-Karabakh, while Russia seems able (but not yet willing) to manipulate both Baku and Yerevan into a peaceful settlement. This strengthens the case for proactive Western involvement in conflict resolution in the South Caucasus.

The West may begin to lay the foundations for sustaining post-conflict regional economic cooperation in the South Caucasus, while "in its relationships with its Eastern partners, the EU should avoid imposing a choice between itself and Moscow, and should

¹⁵ E. Ismayilov, "Russia Expects Azerbaijan's Accession to Eurasian Customs Union Jointly with Turkey," *Trend*, 11 October 2013, available at <http://en.trend.az/capital/business/2200218.html>; and Starr, et al., *Putin's Grand Strategy*.

¹⁶ Elkhan Nuriyev, "How the West Helps Putin Fulfill His CIS Strategy," *Moscow Times*, 6 April 2014, available at <http://www.themoscowtimes.com/opinion/article/how-the-west-helps-putin-fulfill-his-cis-strategy/497604.html>.

instead highlight the benefits of closer relations.”¹⁷ This way, it may both circumvent the dilemma of European vs. Eurasian integration and make a significant contribution to the peaceful resolution of the protracted conflicts. A vision for peace in the South Caucasus reinforced by comprehensive, integrated and sustainable cooperation would ultimately enable the free movement of people, goods, services and capital at the regional level. It may also lead to economic integration and the opening of all closed borders. The EU may specifically work towards developing options for harmonizing the European and Eurasian integration normative systems, building upon Turkey’s interest to maintain Free Trade Areas with both the EU and the EEU, and on Armenia’s desire, as a new member of the EEU, to keep the door open for broader cooperation with the EU. Georgia and Azerbaijan may also support this vision, provided they see it as a key element eventually leading to the resolution of the protracted conflicts within their territories.

Conclusion

Since the end of the Cold War, the South Caucasus has sailed in both turbulent and uncharted waters. The countries of the region have been deeply divided in their priorities for regional integration. The current geopolitical competition between Russia and the West has raised the stakes for the region’s future and added new political, economic and security risks, challenges and opportunities. This article has pointed to some of them, while suggesting ways for the West to help these countries decrease risks, face challenges and benefit from opportunities.

It is becoming increasingly clear that in the wake of the Ukrainian crisis, the West will seek to prevent Russian attempts to “re-Sovietize” Eastern Europe and Central Asia by an emerging strategy of “containing Eurasian integration.” The defense aspects of this strategy became apparent at the NATO Summit in Newport in early September 2014. With the reversal of Armenia’s European integration efforts and its subsequent integration with the EEU, the South Caucasus has become a contested area. Consequently, guidelines for containing Eurasian integration in the South Caucasus could emerge rather soon.

The main points of this paper suggested that the focus of a new Western strategy on the South Caucasus should take a constructive, power-sharing approach. From this perspective, the resolution of the protracted conflicts should become a key Western priority. Such an approach might, on the one hand, halt Russian geopolitical games in the region and, on the other hand, may open the door to developing new European security rules and mechanisms in the OSCE area. To that end, a more proactive and imaginative role of the West should be considered for engaging both Russia and Turkey in effective conflict resolution. For example, the West could lay the foundations for sustaining post-conflict regional economic cooperation in the South Caucasus as a way to circumvent the dilemma of the post-Soviet states caught in-between competing European and Eurasian integration processes. In order to maintain its relevance in Eurasia, the West

¹⁷ Inayeh, et al., *Regional Repercussions*.

might also need to tone down criticism of regional players' "undemocratic governance systems," while proposing a minimal standard for civil rights. Instead, it may rather pragmatically defend its regional economic and security interests by seeking new regional arrangements according to common interests and not necessarily common values.

To what extent the West, Turkey and Russia are prepared for constructive power-sharing rather than competitive approaches to the South Caucasus is unclear at this stage. As history has proven, decision makers often find competition more attractive than cooperation, as the latter implies partially giving in to some objectives to enable compromise. What is often forgotten, though, is that the risk of losing everything through competition is much higher than the risk of losing something through cooperation. Unfortunately, sometimes it takes a crisis or even a war to find out the different amplitudes of said risks. It is for the Western, Turkish and Russian leaders to decide what would be the best political choice not only for their people, but also for the Caucasian states as well.

Russia vs. EU/US through Georgia and Ukraine

*David Matsaberidze**

Abstract: This paper analyzes the construction and transformation of Georgia and Ukraine's post-Soviet security strategy in the context of post-Soviet Russian foreign policy in the "near abroad," or what is often termed the "legitimate sphere" of Russian influence. After the Rose Revolution of Georgia and the Orange Revolution of Ukraine the independent/pro-Western orientation of these two countries became the main issue securitized by the Russian Federation. Therefore, maintaining territorial integrity became the top security priority for Georgia (since the early 1990s) and most likely will become the main issue for Ukraine after the Russian Federation's occupation of Crimea (March 2014) and the subsequent developments in Eastern Ukraine. The changes in the internal politics of these countries were transposed into the international competition between Russia and the EU/US, expressed through the clash of "sovereign democracy" and "Color Revolution" paradigms for the future of post-Soviet states. In essence, these are the maintenance tools of Russian influence on the one hand, and on the other hand an exercise in Western power values across the Former Soviet Union (FSU), supported with the European Neighborhood Policy (ENP) and the Eastern Partnership (EP) projects. The military actions of Russia in Georgia (2008) and Ukraine (2014) were a response to the soft power applied by the West and aimed at creating buffer zones in the shape of "frozen conflicts." These could be used as indirect leverage in the hands of the Russian Federation to block Western aspirations in Georgia and Ukraine.

Introduction

This paper aims to analyze the construction and transformation of the post-Soviet security perspectives of Georgia and Ukraine in the context of the post-Soviet Russian foreign policy in the "near abroad," quite often termed the "legitimate sphere" of Russian influence by high-ranking Russian officials. This inquiry covers the panorama of the foreign policy in post-Soviet Russia across the FSU, from the early 1990s through to the present, where Georgia and Ukraine's independent and pro-Western orientation are the main issues securitized for the Russian Federation. Accordingly, the maintenance of territorial integrity has become a security priority for Georgia since the early 1990s and will most likely be Ukraine's top concern after the Crimean occupation by the Russian Federation in March 2014 and the subsequent developments in Eastern Ukraine. Therefore, it could be claimed that post-Soviet Russian and Georgian/Ukrainian security strategy (following peaceful revolutions) represent a zero-sum game.

The article will explore the main topics of Russian foreign policy since the dissolution of the Soviet Union. On the one hand based on orthodox geopolitics, as a legitimizing narrative for its sphere of influence across the FSU area, and on the other, the narrative of victimization of Russia and Russians by the West after the dissolution of the Soviet Union. I will show Russia is fighting against its status as a second rate country, and

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the evident clash of Western liberal democracy and Russian orthodoxy in the Russian Federation's foreign policy drive. The Rose and Orange revolutions of Georgia and Ukraine are considered to be major security problems by the Russian Federation, which in turn gives Georgia and Ukraine reason to leave the Russian geo-political axis.

The paper will reflect on Russia's reactions to emerging changes in the near abroad since the early 1990s through the peaceful revolutions until the crises of 2008 and 2014. The second part of the study will contextualize the main transformation strategies of Russian foreign policy towards the near abroad in the process of Georgia's and Ukraine's aspirations towards EU and NATO membership. In this respect the paper will point to the main tools Russia used to successfully block this process. And last, but not least, the paper will place Russian-Georgian and Russian-Ukrainian conflicts within the wider prism of the post-Soviet contradiction between Russia and the West. For each aforementioned interaction, I will examine the security strategy and motivation of each party involved and highlight important elements.

Russian Reaction to Changes in Neighboring Countries

The rise to power of the national-liberation movement in Georgia (the early 1990s) and the victory of the pro-western forces in the post-velvet revolution periods in post-Soviet Georgia and Ukraine (the early 2000s) were deemed by Moscow to be a triumph of nationalists in Tbilisi and Kiev. Consequentially, Moscow securitized national minorities in Georgia (Abkhazians and South Ossetians) and the Russian population of Eastern Ukraine with the aim to intervene in the internal and external affairs of these countries.¹ If the imminent threat of the East-West partition of Ukraine was avoided in the 1990s, Georgia witnessed two conflicts in minority-populated autonomous provinces during 1992–1993 and a full-scale war with Russia in 2008. The Civil War of the early 1990s and the secessionist conflicts in Abkhazia and South Ossetia forced Georgia to join the Commonwealth of Independent States (CIS) in exchange for stabilizing the country and freezing conflicts over twenty percent of the country's territory. Unlike Georgia, although Ukraine managed to avoid a "bloody start" of the post-Soviet transition in the 1990s (a range of explanations could be found for this), the Maidan Revolution of 2014 and the full-fledged Russian occupation of Crimea, followed by the Russian-supported secessionist seizure of Lugansk and Donetsk, brought Eastern Ukraine into chaos and war. The price for stopping the bloodshed could be that Ukraine opt to join the Eurasian Union, which Putin has promoted across the FSU area. Although both Georgia and Ukraine insist on their desire to join the EU and NATO, the real destination for each of them so far has been the Association Agreement (now signed) and different types of cooperation frameworks with NATO, which are emerging as additional media towards

¹ The concept of "securitization" goes back to the Copenhagen School and refers to a process of extreme politicization enabling state actors to transform subjects into matters of "security." Cf. Barry Buzan, Ole Wæver, and Jaap de Wilde, *Security: A New Framework for Analysis* (Boulder: Lynne Rienner Publishers, 1998), 25.

the Membership Action Plan (MAP). Nevertheless, external constraints leading to caution on the part of the EU and NATO in their ascension policy can hardly be denied.

So, what is the main problem for Russia? Firstly, the fact that the “Soviet Union merely transposed the Russian Empire to the twentieth century, and state-building efforts of Russian leaders, such as Putin, are similarly hostage to such pre-determined paths [...] Imperial Russia and the Soviet Union both resulted in a similar blend of authoritarianism, militaristic expansion and defensive paranoia.”² The Rose and Orange Revolutions in Georgia and Ukraine alarmed Moscow. These were the very first signals of the future eastward expansion of EU and U.S. interests. The term “sovereign democracy” entered the political lexicon as Moscow’s response to the pro-democracy “color revolutions” in the post-Soviet states.³ The man behind the term, “sovereign democracy,” former deputy prime minister and close adviser to Putin, Vladislav Surkov, outlined his thinking in *The Nationalization of the Future: Paragraphs pro Sovereign Democracy*, which may be summarized as: “The striving for political wholeness and centralized power, the idealization of goals and the personification of politics” [...] “Russia was governed by a ruling class with a strong patriotic vision of the country’s development and undoubtedly it drew on the long tradition of national self-affirmation against real and perceived enemies.”⁴ Thus, the clash between the two ideologies—the liberal democracy of the West, promoted in the near abroad of Russia through the velvet revolutions, and “sovereign democracy” of Russia—is quite apparent.

There is no doubt that the velvet revolutions, starting in Serbia and stretching across the FSU area, including Kyrgyzstan in Central Asia, were an alarm signal for Moscow. Russia was further irritated by the recognition of Kosovo, which clearly demonstrated the failure of the Kremlin’s Orthodox paradigm. Russia was unable to lend a hand to Serbia back in 1999–2000 during the NATO bombing. The velvet revolutions were the events that triggered a gradual transformation of Russian foreign policy into an openly aggressive stance towards its near abroad. On April 18, 2014, during his address to the Russian parliament, President Putin justified the annexation of Crimea by citing the humiliation Russia had suffered due to many broken promises by the West, including the alleged promise not to enlarge NATO beyond the borders of reunified Germany, stressing that “for 20 years the narrative of the alleged ‘broken promise’ of not enlarging NATO eastward is part and parcel of Russia’s post-Soviet identity.”⁵ As Bruce Riedel,

² Christopher Leigh, “Back to the Future? Pre-Soviet History and Political Thought in the Putin Era,” *Post-Soviet Politics: Politics, Foreign Policy and Strategic Competition*, 3 October 2013, available at <https://postsovietpolitics.wordpress.com/2013/10/03/back-to-the-future-pre-soviet-history-and-political-thought-in-the-putin-era/> (accessed September 2014).

³ Ibid.

⁴ Ibid.

⁵ Michael Rühle, “NATO Enlargement and Russia: Myths and Realities,” *NATO Review Magazine*, available at [www.nato.int/docu/review/2014/Russia-Ukraine-Nato-crisis/Nato-enlargement-Russia/EN/index.htm?utm_medium=email&utm_campaign=NATO_Update_201428&utm_content=NATO_Update_201428+CID_d7f1ec1c9fbc29cc74da6e18a05c8a00&utm_source=Email marketing software&utm_term=More](http://www.nato.int/docu/review/2014/Russia-Ukraine-Nato-crisis/Nato-enlargement-Russia/EN/index.htm?utm_medium=email&utm_campaign=NATO_Update_201428&utm_content=NATO_Update_201428+CID_d7f1ec1c9fbc29cc74da6e18a05c8a00&utm_source=Email%20marketing%20software&utm_term=More) (accessed September, 2014).

Senior Fellow and Director of the Brookings Intelligence Project, admits, “Vladimir Putin’s strategic goal is to undo the results of the defeat of the Soviet Union that the CIA’s secret support for the Afghan mujahedin accomplished in 1989 [...] for Putin it was the ‘greatest geopolitical catastrophe of the century.’”⁶ Similarly, in 2009 Gorbachev himself recalled that “the United States [...] pledged that after Germany’s reunification in 1990 ‘NATO would not move a centimeter to the east,’”⁷ whereas in 2007 during the Munich Security Conference, Putin stressed: “it turns out that NATO has put its frontline forces on our borders and we [...] do not react to these actions at all.”⁸ In a broader perspective, if Russia’s real intentions in 2008 were masked by the pretext of minority protection in the Tskhinvali Region (formerly referred to as South Ossetia during the Soviet era), as President Putin claimed at that time, the aggression in Ukraine in 2014 was an act of revenge, by Putin himself, for past humiliation.

Russian Revenge: Blocking Georgia and Ukraine from the EU and NATO?

Russian revenge has two dimensions: practical and ideological. The former is neatly highlighted by NATO’s Defence Planning Committee: “Russia’s ability and intent to undertake significant military actions without much warning represents a far-reaching threat to the maintenance of security and stability in the Euro-Atlantic zone,”⁹ whereas the latter is succinctly summarized by Aleksandr Dugin, who writes about the clash of religious civilizations and the danger that Russian orthodoxy faces in the modern age, linking Catholic expansion to NATO expansion: “here the geopolitical sense is more complex. Catholicism symbolizes Europe, the same way as Orthodoxy symbolizes Russia. The provoked conflict hinders the development of Russian-European relations [...] who stands to gain from this? Neither Europe, nor Russia, nor the Vatican, nor the Russian Orthodox Church. Only the U.S. does. We are for dialogue with Catholicism: but in this case there is no dialogue but provocation, analogous to NATO’s eastward expansion.”¹⁰

Russia became particularly insulted due to the decision of a number of former Soviet republics or “allies” in Eastern Europe to join NATO and the EU (two very different “creatures” in Russia’s eyes in terms of threat perception and acceptability) and due to U.S. support of pro-Western governments in countries such as Georgia and Ukraine.¹¹ The Orange Revolution in Ukraine and the Rose Revolution in Georgia culminated with

⁶ Justin Lynch, “Putin’s Machiavellian Moment,” *The Weekly Wonk*, 24 July 2014, available at <http://weeklywonk.newamerica.net/articles/putins-machiavellian-moment> (accessed September 2014).

⁷ Andreas M. Bock, “Too Blind to See the Threat We Pose to Russia,” *European Union Foreign Affairs Journal* 3 (2014): 50.

⁸ *Ibid.*, 50.

⁹ *Ibid.*, 52.

¹⁰ Leigh, “Back to the Future.”

¹¹ Thanos Dokos, “How the EU got it so Wrong in Ukraine,” *Europe’s World*, 24 April 2014, available at <http://europesworld.org/2014/04/24/how-the-eu-got-it-so-wrong-in-ukraine/> (accessed September 2014).

two power elites who envisioned the future of their respective countries in the EU and NATO. Precisely because the two organizations' respective enlargement processes are not intended as anti-Russian projects, they are open-ended and—paradoxically—bound to be perceived by Russia as a permanent assault on its status and influence.¹² This is the main security threats to the Russian state: with the incorporation of Georgia and Ukraine into the EU and NATO, the so called “buffer zone” between Russia and the West will disappear and the military block will border Russia itself.

Thus, if the August War of 2008 was a Russian attempt to stop Georgia's aspiration to join NATO and the EU, or at least to transform it into a more vague promise for the future, the Ukrainian Crisis reveals Putin's true desire, with broader intentions. It could be seen as “a reunification of Russian lands and Russian souls, mirroring the process of German re-unification in 1990 and [...] a national reconstruction entailing some sort of revisionism of the post-Soviet geopolitical settlement.”¹³ The two cases of military drive of the post-Soviet Russian foreign policy in Georgia (2008) and in Ukraine (2014) can be seen as revenge for the humiliation of Russia in early 2000s. Considering the fact that the NATO bombing campaign on Serbia was seen as a catastrophic humiliation in Russian foreign policy circles, Putin is now intent on reasserting Russian strength and gaining respect on the world stage.¹⁴ There is no argument against the claim that in 2008 Russia attempted to use Kosovo's de facto independence after the NATO intervention as justification for obtaining international recognition of Abkhazia and South Ossetia. During the 2008 war between Russia and Georgia Putin sent a clear message that he was prepared to use military force to promote foreign policy objectives.¹⁵ Obviously, the occupation of Crimea, Abkhazia and South Ossetia are relatively similar developments and newly emerged problems in qualitative terms, but undoing their results would be much harder in Crimea than in Abkhazia or South Ossetia, considering the Russian co-ethnicity in the area. However, this will depend on the decisiveness of western countries to withstand the Russian Federation's new military policy towards its near abroad.

The main goal for Russia—to create buffer zones between the Russian Federation and the EU/NATO structures—can be reached by creating frozen, or what would be frozen, conflicts in Georgia and Ukraine respectively. For the time being, Georgian and Ukrainian efforts to seek effective membership in the EU and NATO are blocked in light of the August War of 2008 and the Ukrainian Crisis of 2014. According to Vicken Cheterian, international competition was the main cause of the August War and the main source of instability in the Caucasus – a result of “increasing engagement (and competi-

¹² Rühle, “NATO Enlargement and Russia.”

¹³ Roberto Orsi, “The Irreversible Crisis of the Ukrainian Experiment,” *Security Studies Unit (SSU)/Policy Alternatives Research Institute (PARI)*, available at <http://pari.u-tokyo.ac.jp/eng/unit/ssu/articles/orsi20140507.html> (accessed September 2014).

¹⁴ Leigh, “Back to the Future.”

¹⁵ Dokos, “How the EU got it so Wrong.”

tion)—both military and economic—between the two major powers – the United States and Russia.”¹⁶

The Case of Georgia

I would argue that it was not the developments of pre-August 2008 in particular that brought change to the conflict zones of Georgia, but rather the premeditated activities of all actors, resulting in changes in their external allegiances. A broader pretext of the August War could be constructed, stretching its roots back to 2001. “What really changed the situation was the change of administration in Russia the following year. Vladimir Putin came to power and gradually instituted policies to punish Georgia, end Abkhazia’s isolation, and change the balance of power in the conflict,” De Waal claims.¹⁷ Ronald D. Asmus adds, “Moscow had little interest in a resolution of these conflicts which could have allowed Georgia to go to the West even faster,”¹⁸ thus supporting the idea that the openly declared pro-western, pro-EU and pro-NATO course of the Rose Revolution government was particularly alarming for Moscow. Russia could not tolerate encirclement by NATO member states. According to Asmus, the August War was the start of a long chain that was not only directed against Georgia or at a regime change in the country, but also aimed at undermining European security: “an increasingly nationalist and revisionist Russia was also rebelling against the European system that it felt no longer met its interests and had been imposed on it during a moment of temporary weakness.”¹⁹ The August War was a test ground for future actions in Europe, as “through the August War Russia managed to win out over its more powerful competitors in its most volatile and vulnerable borderland – the Caucasus frontier.”²⁰

Russia did not even hide its intentions at that time. Dmitry Rogozin, the Russian envoy to NATO, mentioned that “as soon as Georgia gets some kind of prospect from Washington [in terms] of NATO membership [...] the next day the process of real secession of these two territories from Georgia will begin.”²¹ This is an indirect testament to

¹⁶ Vicken Cheterian, “The Big Re-Freeze – Has the Regional Balance of Power Merely Cooled into a Different Configuration?” *The International Institute for Strategic Studies (IISS)*, available at <http://www.iiss.org/programmes/russia-and-eurasia/about/georgian-russian-dialogue/caucasus-security-insight/vicken-cheterian/the-big-re-freeze> (accessed May 2011).

¹⁷ Thomas de Waal, *The Caucasus – An Introduction* (Oxford: Oxford University Press, 2010), 166.

¹⁸ Ronald D. Asmus, *A Little War that Shook the World – Georgia, Russia and the Future of the West* (New York: Palgrave Macmillan, 2010), 4.

¹⁹ *Ibid.*, 4.

²⁰ Ronald G. Suny, “Russia has Taken on Its Powerful Competitors for the First Time Since 1991,” *The International Institute for Strategic Studies (IISS)*, available at <http://www.iiss.org/programmes/russia-and-eurasia/about/georgian-russian-dialogue/caucasus-security-insight/ronald-suny/a-watershed-in-east-west-relations> (accessed May 2011).

²¹ David J. Smith, “The Saakashvili Administration’s Reaction to Russian Policies Before the 2008 War,” in *The Guns of August 2008 – Russia’s War in Georgia*, ed. Svante E. Cornell and Frederick S. Starr (Armonk, NY: M.E. Sharpe, 2009), 125.

the claim that Russia was comfortable with the status of the frozen conflicts as there were no real aspirations towards Euro-Atlantic structures on the part of Georgia. As soon as Saakashvili's government openly embarked on a pro-western path with the aim of bringing more security to the country, looking for possible solutions to Georgia's secessionist troubles, the need for immediate action in the conflict zones against the Georgian government became clear to Moscow. The resolution of these conflicts was the main prerequisite for Georgia's membership in NATO, hence playing the secessionist territories against Georgia would bring Russia its desired goals – to counter Georgia's pro-western, anti-Russian aspirations. Military intervention was the final measure undertaken by the Russian Federation against Georgia.

The Case of Ukraine

Similar reasoning could be valid for Russia's actions in Ukraine. The following aspects are listed as the main motivations: "foreign policy concerns, especially worries about Ukraine building closer ties with Europe in general and NATO in particular are behind Kremlin policy toward Ukraine."²² It could be argued that the quick action of Russia, first in Crimea and later in eastern Ukraine, was due to the surprising success of the Maidan and advancement of the Eastern Partnership Program to the Association Agreement, which was seen by Russia as a stepping stone to organizations such as NATO, whose eastward expansion was seen by Russian security officials as a major threat.²³ However, some experts blame the EU itself for granting Russia "free reign" over Ukraine. In this respect, they point to the personal friendship between Gerhard Schröder and Vladimir Putin, leading the latter to yield to the international deal for the construction of the Nord Stream gas pipeline, transporting natural gas under the Baltic Sea from the Russian Vyborg directly to the German gas hub in Greifswald, which effectively bypassed Ukraine, and its possible geopolitical instability, which materialized with great punctuality.²⁴ In this context, could one argue for a clash of the two security matrices—of the EU and Russia—in the process of shaping energy security diversification projects across the FSU countries, Georgia and Ukraine? And if so, how will the EU/U.S. projects promoting liberal democracy withstand Russian energy and military policy?

Different Timing, Similar Outcomes

What problems have resulted for Georgia and Ukraine locally, and for EU/US internationally? Firstly, there is the issue of territorial integrity. The key to resolving the border violations lies with the Kremlin. In seeking a way out of the civil war and constant defeats in the war in Abkhazia, Georgia joined the CIS in December 1993. Afraid that

²² Timothy Frye, "A Tale of Two Russian Narratives," *Perspectives on Peace & Security*, August 2014, available at <http://perspectives.carnegie.org/us-russia/a-tale-of-two-russian-narratives/> (accessed September 2014).

²³ Robert McMahon, "Ukraine in Crisis," Council on Foreign Relations, 25 August 2014, available at <http://www.cfr.org/ukraine/ukraine-crisis/p32540> (accessed September 2014).

²⁴ Orsi, "Irreversible Crisis."

Russia would recognize the independence of secessionist regions, Georgia more or less paid tribute to Moscow until 2008 in the management and direction of its domestic and foreign policies. Similarly, Ukraine is currently ready to consider the option of joining the Eurasian Union, if it can secure peace in Eastern Ukraine. Although, having had negative experiences in the past, Ukraine and European countries do not trust Russia, but similarly to Georgia in the 1990s, they are currently stuck between a rock and a hard place – a deep-frozen conflict at the border of Europe or a total erosion of the European security system, whereas Russia successfully managed to securitize national minorities in its near abroad in service to its foreign policy interests – Abkhazians and South Ossetians in Georgia and Russians in Ukraine. The alleged motives of the early 1990s—protecting national minorities in a neighboring country, Georgia—were cemented into the national security concept upon being given passports: Russia will defend its citizens all over the world by any means necessary. The same policy was devised vis-à-vis Ukraine in respect to Crimea. To this end, Putin initiated changes to the security concept note of the Russian Federation. Thus, Russia's actions in its near abroad bring some constraints to the EU's choices to lend a hand to its partners in the FSU area.

Collision of Russian and Western Paradigms

Georgia and Ukraine are not Russia's primary objectives; rather, they are tools for gaining leverage over the West. This clash between Russia and the West was not the case in 2008 and 2014, but the expression of the broader post-Soviet contradiction of two main paradigms: orthodoxy or Orthodox geopolitics for the FSU area, promoted by Russia, and the spread of liberal democracy and western values, promoted by the EU and the U.S. Qualitatively these are Russia's tools to maintain its influence on the one hand, and an exertion of Western values and power across the FSU area, on the other. Russia is successful in transferring "ethnic" problems to outside its borders, for instance to Abkhazia and South Ossetia in the 1990s and Chechnya in the early 2000s. However, the August War of 2008 signaled a shift in Russia's foreign policy approach – a direct intervention where it was deemed necessary, which is proved by the case of Ukraine in 2014.

As a counter narrative, the West suggested an umbrella of European values for those who would share it, proposing tools for political rapprochement, such as the European Neighborhood Policy (ENP) and the Eastern Partnership (EP). Although these tools triggered Georgia and Ukraine to adopt successful foreign policy, driven by cultural values, which gradually led them to depart from the Russian Orthodox camp, they have some gaps. Namely, they do not provide new partners and would-be members with protection from Russian aggression, as demonstrated in 2008 and in 2014 in the cases of Georgia and Ukraine, respectively. In addition, if this drive for detachment from Russia became a "mental revolution" for Georgia, as declared by Saakashvili, this kind of separation would be difficult for Ukraine due to its ethnic diversity. Nevertheless, one overall conclusion can be made: through its wars in Georgia and Ukraine, Russia broke down the foundations of the Russian Orthodox camp, meaning that relations between Russia

and Ukraine would never be the same again. Nevertheless, it presented a serious challenge to the modern system of European security.

Still, this is not only an ideological and political problem. Russia's intervention in Georgia and Ukraine demonstrates that Russia could easily shift from applying soft power to hard power when it deems it necessary for the protection of its foreign policy interests. Russia will not tolerate the possibility of losing influence over the FSU area and will use soft or hard power to maintain it. It has demonstrated this in the gas war with Georgia and Ukraine following the velvet revolutions of 2003 and 2004 (soft power) and through the military interventions in Georgia and Ukraine in 2008 and 2014 (hard power). It could be claimed that these are not only problems for Georgia and Ukraine, as Russia staged these crises across the European periphery, which proved to be quite vulnerable. In turn, the EU found itself unable to foresee the real desires of Russia in the August War, thereby allowing for the Ukrainian Crisis, which were the first military inter-state conflicts in Europe after the Balkan Wars of the 1990s.

Conclusion

The transformation of Russian foreign policy in the post-Soviet period in the near abroad and the subsequent developments in Georgia and Ukraine demonstrate some radical similarities. These are mainly issues that became represented, and later on securitized, both in Georgia and Ukraine. These include Georgia's territorial integrity and independence in the early 1990s and independent foreign policy choices since the 2000s. Following the Rose Revolution, in particular, Georgia became threatened by Russia within the framework of its post-Soviet foreign or strategic interests in the near abroad. The same problems emerged for Ukraine after 2004, when Ukraine's foreign policy choices became securitized by Russia and in 2014, when the division or partition of Ukraine became a real problem for the country.

In this context, the erosion of the Russian Orthodox paradigm is apparent: after the events of 2008 in Georgia and 2014 in Ukraine, Russia could not hope for the success of the Orthodox camp, but it is questionable as to whether this can be altered through military means. Arguably, the wars of 2008 and 2014 could be seen as reactions to the success of the velvet revolutions that encircled the Russian Federation in the region. The wars were aimed at altering the changing international realities in the near abroad. As for the domestic market, the Kremlin proposed the concept of sovereign democracy as an alternative paradigm to the liberal democracy promoted by the West. In addition, the aforementioned wars were not revenge for the velvet revolutions—a sign of the rude interference of the West in Russia's near abroad—but the reaction to Russia's international humiliation. The humiliation began with German reunification, continued through the precedent of Kosovo and concluded with the EU's eastward expansion to Ukraine's borders.

Thus, the soft power applied by the West was countered by military means by the Russian Federation. Russia's drive was aimed at creating buffer zones in Georgia and Ukraine by initiating "frozen conflicts," which could be used as indirect leverage in the hands of the Russian Federation to block the progress of Western aspirations in those

two countries. The fact that both the EU and NATO are neither ready to provide meaningful tools for the resolution of these problems, nor accept any new member with territorial problems within the state, or with another state, is a testament to the regrettable reality: Russia has an indirect veto right on the EU's and NATO's expansion policy in its near abroad and no longer tolerates Western expansion into former Soviet states. Russia's use of military action to exercise its interests became visible through emerging security challenges at the borders of the EU, where the "termination of the eastward expansion of NATO may serve as a bargaining chip."²⁵ Whatever the final outcome, it is evident that solving these geopolitical and security challenges are at the top of the EU's current agenda.

²⁵ Bock, "Too Blind to See," 53.

Eurasian Economic Union and the Difficulties of Integration: The Case of South Ossetia and Abkhazia

Elizaveta Egorova and Ivan Babin *

*“And here comes in the question whether it is better to be loved
rather than feared, or feared rather than loved.”*

Niccolò Machiavelli, *The Prince*

Introduction

The Ukrainian crisis of 2013, followed by the annexation of Crimea, has redistributed the balance of power among the political players of the world arena. Moreover, since Putin’s return to the presidency in 2012, the concept of a shared neighborhood between the Russian Federation and the European Union (EU) becomes a strategic challenge not only for both but foremost for those post-Soviet republics struggling between two strategic decisions: to accept Russian protection or to choose Western development.¹

The aim of this paper is to shed light on the forthcoming 2015 Eurasian Economic Union’s (EEU) economic and political perspectives, on South Ossetia and Abkhazia’s economic attractiveness, the sentiment inside those breakaway regions of Georgia and the Russian Federation standpoint in resolving or maintaining the situation in the disputed territories.

Originating in 2009, the Eurasian Customs Union or Customs Union of Belarus, Kazakhstan, and Russia (CU) came into existence on 1 January 2010 as an attempt to establish a defensible economic integration model. However, the EEU was also enthused by the creation of the Eastern Partnership (EaP), an initiative of the European Union to establish closer ties with the six post-Soviet countries in Eastern Europe and the South

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¹ Iris Kempe, “The Eurasian Union and the European Union Redefining their Neighborhood: The Case of the South Caucasus,” *Caucasus Analytical Digest* 51–52 (2013): 2.

Caucasus (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine), designed to promote regional stability between the EU and its Eastern neighbors through trade and economic agreements, and democratic institutions building.² Aimed at supporting these countries in overcoming economic and political challenges, the EaP was perceived by the Russian government as a platform for the European Union's (EU) enlargement, close to Russia's borders and its strategic "near abroad," thereby threatening Russia's national, geopolitical and security interests.

Since 1990, Russia has openly resisted any North Atlantic Treaty Organization (NATO) expansion towards its periphery³ and reemphasized this rhetoric several times: in 2004 when Georgia declared its intention of Euro-Atlantic integration; during the war in South Ossetia in 2008 by "sending a strong message to Ukraine that its insistence on NATO membership may lead to war and/or its dismemberment"⁴; and, most recently, when Ukraine's fomented domestic crisis over the European Trade Association Agreement resulted in Putin's annexation of the Crimean peninsula as a means of securing Russia's strategic naval base in Sevastopol.⁵

Ukraine's importance to Russia has always been considered critical, even before the dissolution of the Soviet Union in 1991. Therefore Ukraine's choice to take a European path has meaningfully reshaped Putin's concept of the EEU integration.⁶

At the very beginning, the EEU was regarded as an economic foundation for prosperous shared dividends, a project of broader reintegration within the former Soviet area to cement Russia's influence within the "near abroad" and as a direct response to the EaP activities. Today, however, we face a new geopolitical reality in which Russia may amend the EEU with political and military agreements in order to tip the balance of power in the region in its favor and secure its borders. Nonetheless, this scenario is a critical topic when hypothesizing about Russia's possible reaction towards a rapidly changing foreign context.

² Jeanne Park, "The European Union's Eastern Partnership," Council on Foreign Relations, 14 March 2014, available at www.cfr.org/europe/european-unions-eastern-partnership/p32577.

³ "Putin's Prepared Remarks at 43rd Munich Conference on Security Policy," *Washington Post*, 12 February 2007, available at <http://www.washingtonpost.com/wp-dyn/content/article/2007/02/12/AR2007021200555.html>.

⁴ Ariel Cohen, "The Russian-Georgian War: A Challenge for the U.S. and the World," The Heritage Foundation, WebMemo 2017, 11 August 2008, www.heritage.org/research/reports/2008/08/the-russian-georgian-war-a-challenge-for-the-us-and-the-world.

⁵ John J. Mearsheimer, "Why the Ukraine Crisis Is the West's Fault. The Liberal Delusions That Provoked Putin," *Foreign Affairs* 93:5 (2014), <http://www.foreignaffairs.com/articles/141769/john-j-mearsheimer/why-the-ukraine-crisis-is-the-wests-fault>.

⁶ Doug Bandow, "Ukraine Crisis Reminds Americans Why NATO Should Not Expand: Not To Ukraine, Georgia, Or Anyone Else," *Forbes*, 28 July 2014, <http://www.forbes.com/sites/dougbandow/2014/07/28/ukraine-crisis-reminds-americans-why-nato-should-not-expand-not-to-ukraine-georgia-or-anyone-else/2/>; Vladislav Inozemtsev and Anton Barbasin, "Eurasian Integration: Putin's Futureless Project," *Aspen Review – Central Europe* 2 (2014): 71.

Eurasian Economic Union: Perspectives and Drawbacks

On 1 January 2015 the EEU, an economic bloc comprised of Armenia, Belarus, Kazakhstan and Russia, was launched. Founded on the basis of the CU, the EEU will continue the policy of reducing tariff barriers, establishing free trade zones in all economic sectors among member states, facilitating trade and allowing the free movement of goods and services. In addition, all members must adopt common external and internal economic and trade policies, free movement of citizens and capital and possibly a common currency.⁷ Putin views the EEU as an efficient alternative to the EU, a choice the remaining post-Soviet republics should eagerly select. However, the international expert community doubts that the EEU is capable of becoming a center of economic power.⁸ For example, Richard Giragosyan describes the concept of the EEU as “incoherent and undefined, marked with its lack of practical benefits and absence of substance.”⁹

Moreover, Belarus and Kazakhstan are unconvinced regarding the union’s enlargement and of Russia’s sincere intentions to preserve this bloc from politicization.¹⁰ Outside is Kyrgyzstan, negotiating the roadmap to access the new bloc.¹¹ At the same time, muddying the waters, there is an active discussion in the Russian government on the creation of free economic trade zone with Vietnam, Israel, India and Egypt.¹² This curious mix of minor and major emerging national economies, is comprised of countries that are already major arms trading partners of Russia.¹³

It is inevitable that the EEU will grow deeper and wider, thereby facing certain difficulties such as the balance of votes among members. For example, with loyal Armenia’s accession to the EEU, Russia has essentially secured a second vote, thus two out of four votes, increasing its ability to counter or at least match possible resistance from Belarus and Kazakhstan.¹⁴

⁷ Vugar Bayramov, “Considering Accession to the Eurasia Economic Union: For Azerbaijan, Disadvantages Overweight Advantages,” *Caucasus Analytical Digest* 51–52 (2013): 14.

⁸ Inozemtsev, “Eurasian Integration,” 68; Fyodor Lukyanov, “The Eurasian Union: An Experiment in Finding a Place in the New World,” *Caucasus Analytical Digest* 51–52 (2013): 9.

⁹ Richard Giragosyan, “The Eurasian Union: A View from Armenia,” *Caucasus Analytical Digest* 51–52 (2013): 11.

¹⁰ The President of Kazakhstan Spoke against the Politization of the Eurasian Union (President Kazakhstana vystupil protiv politizatsii Evraziiskogo Soyuz), <http://gorchakovfund.ru/news/9709>.

¹¹ “CIS leaders will discuss the prospects of the Eurasian Economic Union at the Minsk summit (Lidery stran SNG obsudyat perspektivi Evraziiskogo Ekonomicheskogo Soyuz na sammite v Minske),” *TASS*, 10 October 2014, <http://itar-tass.com/mezhdunarodnaya-panorama/1498286>.

¹² *Ibid.*

¹³ “Russian arms exports,” *Sputnik International*, available at http://sputniknews.com/trend/russian_arms_export.

¹⁴ “Two votes out of four – Armenia in EEU as a means of pressure on Kazakhstan and Belarus (Dva golosa iz chetyryeh – Armenia v EAES kak faktor davleniya na Kazakhstan i Belorus-siyu),” *IA Regnum*, 12 October 2014, <http://www.regnum.ru/news/1855929.html>.

In order to attract other post-Soviet countries to join the EEU, Russia offers a wide array of subsidies to prospective members including liberalization and the opening of its labor market, which is substantial for the socio-economic stability of migrants, as well as an increase in trade turnover and revenues. Nonetheless, the EEU, Putin's personal project, is still at an early development stage. There were 15 republics in the Union of Soviet Republics between 1956 and 1991. It is not yet clear what the optimal number of members for the EEU would be, especially taking into consideration the intransience of natural resource-rich Azerbaijan, Turkmenistan and Uzbekistan to any Russian integration project.¹⁵

Likewise, with the rapid enlargement of the EEU comes the constant need for financial aid and subsidies from the older to the newest member states. The intended viable economic benefit and prosperity of the founding members may wear away over time.¹⁶ In the light of the Ukrainian crisis, the Western sanctions against Russian companies and officials and Russia's brittle economy, the EEU's enlargement may cost the Kremlin more than initially expected.

Economic Attractiveness and the Sentiment inside the Breakaway Regions: The Case of South Ossetia and Abkhazia

When analyzing the breakaway regions of South Ossetia and Abkhazia, it is crucial to differentiate between the regions. The genesis, routes and history of their conflicts with Georgia and their relations with Russia are dissimilar. The regions cannot be viewed and evaluated symmetrically, nor can they be treated as one domain. There is a fundamental diversity between these two semi-recognized territories that has to be considered as a cornerstone to any study or approach.¹⁷

Georgian political expert, Ivlian Khaindrava, emphasizes a substantial difference between the South Ossetian and the Abkhazian national projects. The South Ossetian project can be characterized as an "irredential"; it is designed to "join and reunite with North Ossetia and resolve the problem of divided peoples." The first "brick of aspiration" was cemented on 26 October 2013 with a signed agreement between the governments of South Ossetia and the Republic of North Ossetia-Alania of the Russian Federation on socio-economic, scientific, technological and cultural cooperation. In contrast, there is no desire in Abkhazia to join any part of the Russian Federation. The Abkhazian

¹⁵ Lukyanov, "Eurasian Union," 9.

¹⁶ Nicu Popescu, *Eurasian Union: the Real, the Imaginary and the Likely* (Paris: EU Institute for Security Studies, 2014).

¹⁷ Ivlian Khaindrava, "Asymmetry: On the issue of Georgian-Russian Relations (Asimetriya: k voprosu o gruzinsko-rossiiskikh vzaimootnosheniyakh)," in I. Khaindrava, A. Sushentsov, N. Silaev, eds., *Russian-Georgian Relations: In the Search of New Ways (Rossiisko-gruzinskie otnosheniya: v poiskakh novykh putei razvitiya)* (Moscow: Russian Council on International Affairs, International Center on Conflict and Negotiations, 2014), p. 21.

national project rests on the idea of the creation of an Abkhazian independent state for Abkhaz people.¹⁸

South Ossetia

Political and economic experts in South Ossetia highlight certain domestic issues affecting the region. Among them are a degraded economy, poor social and political development, ruined and inefficient infrastructure, corruption and youth unemployment.¹⁹ More specifically, Yuri Vazagov, a journalist from South Ossetia, notes the lack of potential competitiveness and the economic unattractiveness of the republic. The “political-military context (the region’s division into political-military blocs) and the threat of systematic destabilization in the Caucasus considerably narrow the corridor for prospective economic projects.”²⁰

Despite the recognition of South Ossetia’s independence by Russia and four other UN Member States, the deplorable lack of socio-economic development is unchanged. Moreover, extensive financing was received for the development of these programs, yet they were neither developed nor implemented.²¹

South Ossetia’s determination to integrate with North Ossetia and Russia, the Republic of North Ossetia-Alania being a federal subject of Russia (a republic), is widely expressed among the governmental officials of the region. Today, a proposed treaty on “alliance and integration” between South Ossetia and Russia is on the negotiation table. Anatoly Bibilov, President of the Parliament of South Ossetia, illustrating the leading goal of bilateral relations, explains that for the leading United Ossetia party, “joining the Russian Federation is the ideal.”²²

The South Ossetian government’s encouragement of a national sentiment for the reunion of the Ossetian peoples also fosters a hope for the inclusion of South Ossetia into a Russia-led economic integration project, a project supported by the republic. Dmitry Medoev, Ambassador of South Ossetia to the Russian Federation, underlined that “together with the EEU project, a fundamental policy of achieving a new level of integration and security in the post-Soviet space was proclaimed, as well as the creation of an auspicious environment for profound development for each member-state.”²³

¹⁸ Khaindrava, “Asymetry,” op.cit.

¹⁹ “Economy for South Ossetia – Issue of National Security: Expert (Ekonomika dlya Yuzhnoy Osetii – vopros natsionalnoi bezopasnosti: ekspert),” *IA Regnum*, 19 March 2013, available at <http://www.regnum.ru/news/polit/1780311.html>.

²⁰ Ibid.

²¹ Ibid.

²² “Bibilov: The Treaty on Integration with the Russian Federation will Reflect the Interests of South Ossetia (Bibilov: Dogovor ob integratsii s RF otrazit interesy Yuzhnoi Osetii),” *Ria Novosti*, 11 November 2014, <http://ria.ru/world/20141111/1032752075.html>.

²³ Conference in the Diplomatic Academy on the Twentieth Anniversary of CIS. Report of the Ambassador Extraordinary and Plenipotentiary D.N. Medoev, “South Ossetia – Russia: Choice and Solutions” (Konferentsiya v Diplomaticheskoi akademii k dvadtsatiletiyu obrazovaniya SNG. Doklad Cherezvychnogo i Polnomochnogo Posla D.N. Medoeva: “Yuz-

Interestingly, the idea that “in order to avoid a conflict of interests, the great “geopolitical unions” seek to resolve their aggravated contradictions at the expense of “coercive decomposition of the post-Soviet space,” while the subsequent division of the “post-Soviet-Russian” is still intact among South Ossetia’s echelons and echoes the Russian attitude of all classes.²⁴ Moreover, South Ossetia’s self-perception of being Russia’s “strategic vulnerable point, which if triggered, may initiate the process of decomposition” was articulated in the Ambassador’s report and reflected the national rhetoric of both peoples.²⁵

Furthermore, a status of “exclusivity” is attributed to the Russian-South Ossetian relationship that provides an assurance that the republic will receive economic, political and moral support.²⁶ Thus, Russia undertook the mission of being a security guarantor and protector of South Ossetia from any external military intervention in the region.

While the friendly sentiment of the reunion of the Ossetian peoples and joining the Russian Federation persists inside the breakaway region, the Russian perception of South Ossetia’s foreign policy direction slightly differs. According to a 2014 poll conducted by the Russian Levada Center, a majority of the Russian population insists that South Ossetia has to be an independent state (51%) rather than a part of Russia (24%) or a part of Georgia (8%). Describing South Ossetia, the majority of respondents named it as an independent state (55%), fewer regarded it as a part of Russia (22%) and even fewer associated it with being a part of Georgia (11%).²⁷ However, some experts expressed the opinion that the independence of South Ossetia is not taken seriously, not only in Moscow, but also not earnestly even in Tskhinvali.²⁸ The tables below reflect the results of the surveys conducted for the present research.

South Ossetia has already declared its readiness to join the established Customs Union and the newer Eurasian Economic Union, yet there is no clear understanding of how Minsk and Astana could vote in favor of Tskhinvali’s accession, taking into consideration the disputed status of the territory.²⁹ The future development of South Ossetia’s integration trajectory hangs enigmatically in the air.

hanya Ossetiya – Rossiya: vybor i resheniya”), *IA Res*, 22 December 2011, <http://cominf.org/en/node/1166490880>.

²⁴ Ibid.

²⁵ Ibid.

²⁶ *The Prospects of Development of South Ossetia after the Recognition of Its Independence (Perspektivi razvitiya Yuzhnoi Ossetii posle priznaniya ee nezavisimosti)*, Russian Institute for Strategic Studies, 20 May 2009, <http://riss.ru/actions/2876>.

²⁷ Russians on the Status of Abkhazia and South Ossetia (Rossiyane o statuse Abkhazii i Yuzhnoi Ossetii), Press Release, 21 August 2014, Levada Center, <http://www.levada.ru/21-08-2014/rossiyane-o-statusu-abkhazii-i-yuzhnoi-osetii>.

²⁸ Khaindrava I., “Two Ossetias in the Context of Russian-Georgian Relations (Dve Ossetii v kontekste rossiisko-gruzinskih otnoshenii),” in *Russia and Georgia: In the Search of Solution (Rossiya i Gruzija: v poiskah vyhoda)*, Gergian Foundation of Strategic and International Studies, 2011, pp. 114–128.

²⁹ “Ideas of Eurasian Integration of South Ossetia and Re-unification with North Ossetia Discussed in Vladikavkaz (Idei evraziiskoi integratsii Yuzhnoi Ossetii i vossoedineniya s Sever-

What do you think, should South Ossetia be a part of Georgia, a part of Russia or an independent state? ()³⁰*

| | <i>July 2004</i> | <i>Apr 2006</i> | <i>July 2009</i> | <i>June 2011</i> | <i>July 2012</i> | <i>July 2013</i> | <i>July 2014</i> |
|---------------------------------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| <i>Should be a part of Georgia</i> | 12 | 13 | 6 | 6 | 8 | 7 | 8 |
| <i>Should be a part of Russia</i> | 34 | 40 | 35 | 23 | 35 | 29 | 24 |
| <i>Should be an independent state</i> | 30 | 26 | 40 | 53 | 43 | 43 | 51 |
| <i>It is difficult to answer</i> | 24 | 22 | 19 | 18 | 15 | 20 | 17 |

South Ossetia is... ()*

| | <i>Sep 2004</i> | <i>Feb 2006</i> | <i>Aug 2009</i> | <i>Aug 2010</i> | <i>June 2011</i> | <i>Mar 2012</i> | <i>July 2013</i> | <i>July 2014</i> |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|
| <i>Part of Georgia</i> | 17 | 18 | 8 | 13 | 11 | 11 | 13 | 11 |
| <i>Part of Russia</i> | 46 | 36 | 29 | 29 | 27 | 30 | 27 | 22 |
| <i>Independent state</i> | 17 | 22 | 51 | 43 | 47 | 43 | 45 | 55 |
| <i>It is difficult to answer</i> | 21 | 25 | 12 | 15 | 15 | 16 | 16 | 12 |

noi Ossetiei obsuzhdayut vo Vladikavkaze),” *IA Regnum*, 25 February 2014, available at www.regnum.ru/news/polit/1771335.html; “In South Ossetia it is necessary to raise the Question of Hystorical Reunification of the Ossetian People (V Yuzhnoi Ossetii nyzhno stavit vopros ob istoricheskom vossoedinenii osetinskogo naroda),” *Caucasian Politics*, 10 November 2013, <http://kavpolit.com/v-yuzhnoj-osetii-nuzhno-stavit-vopros-ob-istoricheskom-vossoedinenii-osetinskogo-naroda>.

³⁰ The poll indicated with (*) was conducted on 18–21 July 2014 on a Russian representative sampling of urban and rural populations among 1600 people aged 18 and older in 134 communities in 46 regions of Russia. The distribution of responses is given in percentage of the total number of respondents, together with data from previous surveys. The statistical error of the data from these studies did not exceed 3.4%.

Abkhazia

The aforementioned state of South Ossetia's economic unattractiveness is incomparable to Abkhazia's potential of being an economic self-sufficient republic.³¹ Unlike landlocked South Ossetia, Abkhazia's key advantage lies in its access to the Black Sea, making it less dependent on Russia and open to international trade. However, its socio-economic, political-military, infrastructure and agricultural development require significant improvement.

In the last two years, the semi-recognized territory has experienced moderate economic growth. Russia's donations to Abkhazia comprise 25% of the republic's annual budget. Moreover, the support to the breakaway region spreads far beyond the subsidies and includes financing of infrastructure programs such as roads, governmental buildings, schools and agriculture.³² Today, the republic's government admits an urgent need for the implementation of political, economic and social reforms to overcome the crisis in its society.

Abkhazia's unwavering trajectory towards independence is the nation's most meaningful maxim. It appears in every quarter as the motto for civil society's strengthening and mobilization. Unlike South Ossetia, Abkhazia is wary of Russia: "There is no interest to become an appendix of the Adler region of Sochi."³³ A widespread anxiety is associated with the population's feeling of being less independent after Russia's recognition of their republic. The Kremlin's intention to monopolize and dominate in every sector is the foundation of Abkhazian fears of being "swallowed" by Russia.

Yet both neighbors recognize mutual benefit in their alliance. Russia provides security and economic guarantees to Abkhazia in exchange for ensuring Russia's geopolitical and national interests and maintaining the balance of power in the South Caucasus region.

In October 2014, Sukhumi was offered a treaty of "alliance and integration" with Moscow. However, Abkhazia's government altered the treaty and returned it to Russia for the settlement stage as a treaty on "alliance and strategic partnership." Its key pillars touch upon the creation of a "shared security framework," the establishment of a Joint Group of Forces from the Russian Federation's and Abkhazia's armed forces to repel aggression (Abkhazia corrected it to "integration of select troops into the Joint Group of Forces"), harmonization of Abkhazia's customs laws with the EEU and, finally, the formation of a shared social and economic space.³⁴ Additional alterations to the treaty

³¹ "Economy for South Ossetia – Issue of National Security," *IA Regnum*, 19 March 2013.

³² "Tensions Rise in Georgia's Breakaway Regions," *Radio Free Europe – Radio Liberty*, 26 August 2013, www.rferl.org/content/georgia-breakaway-abkhazia-south-ossetia/25086522.html.

³³ Markedonov, S., *Russia and Abkhazia: Alliance and Integration (Rossiya i Abkhaziya: soyuznichestvo i integratsiya)*, Center for Political Technologies Politcom.ru, 14 October 2014, <http://www.politcom.ru/18185.html>.

³⁴ "The Government of the Russian Federation launched a discussion on the Treaty of Alliance with Abkhazia (V pravitelstve RF nachalos obsyzhdenie dogovora o soyuznichestve s Abkhaziei)," *The Caucasian Knot*, 20 November 2014, available at <http://www.kavkaz->

by Abkhazia’s government send a strong and important message: Abkhazia wishes to safeguard its domain from Russian dominance.

Consequently, there is certain anger among Russian political elites at Abkhazia’s attempts to show its independence.³⁵ Moreover, in light of Russia’s economic volatility, the Federation’s population is irritated about the subsidies paid to the breakaway regions.³⁶ Similarly to the case of South Ossetia, Russians’ perception of Abkhazia as an independent state as well as its choice to be an independent state, rather than a part of Russia or a part of Georgia, has increased within the last several years.³⁷

*What do you think, should Abkhazia be a part of Georgia, a part of Russia, or an independent state?**

| | <i>July 2004</i> | <i>Apr 2006</i> | <i>July 2009</i> | <i>June 2011</i> | <i>July 2012</i> | <i>July 2013</i> | <i>July 2014</i> |
|---------------------------------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| <i>Should be a part of Georgia</i> | 14 | 13 | 6 | 6 | 9 | 9 | 8 |
| <i>Should be a part of Russia</i> | 32 | 41 | 35 | 25 | 34 | 30 | 25 |
| <i>Should be an independent state</i> | 29 | 27 | 41 | 53 | 41 | 42 | 52 |
| <i>It is difficult to say</i> | 26 | 19 | 19 | 17 | 16 | 19 | 15 |

Abkhazia is...

| | <i>Sep 2004</i> | <i>Feb 2006</i> | <i>Aug 2009</i> | <i>Aug 2010</i> | <i>June 2011</i> | <i>Mar 2012</i> | <i>July 2013</i> | <i>July 2014</i> |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|
| <i>Part of Georgia</i> | 27 | 22 | 9 | 14 | 10 | 9 | 11 | 9 |
| <i>Part of Russia</i> | 32 | 31 | 26 | 27 | 25 | 28 | 28 | 22 |
| <i>Independent state</i> | 17 | 21 | 52 | 44 | 49 | 45 | 48 | 58 |
| <i>It is difficult to answer</i> | 24 | 26 | 13 | 16 | 16 | 18 | 14 | 10 |

uzel.ru/articles/252669; “Putin, Abkhazian president to meet, sign Strategic Partnership Treaty [sic],” TASS, 24 November 2014, <http://en.itar-tass.com/russia/761293>.

³⁵ Khaindrava, Asimmetry, 24.

³⁶ Russians on the Status of Abkhazia and South Ossetia (Rossiyane o statuse Abkhazii i Yuzhnoi Ossetii), Press Release, Levada Center, 21 August 2014.

³⁷ Ibid.

Do you think that Russia is doing right by providing financial aid to Abkhazia and South Ossetia?

| | Sep 2013 | July 2014 |
|----------------------------------|----------|-----------|
| <i>Definitely yes</i> | 14 | 8 |
| <i>Mostly yes</i> | 44 | 43 |
| <i>Mostly not</i> | 18 | 23 |
| <i>Definitely not</i> | 8 | 9 |
| <i>It is difficult to answer</i> | 17 | 17 |

Although Abkhazia has expressed strong interest in joining the CU and its successor, the EEU, as reflected in the recent report on bilateral relations by Minister of Foreign Affairs Viacheslav Chirikba,³⁸ Russian experts doubt this scenario will become a reality.³⁹

Conclusion

Although there is active discussion in the Abkhazian and South Ossetian breakaway regions in favor of joining the CU and the EEU, there is neither a corresponding ambition nor a clear understanding among the founding member states of these unions of how to accomplish such scenarios in the foreseeable future.

Russia's enthusiasm to actively promote Abkhazia and South Ossetia's independence in the world community has slightly waned. While the status of semi-recognized republics grants the Kremlin an "exclusive" position in the regions, this luxury has a hefty price tag.⁴⁰ Physically, the Abkhazian and South Ossetian territories play crucial roles in Russia's strategic geopolitical interests. Both republics are used as outposts for Rus-

³⁸ Report by V.A. Chirikba to the roundtable on "Russian-Abkhazian Relations: Outlines of a New Level of Integration" (Doklad V.A. Chirikba na kruglom stole "Rossiisko-abkhazskie vzaimootnosheniya: kontury novogo urovnya integratsii"), Ministry of Foreign Affairs of the Republic of Abkhazia, 10 November 2014, available at http://www.mfaapsny.org/news_rus/detail.php?ELEMENT_ID=3063.

³⁹ Sushentsov, A., Silaev, N., "Russia and Georgia: What Red Lines? Towards a Long-term Agenda of Russian-Georgian Relations (Rossiya i Gruzija: chto za krasnymi liniyami? K dolgosrochnoi povestke dnya rossiisko-gruzinskikh otnoshenii)," in I. Khaindrava, A. Sushentsov, N. Silaev, eds., *Russia and Georgia: In the Search of Solution (Rossiya i Gruzija: v poiskah vyhoda)*, Gergian Foundation of Strategic and International Studies, p. 54.

⁴⁰ Markedonov, Russia and Abkhazia.

sian forces to maintain the balance of power in the South Caucasus. Georgia's persistent rhetoric on its Euro-Atlantic aspirations only fortifies Russia's roles in South Ossetia and Abkhazia. Therefore, the Georgian-Ossetian and Georgian-Abkhazian "frozen conflicts" are unlikely to be resolved in the near future without Russia's direct interest.

The South Caucasus has become a stage for geopolitical and economic battles between Eurasian Moscow-led and Western Brussels-led blocs. Moreover, Russia's strategic "near abroad" is also facing challenges (e.g. Ukraine and Moldova). The ongoing Ukrainian crisis, which developed from domestic Ukrainian disagreements over Kiev's decision to adopt a full-scale "competition" strategy toward geopolitical influence, demonstrated Russia's firm resolve to defend its strategic geopolitical interests in its periphery. Feodor Voitlovsky, a Russian political scientist, emphasized that today's crisis between Russia and the West is acute and deep. Neither the attack on Yugoslavia in 1999 nor the Russian-Georgian conflict in 2008 instigated such coldness in relations between Moscow and Washington as we observe today.⁴¹

Therefore, taking the changed geopolitical context into consideration, the strategic importance of the EEU to Russia has increased significantly. In order to have an accurate assessment of the EEU's efficiency and its future developments, it is vital to monitor the motives of its member states and prospective members with regard to compatibility, economic development and political stability. The cases of South Ossetia and Abkhazia demonstrate the difficulties of joining the EEU. Although both republics have strong security ties and a shared border with their major benefactor, Russia, neither Russia nor other EEU member states have shown a willingness to assist the republics in their accession processes. However, if the balance of power shifts away from Russia in the South Caucasus, Moscow would strongly encourage South Ossetia and Abkhazia to proceed with the Russian-led integration projects.

⁴¹ Interview with an Expert: "By worsening the relations with Russia, it won't be possible to normalize the situation in Ukraine" (Intervyu s ekspertom: "Ukhdshaya otnosheniya s Rossiei, normalizovat situatsiyu na Ukraine ne ydastsya"), *Lenta.ru*, 16 May 2014, <http://lenta.ru/articles/2014/05/16/usacrisis/>.

Return to Babel: The Race to Integration in the Southern Caucasus

Heidemaria Gürer *

When talking or writing about the (Southern) Caucasus, I usually like to start by illustrating the diversity of its three countries when it comes to their cultural, linguistic, historical, economic and religious composition. This is due to the heavy migration in the region and the century-long influence of surrounding regional powers and to the fact that it is located in a strategic triangle between Iran, Russia and Turkey, with additional geopolitical interest coming from the European Union and the United States. There is a significant background of existing conflicts to take into account. For those who know the region this may seem redundant; however, for “newcomers” it is a good start in describing the (Southern) Caucasian Babel.

I will begin by explaining the most significant features that lead me to believe that the Southern Caucasus is a modern-day Babel. With new developments in the context of the European Union (EU) I will demonstrate that these features are present in and inherent to the region.

Original features of Babel:

- *Nations:* Three states with different titular nations and minorities
- *Languages:* From Indo-Germanic (e.g. Armenian, Ossetian) to different Caucasian ones (e.g. Georgian, Abkhaz), Turkic (e.g. Azerbaijani) and Russian as a long-time lingua franca
- *Scripts:* From Latin (e.g. Azerbaijani variant) to Armenian, Georgian and Cyrillic (e.g. Ossetian variant)
- *Religions:* Armenian apostolic, Georgian Orthodox, Islam (Shia, Sunni), Russian Orthodox, etc.
- *Boundaries:* After the collapse of the Soviet Union there were three independent states, three autonomous republics and two autonomous regions. Autonomous units were often disconnected from the “motherland” (e.g. Nagorny-Karabakh, Nakhchivan Autonomous Republic) and nationalities were divided along borders (e.g. South and North Ossetia) – which were arbitrary Soviet border drawings.

This “Babylonian spirit” is reflected to an even higher degree in the Northern Caucasus (comprising seven autonomous republics: Dagestan, Chechnya, Ingushetia, North-Ossetia, Kabardino-Balkaria, Karachay-Cherkessia and Adygea). These are populated

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by different ethnicities (approximately 30), which are primarily but not exclusively Muslim and have different points of view concerning their relationship with the central Russian government. This was perhaps also one of the reasons for the demise of the Soviet Union, among others: the conflict of nationality in the Southern Caucasus (Nagorno-Karabakh), followed by others (e.g. Abkhazia, South Ossetia), reinforced the split in the region.

Today's Babel:

Since the aforementioned "original features of Babel" were not confronted and changed, the development of the region continued in dissonance after the collapse of the Soviet Union.

1. *Foreign presence.* Russian troops are still present in Armenia (Gyumri), Abkhazia and South Ossetia.
2. *International peace efforts/presence.* The OSCE, stationed in Armenia and Azerbaijan, had to stop work in South Ossetia (Georgia) after the 2008 Georgian-Russian War. The OSCE Minsk Group was established for the settlement of the Nagorno-Karabakh conflict. The UN peacekeeping presence in Abkhazia (Georgia) had to cease after the 2008 Georgian-Russian War. The European Union Monitoring Mission (EUMM) has been present along the border with Abkhazia and South Ossetia since the Georgian-Russian War in 2008. The Geneva Peace Talks try to solve the Abkhaz and South Ossetian question (Participants are Abkhazia, EU, Georgia, OSCE, Russia, South Ossetia, UN, USA).
3. *Economy.* Azerbaijan is the clear winner here. Due to its substantial gas and oil reserves, Azerbaijan has developed into the richest country in the region, investing in huge infrastructure projects and the military, among other things. However, huge parts of the population in rural areas remain very vulnerable and poor, thus contributing to an ever-growing income gap. Due to its wealth of natural resources, Azerbaijan plays a significant role in energy supply, also for the European Union.

Armenia can be found at the other end of this spectrum, having no natural resources and the border with Turkey still being closed, which has negative effects on the Armenian economy.

Georgia is somewhere in the middle, leaning more towards the Armenian situation – no resources, territorial disputes, but strategically important as a transit corridor for energy and the only coastal country in the region.

4. *Foreign relations.* The three countries of the region are all members of the EU Eastern Partnership program, alongside Belarus, Moldova and Ukraine. Created in 2008, it is the most ambitious cooperation offer the European Union has made to the countries of the region so far, and initially offered equal advantages, rights and opportunities to all participating states. The goal was to sign an EU Association Agreement comprising political and trade components.

From the outset, Azerbaijan was not interested in concluding a simple Association Agreement, but saw itself as becoming increasingly important to the EU, compared to the other five members of the EU Eastern Partnership program. With 42% of its foreign trade going to the EU, Azerbaijan saw its potential for energy trade – for example with TANAP, the Trans-Anatolian Gas Pipeline. The country also hoped for more EU support in the Nagorno-Karabakh conflict and therefore suggested a Strategic EU Partnership like the one the EU had been negotiating with Russia. For the time being, the EU and Azerbaijan are negotiating a Strategic Modernization Partnership, as Azerbaijan is also interested in cooperation to promote education, culture, arts and science, as well as energy. A Visa Liberalization and Readmission Agreement with the EU have already been signed.

Russian advances towards Azerbaijan to convince it to join the Customs Union/Eurasian Union have failed so far. Russia's offer to liberate some occupied Azerbaijani territories adjacent to Nagorno-Karabakh apparently did not satisfy Azerbaijan's stance in the Nagorno-Karabakh conflict. So it seems that Azerbaijan oscillates between the EU and the Customs Union/Eurasian Union primarily because of the unresolved Nagorno-Karabakh conflict. While Russia is needed to resolve the conflict, the EU is the most important trade partner. However, of all the countries in the region, Azerbaijan seems furthest away from European standards of human rights and democracy.

Analyzing the integration efforts in the region, Georgia seems to follow an opposite path to that of Azerbaijan. Georgia is the only country in the Southern Caucasus that already ratified the EU Association Agreement on July 18, 2014, making it not only the EU frontrunner in the region, but also, together with Moldova and Ukraine, among the six EU Eastern Partners, and an EU Visa Liberalization Action Plan is in the course of being implemented. Georgia is perhaps the country that has been hit hardest by territorial and ethnic conflicts in the region. After the 2008 Georgian-Russian War, Russia recognized both Abkhazia and South Ossetia as independent countries, whereby recent Russian suggestions for deeper cooperation with both entities could be interpreted as Russian moves towards annexation. However all recent Georgian governments unanimously gave clear preference to an EU orientation and not Customs Union/Eurasian Economic Union. Also, the only country of the region to do so, Georgia ceased its CIS membership and broke diplomatic relations with Russia. The outspoken policies of the present government that show greater interest in pragmatic (economic) collaboration with Russia do not break with Georgia's stance, but are rather a pure expression of neighborly necessity. Though the Georgian-Russian economic ties show trends of growing importance, the Georgian-Russian War of 2008 also brought about a rather successful reorientation of the Georgian economy towards other (European) markets (trade with Russia at ca. 4% compared with ca. 22% with the EU; only ca. 10% of Georgia's energy originates in Russia; remittances of Georgian workers in Russia constitute only approx. 4% of its GDP).

Georgia is not only the frontrunner when it comes to EU relations or democratic development, but also in terms of its NATO aspirations. Georgia is the most outspoken of all the three countries in the region and clearly aspires towards NATO membership as

soon as possible, although neither NATO nor EU membership are options at the time being.

On both fronts, Armenia can be found on the other end of the spectrum. Armenia had been engaged in preparations of its EU Association Agreement by the middle of 2013, scheduled to be signed on the occasion of the EU Eastern Partnership Summit in Vilnius on November 28, 2013. However, Armenia was to become the first country of the EU Eastern Partnership members that was obliged to abstain from signing the EU Association Agreement. Russian pressure linked to the economic and security situation in Nagorno-Karabakh made the signing impossible. These first EU Eastern Partnership shock waves were to be followed by the Ukrainian crisis, which is still felt today. According to Armenia, it would have been impossible to sign the Deep and Comprehensive Free Trade Agreement (DCFTA), part of the EU Association Agreement, though the EU is Armenia's first trading partner with a 27% trade volume. Remittances from Armenian workers in Russia contribute substantially to the Armenian budget, namely 16% of GDP, while 80% of the Armenian pipeline system and national gas company are owned by Russia's Gazprom. Armenia, nevertheless, showed interest in signing the political component of the EU Association Agreement, stressing democratic development and human rights. In the summer and fall of 2013 this was not seen as appropriate and feasible by EU institutions and EU Member States. As Armenia opted out of the EU Association Agreement, it opted to become the first South Caucasian member of the Russia-led Customs Union/Eurasian Economic Union, joining it after Belarus and Kazakhstan (Nagorno-Karabakh was not officially a member of this integration format). Today, Armenia and the EU are seeking ways to cooperate more closely in specific areas, with Armenia stressing its primary interests to strengthen its democratic development, human rights standards and the rule of law. A Visa Liberalization and Readmission Agreement entered into force on January 1, 2014.

Armenia can therefore be considered Russia's closest ally in the region, with Russian troops (ca. 5,000) stationed in Gyumri. There is no Russian army in Azerbaijan and Georgia proper, though there are troops in Abkhazia and South Ossetia (ca. 5,000), making Armenia Russia's top security partner in the Southern Caucasus – this is of course linked to the Nagorno-Karabakh conflict. Whereas Armenia's economic and security interests are closely linked to Russia, Armenia underlines that it strives for closer links with the European Union when it comes to democracy standards, thus setting it apart from Azerbaijan, which lags behind in this specific field.

Conclusion

In analyzing this final feature of different approaches, preconditions, relations and integration options of the three South Caucasian countries, one can easily say that the positions differ significantly when it comes to relations with the EU, NATO and Russia (though the EU remains the most important trading and investment partner for all three countries) – so Babel continues: Armenia is tied to Russia as the only South Caucasian country with Customs Union membership and a Russian army presence, but is interested in developing stronger political ties with the EU.

Azerbaijan oscillates between the two integration formats for security reasons (Nagorno-Karabakh), stressing its economic and energy importance for the EU, but lagging behind in democratic reforms.

Georgia is the frontrunner having signed the EU Association Agreement, achieving significant democratic performance and coming closer to NATO. Georgia does not have diplomatic relations with Russia and no membership in the CIS.

This also testifies to the necessity for a further tailor-made approach for the EU Eastern Partnership program, taking into account the different interests and needs of the partner countries as well as the opportunities for the EU.

As complicated and “Babylonian” the Southern Caucasus might seem, and perhaps really is, it nevertheless continues to be of geostrategic importance for the interests of other regional players and even those further afield. Besides energy, Europe’s primary interest has to be based on the presumption that only peaceful countries that are developing well, socially and economically as well as politically, can be regarded as nonviolent and prosperous neighbors – a more advantageous scenario than turmoil. Therefore the necessity for support and engagement from the EU seems indisputable. Otherwise, we may be confronted with more severe challenges that could negatively influence the wellbeing and significance of the EU.