

The EU's Strategy in the South Caucasus: Opportunities for Intensified Engagement

Distinguished Ladies and Gentlemen,

It is a pleasure to be here, and to be part of this very timely discussion on issues affecting the Black Sea region. Over the past few years, the EU has been intensifying its efforts in the Wider Black Sea area; especially after Romania and Bulgaria joined the EU in 2007, which made this region a "neighbor". However, on the other hand, there remain widespread and persistent allegations of European passivity and lack of engagement in the South Caucasus. The question of geographical identity is applicable here – do the South Caucasus belong to the Wider Black Sea or the Caspian region? Or do they compose simply a self-contained region? with regard to EU's policy, it seems to be going in two directions at once, simultaneously formulating a strategy on Black Sea region and including the S. Caucasus, and deploying a distinct new strategy for the South Caucasus.

The word "strategy" can be seen as something of a misnomer within EU-South Caucasus relations. "Regional identity" is also in a state of "crisis", with the South Caucasus countries caught between the BS region and the Caucasus. The past 20 years indicate that "rapprochement" best describes the EU's policy in the region, the 90's showed hesitant rapprochement", and the 2000's "intensified rapprochement".

"Hesitant Rapprochement" Period

The 1990s was a lost decade for EU-South Caucasus relations, under the EU's "hesitant rapprochement". The states of the South Caucasus were too busy with their survival issues and too weak to benefit from economic cooperation with the EU; on the other hand EU was too busy with the problems in the Balkans. Nonetheless, the EU was greatest sponsor of development projects in the South Caucasus; between 1991 and 2000, the EU invested well over one billion euros in the development of these three states. In terms of assessing EU engagement in the South Caucasus, there are/were three main factors that drove and defined policy in the 90's. First, there has been a notable lack of coherent and consistent Western policy toward the region. Interestingly enough, in the 1990's, "Western" engagement can be interpreted as the US' intensified approach toward region, rather than the EU's.

Secondly, the EU's – engagement was based on technical assistance to region, and before 1999, it's hard to discuss the EU's role in region, rather than that of its member countries. One difference have between the US and EU approaches in those time is that US started building its strategy in this region after 1997, and energy companies had an important role in Washington's strategy. In the case of EU, it was "democratization"—Georgia's rose revolution - hat pushed the EU to intensify its role in Caucasus.

Thirdly, in the "security affairs of this region", the European absence has long seemed appropriate – at least in comparison with players such as Russia and the US. The EU has not managed to be a decisive force for good, nor to prevent negative regional trends.

The EU pushed this “equal footing” approach in its policy towards the South Caucasus countries until 2008; this was the “geopolitical Regatta principle” – which advocated an equal approach, even in regional conflict resolution matters. (the “Regatta principle” -backed by some Member States at the 1997 Luxembourg European Council, dictates that accession negotiations with all applicants should start at the same time). While “equal footing” was necessary for EU, until the appointment of the EU High Representative for Common Foreign and Security Policy (CFSP) in 1999, the EU did not have clear and coherent institutional set-up to play a more active role in foreign policy. In the words of Dov Lynch, "the EU retained a low overall profile, with little presence in the negotiating mechanisms, no direct involvement in mediation, and an undefined strategy to lead policy".

“Intensified rapprochement” Period

The neglect of the South Caucasus started to come to an end around 2003. The democratic, velvet revolution in Georgia increased EU interest, and in addition, after 2001 EU left underestimating negative effects of “conflicts, fragile, unstable situation” in his neighborhood, and this changing agenda was based on slogan “despite they are not closer geography-neighbourhood, but there are we have close interests”. Also, Turkey’s interest in accession to the EU after 2004 has increased the EU’s interest in the region. The EU also looked at the problems in the South Caucasus in terms of Turkey’s “possible accession” points. (this increased EU’s leverage to demand that Ankara open its borders with Armenia). In general, EU acknowledges the potential negative role of regional conflicts on its energy interests, and thus the EU special representative (EUSR) for the South Caucasus was appointed in the summer of 2003, with the intention of increasing EU's role in the conflict settlement processes in Abkhazia, South Ossetia and Nagorno-Karabakh.

Since 2008, the general perception is that the EU’s role in the region has increased. Prior to 2008, when I met with a high level EU official, I asked about the EU’s lack of engagement in conflict resolution”. The answer was quite interesting - “the EU wants to taking part in solution of regional problems in Caucasus, but not yet ready to play regional actor role. However, undoubtedly is an international actor”. However, this “placebo” effect continued until the 2008 Russian-Georgian war. The post-2008 period marks a shift in the geopolitical dynamic of the south Caucasus countries, highlighting the significant impact of the Russia-Georgia war on regional security. After 2008, the EU’s main partner in the energy sector, Azerbaijan, revised the direction of its energy policy, driven increasingly by economic reward rather than a desire to make geopolitical statements. Both the EU’s feeble efforts in assisting Georgia to develop its membership ambitions and its failure to support Georgia in asserting itself before Russia upset many in the region, especially in Azerbaijan. The unfortunate fallout of this is that prior to these events, most Azerbaijanis was unfamiliar with the activity of the EU, and latched onto the notion that the EU had failed to defend its neighbor in a time of crisis. This damaged the country’s belief in the EU. The Georgia-Russia war reinforced these perceptions in Azerbaijan; many are now convinced that the EU is ill-prepared to deal with a major crisis in the eastern neighborhood.

Polling data on attitudes towards the EU in Azerbaijan reveal that before 2008, more than 50 per cent of the population supported integration with the EU; recent polls put this figure at less than

30 per cent. Interestingly, in Georgia, public attitudes to NATO became more positive after the August war, and aspiration towards EU integration a bit decreased

In 2009, the EU added the South Caucasus countries to its “Eastern Partnership” initiative, which is based on a policy of “soft power”, and left “equal footing” for a “more and more principle”. However, this policy has seen little follow-up action, despite the European Parliament resolution of May 20, 2010 “on the need for an EU strategy for the South Caucasus,” which stressed that “frozen conflicts are an impediment to the economic and social development and hinder the improvement of the standard of living of the South Caucasus region, as well as the full development of the Eastern Partnership of the ENP [European Neighbourhood Policy]; whereas a peaceful resolution of the conflicts is essential for stability in the EU Neighbourhood.” Unfortunately, the countries of the South Caucasus are still waiting for significant steps towards the resolution of these conflicts. To further complicate things, the EU adopted a new resolution on January 20th of this year, the “EU Strategy in the Black Sea Region.” The issuance of two independent resolutions - one giving much-needed focus to the South Caucasus and one addressing the Black Sea area - by a single entity has wrought political confusion across the entire wider Black Sea region.

In this sense, we need more time to analyze all of the various components of the EU’s policy in this region. The saying, "Time does nothing" reminds us that we cannot wait for the time when EU will be ready to start implementing a common strategy towards region, or when regional countries will be ready to realize deep reforms. I would like to set out some opportunities/challenges:

1. First is the need active engagement in conflict resolution. The EU needs to adopt a “zero problems” strategy. Arguably, the “zero problems” policy in the case of Turkey has not been so successful, but in the case of EU, a successful policy needs to seek “zero problems between the South Caucasus countries”; I’m not saying “zero problems” with neighbors. For example, the EU’s Black Sea Strategy emphasizes the importance of resolving regional conflicts and describes the occupation of South Ossetia and Abkhazia as a real threat, but makes no mention of the Nagorno-Karabakh conflict. These disparities create uncertainty and diminish faith in the EU and its institutions.
2. Second is Strategic Dialogue. It would be beneficial to support “strategic dialogue” within the three south Caucasian countries. The EU’s civil society initiative is very important in the democratization process; a lot of people can and do demand more democratization measures from their respective governments. The EU should increase support for civil society in three South Caucasus countries by stepping up funding for NGOs, and by providing more educational exchanges and support programs.
3. Third, there needs to be a “single voice” in EU policy. For example, the appointment of the EUSR South Caucasus in 2003 was not that groundbreaking for the EU's role in conflict resolution. Throughout the years the EUSRs found themselves struggling to increase EU's relevance in conflict settlement efforts without significant backing from a number of key EU member states. On Abkhazia and South Ossetia the EU was so divided

between a group of EU member states that were unconditionally supportive of Georgia and 'hawkish' on Russia, and another group that sought to avoid tensions with Russia over Georgia that the EUSR did not have sufficient backing to pursue meaningful conflict resolution

4. Fourth, there needs to be a “crisis policy”, both for internal problems of the EU, as well as preventing further crises in the Caucasus. In the first case, the EU is experiencing grave financial problems and there is a crisis burning in Europe. But if this crisis distracts the EU from its commitments in the Caucasus, it will lose all of the leverage it has worked so hard to gain – and to the north, remember, Russia is ready to fill any “political vacuums” that may occur. In the Caucasus, the EU’s “conflict prevention” methods failed in the shadow of 2008 Russia-Georgia conflict. It’s not clear what would be the EU’s response in the event of a new “crisis, political and military, in the region.

To sum up, for a “Strategy” one should not need exactly a “strategy paper” – of which the EU has enough. For formulating a strategy, we don’t need repetition of policies - “the ENP and EaP overlap and repeat one another a great deal. Moreover, sometimes “equality” does not work. The EU tried to play a policy of equidistance between Armenia and Azerbaijan, but this meant that the it ended up having virtually no policy at all.

In the short term, for the EU the main challenge will be to mobilize EU public opinion and the EU member states behind collective EU foreign policy action towards S.Caucasus. And for the South Caucasus the main challenge will be to avoid regional security complications and focus on political, economic and social relations with the EU.

From my point of view, if we consider opportunities for the EU, then this saying is very applicable: “Change is not a destination, just as hope is not a strategy”.

Thank you.