

POLICY RECOMMENDATIONS

Study Group Regional Stability in the South Caucasus (RSSC SG)

“Does the European Union need a Strategy for the South Caucasus?”

27th RSSC SG Workshop
11 – 14 April 2024
Chişinău, Moldova

PfP Consortium of Defense
Academies and Security
Studies Institutes



Executive Summary of Recommendations

- **EU:** The EU should strive to align bilateral actions of member states to the overall EU actions, so as not to threaten credibility.
- **Western countries:** Binary logic should be avoided, and the regional countries should not be confronted with an “either-or” choice when it comes to foreign policy decisions.
- **Armenia, Azerbaijan (government and whole of society):** Support implementing cross-border projects to build confidence among populations. Governments should enable projects (diplomatic and legal provisions) while civil society actors should run the projects.

Situation Analysis

With Georgia being an official EU candidate since December 2023, Armenia voicing its interest in deepening relations with the EU and Azerbaijan being open for pragmatic relations short of further EU enlargement in the South Caucasus, future policy decisions taken in Brussels inimitably will not only manifest their effects in bilateral relations with the three South Caucasus republics but in the region. Moreover, facing grave doubts concerning U.S. normative leadership and the impact of its possible erosion on South Caucasus security, the Regional Stability in the South Caucasus Study Group explored whether the European Union needed to fill this gap in order to contain Russia in the region. The latter risk is especially potent when one considers the political polarization witnessed in the region, especially in Georgia.¹ Generally speaking, the academic literature establishes that the EU is an indispensable actor in the South Caucasus, however its security input in the region remains limited to soft initiatives. Such activities, worthy as they are, are deemed insufficient by our experts to forestall Russia’s aggressive inroads.

It is true that Russia has withdrawn its soldiers affected to the peacekeeping mission in Nagorno-Karabakh on an accelerated timetable. Moreover, the joint Russian-Turkish Monitoring Center has been dissolved too. This withdrawal could be seen in the context of Russia’s severe manpower and equipment shortages suffered in Ukraine, yet most probably Moscow was adapting to the shifting geopolitical realities in the South Caucasus since Azerbaijan’s restoration of its territorial integrity last fall. After all, Russian influence in Abkhazia has increased resulting in the redeployment of a number of ground and naval assets on the shores of the Black Sea, thereby strengthening its illegal presence in Georgia. Türkiye, in contrast, remains the most important strategic ally of Azerbaijan, allowing Baku to follow its multivector foreign policy. This begs the question as to whether the EU should not undertake a strategic review to address upcoming challenges in the South Caucasus.

This 27th RSSC SG workshop in Chişinău, Moldova, sought to evaluate the EU’s role in the South Caucasus integrative processes and its traditional soft power approach to the region. However, the findings present an external image from the region as no EU representa-

¹ This topic has been covered in the 26th RSSC SG workshop, held in Reichenau, Austria, in November 2023.



tives could join the workshop. The discussions entertained cast a bright light on the risks associated with failed promises of enlargement, and on the dangers lurking for South Caucasus countries wishing stronger integration with Euro-Atlantic structures during the enlargement transition period.

The workshop participants have been welcomed by Stanislav Secrieru, the defence and national security advisor to the President of Moldova. In his keynote address, he outlined how the war in neighbouring Ukraine strengthened ties between Moldova and the South Caucasus states, while straining the country's scarce security capabilities and economic infrastructure. He explained why Russian potential military advances towards Odessa and Tiraspol were perceived as existential threats for Moldova, and how they were striving to counter Russian full-scale hybrid warfare and to strengthen relevant institutions, policies, and capabilities.

EU Goals in the South Caucasus Region

Any discussion of a strategic role must start with questions of identity; what is the EU “strategically”? What aspirations does it have? How does the EU see the South Caucasus in relation to the preceding questions? From an outside perspective it seems that the EU has not fully considered these questions since the setting up of the External Action Service (EEAS) in 2011. As a result, the identity of the EU as a strategic actor remains dubious; is it a mediator or a *sui generis* geopolitical power broker? It cannot be both. Ambivalence about its role has been the result of “orbit” thinking, relinquishing the South Caucasus as a region in Russia’s sphere of influence. The EU, unable to be the exact antithesis of the Russian Federation, has failed to acknowledge that making sense of the region requires thinking trilaterally; the Armenia-Azerbaijan-Georgia triad is met by the Iran-Russia-Türkiye triad, and the EU bilateralism has had only a limited relevance in the region.

It is not surprising therefore that conflict management has been the new vector of engagement for the EU in the region. The Brussels format for Armenia-Azerbaijan peace process was supposed to be the most potent input in response to Russia’s attempt at disqualifying alternative powers from the region. However, it has been largely muted over the last months. Certain countries’ policies actually helped Russia in this endeavour. For instance, French and American reluctance in engaging with Azerbaijan plays in Russia’s hands. Yet, should there be greater engagement, an effective conflict management format could be a “middle road” based

on EU-South Caucasus energy interdependence. The EU’s energy policy at the very least could consider this overtone constructively in the context of perduring Russian sanctions.

Meanwhile, Russia may be actively seeking to establish new Cold War conditions which would give the strategic environment a semblance of recognizable stability. The Eurasian Economic Union is an indicator of this ambition. The EU should consider such complexes as fundamental to the task of establishing its own objectives and identifying impediments to its own ambitions. While it is common knowledge that Russia perceives the EU as NATO’s extended arm into the South Caucasus, Brussels has to find a way to mitigate not just Moscow’s concerns but also Baku’s perceptions of EU enlargement and of the EU Mission in Armenia (EUMA) as potentially curtailing its own security.

Reconciling European and Regional Integration

The increasing multipolarity of the strategic environment underscores the shifting geopolitical dynamics of the South Caucasus and its growing links with the Middle East, which complicates the EU computations about what it should and can do in the South Caucasus. Currently, the most pressing needs of the EU in the South Caucasus region seem to be: containing Russia, preserving the EU’s involvement, and enhancing its influence, while simultaneously improving regional trade as well as energy and connectivity cooperation.

In theory, the integration of adherent countries is mutually beneficial because it achieves a number of normative and geopolitical goals that are natural to the EU’s *raison-d’être* and which correspond to the adherent countries’ objectives. EU integration without a transition period is too much to hope for, but a shortened transition period would increase regional stability by sustaining the credibility of the collective West. The merely techno-bureaucratic approach to integration may no longer be viable under the current circumstances. On the NATO side, the Membership Action Plan acts as a general political tool which offers little in the sense of security guarantees and provides an opportunity to Russia to poison the wells. As a result, a security hinge to the process of enlargement must be included – without which the smooth sectoral alignment will remain out of reach. Enlargement of the EU (and NATO) is no longer just a normative project; it should be seen as a geopolitical move designed to also maintain the Euro-Atlantic powers’ predominance and contain Russia. Yet

this should not mean to value stabilitocracy over democracy, as it fuels the Balkanese fatigue: an enlargement process stuck in the limbo between proto-authoritarian governance and performative acts of reform. Hence, a geopolitical EU aiming to shape relations in the South Caucasus has to be able to use its economic leverages to enforce its norms.

EU's Evolving Policies and Tools: Perceptions and Expectations from the Eastern Neighbourhood

The EU excels at soft power solutions. The Eastern Partnership is one of those solutions which can be voluntarily – and productively – leveraged by individual states in the region. But until the EU develops a coherent policy which goes beyond the Eastern Partnership, it falls upon the countries in the region to propose solutions that spell regional integration – such as the Middle Corridor – to link the South Caucasus together and connect Europe with the Caspian Sea region.

The Eastern Partnership had been designed to foster a choice between the civilisationist “East” and the EU short of full integration. There is a sentiment circulating that this platform has outlived its usefulness or has not fulfilled its promises. To some, the Eastern Partnership is dead, overtaken by geopolitical and historical realities.

Ideally, the Eastern Partnership and like platforms should not only foster reform, but sustain the credibility of the collective West's commitment to an effective rules-based order which was established in the wake of the end of the Cold War. Nevertheless, managing expectations regarding the prospects of EU enlargement and being realistic about promoting EU values in the Eastern Neighbourhood are critical to maintaining the potential for a larger European role in the South Caucasus.

Others thought that regional economic integration is the main goal South Caucasus states should aim to. After all, if European integration is not deemed as a panacea for all the challenges facing those countries, each regional state may choose to follow its own path towards becoming more stable, more developed, and more secure. However, a critical question remains without a concrete response so far: how to move regional states beyond conflict?

South Caucasus Developing on its Terms

However, our talks have revealed particular complexes at work in the South Caucasus which give grounds to hopeful developments, and others which are cause for worry. In the first instance, the mainstream discussion has shown that regional integration in the South Caucasus is possible. Each country has different political

and economic interests, strategies, and policies, and harmonizing varying models of economic integration in the region is paramount. Many participants shared views hinting that there shouldn't necessarily be a choice for the regional countries between European and Eurasian integration. Instead, they should build their regional integration in ways which would be compatible with both, while allowing each of them to choose freely their levels of engagement and priorities on cooperation and integration with the EU and the EAEU, respectively.

In the second instance, things are less rosy. Contributors have linked the rise of illiberalism in their own countries to the absence of security during the lengthy transition period from adherent to member country (of the EU or NATO). As we have alluded to above, this provides an opportunity for Russia to pressure and split societies in the midst of painful transformations. An important factor to keep in mind is that without potent security guarantees while transforming, political parties may have to compromise and yield to Moscow's pressure. Therefore, the solidity of reforms in South Caucasus countries depends directly on political parties' ability to be relieved from that pressure. In turn, this relief can only be guaranteed by the significance of Western security support in the country.

Policy Recommendations

EU General Policies towards the South Caucasus and Its Countries

- **EU:** The EU should strive to align bilateral actions of member states to the overall EU actions, so as not to threaten credibility. Moreover, Brussels should assess how it sees the South Caucasus region – as an extension of integrated Europe (via the Black Sea paradigm) or as a potential backyard of Russia, Turkey and Iran.
- **EU and member states:** Improve strategic communications towards the region to reduce the impression of being biased. Establish educational programmes for civil servants and experts from the region to foster understanding of EU mechanisms and its limitations.
- **Armenia, Azerbaijan, Georgia (governments):** Refrain from mistaking norms-based critique with the wish to side in geopolitical conflicts.
- **Armenian/Azerbaijan governments:** Refrain from exploiting perceived EU ambivalence, EU missions (like the EUMA), and member state's actions in their strategic communications on EU's impartiality.

EU Enlargement and Integration

- **Western countries:** Binary logic should be avoided, and the regional countries should not be confronted with an “either-or” choice when it comes to foreign policy decisions.
- **EU:** Develop country-specific security components to cover for the lengthy EU/NATO enlargement transition period. This would discourage Russia from turning the South Caucasus into a new Ukraine.
- **EU:** A military component should accompany the process of integration. This may take the form of a permanent (or at least rotative) EU military mission to support security and defence reforms, military training, and such missions.
- **NATO:** Open door policy must include measures that discourage hostile actors from shutting that door, spoiling peace processes, or integration ambitions.

Armenian-Azerbaijani Peace Process

- **EU:** The EU should consider representatives from neutral countries respectively distant to the South Caucasus member states for leadership roles in the mediation process.
- **EU:** The EU should step up humanitarian assistance and could help to establish a Truth and Reconciliation Commission for the South Caucasus starting at community level.
- **EU:** The EU could offer to support the Armenian and Azerbaijani governments in defusing potential territorial claims in their respective legislature.
- **EU and member states:** Increase humanitarian assistance to the conflict affected populations in both Armenia and Azerbaijan. Elaborate flagship projects for confidence building along the border.
- **EU and member states:** Deploy a demining mission to Azerbaijan not only to improve relations between the EU and Azerbaijan, but to demonstrate good will after a decade of diplomatic neglect.
- **Armenia, Azerbaijan (governments):** The Armenian and Azerbaijan governments should avoid the expectation of reaching a comprehensive agreement on all issues before signing a peace treaty. This “all-or-nothing” approach risks prolonging the negotiation process and exacerbating tensions and instability in the region.

- **Azerbaijan (government and/or whole of society):** The Azerbaijan government and/or the whole of society could engage with EUMA on an informal basis as long as an official acceptance of the mission in Armenia is not a possibility (e.g. briefings for Azerbaijani experts and officials by Head of Mission in Tbilisi/neutral grounds).
- **Armenia, Azerbaijan (government and whole of society):** Support implementing cross-border projects to build confidence among populations. Governments should enable projects (diplomatic and legal provisions) while civil society actors should run the projects.
- **PfP-Consortium stakeholders, EU:** Increase PfP-like platforms in numbers and activities; increase the number of PfP-C workshops.



These policy recommendations reflect the findings of the 27th RSSC workshop on “Does the European Union need a Strategy for the South Caucasus?”, convened by the PfP Consortium Study Group “Regional Stability in the South Caucasus” in Chişinău, Moldova, 11-14 April 2024. They were prepared by Christoph Bilban (Austrian National Defence Academy, Vienna), Dr. Frederic Labarre (Royal Military College of Canada, Kingston) and by Dr. George Vlad Niculescu (European Geopolitical Forum, Brussels) on the basis of the proposals submitted by the participants. Valuable support in proofreading and page-setting came from Sara Milena Schachinger (Austrian National Defence Academy, Vienna).