

**The European Union and the South Caucasus:
Expectations and Challenges**

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The most of recent commentaries on the fate of the Eastern Partnership in Armenia, Azerbaijan, and Georgia are rather critical, non-enthusiastic or at best modest in tone. It is a strong contrast to not so distant past. The main reason for the not very satisfactory implementation of the program that according to the original plan should bring a decisive change in substance of the relationship of the EU with the South Caucasus is seen in the sharp worsening of general international relations due to the confrontation between Russia and the West. As a result of this we are observing the domination of geopolitical in nature rivalry especially in the post-Soviet area. The case of Ukraine is cited as the most vivid evidence of that. Indeed, the times when the EU labeled Russia a "strategic partner" are gone. The differences of opinion between members of the EU concern only the question of how long this state of affairs will last.

Keeping in mind the mentioned international context it is also useful to remember the certain features of the relationship between the EU and the states of the South Caucasus that were autonomous and too much extent independent of external influences. They are maybe not of decisive importance, however without them the whole picture is somehow blurred.

Glimpse into the past

The outbreaks of internal conflicts in Abkhazia and South Ossetia in Georgia and the war over Nagorno Karabakh between Armenia and Azerbaijan early in the 90's had a disastrous impact on the image of the region in Europe. Those countries were widely considered as sinking in the waves of the retrograde nationalism and unable to bring order at home. They were sometimes called "failed states." What was happening in the South Caucasus confirmed widespread fears in Europe that the collapse of the Soviet Union would create wide zone of instability and insecurity. Besides the South Caucasus (Moldova and Tajikistan may be added to the group also suffering from internal conflicts) these fears proved to be unfounded.

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Compared to the concern shared by European governments and public opinion on the wars in the Balkans in the beginning of the 1990's the conflicts in the South Caucasus were met with a large measure of indifference. The insignificant size of the territory of the Caucasian countries, distant location and limited knowledge about the region contributed to the situation. This contrasts with the OSCE and the Council of Europe which began to interact with these states as early as 1992. And they have contributed quite a lot to influence the security situation (OSCE) and to have a great impact on building state institutions and shaping political systems of Armenia, Azerbaijan, and Georgia (Council of Europe). The last task was not easy and at the end not fully successful. And it took time (Georgia became a member of the Council of Europe in April, 1999, Azerbaijan and Armenia in January, 2001).

Opinion about the region started to change after signing in 1994 by President of Azerbaijan Heydar Aliyev the "Contract of century" with eleven foreign, mainly Western oil companies. European states came to view the South Caucasus as an important, additional supplier of energy (Azerbaijan) and transit territory (Georgia). At the same time, during the second half of the 90's, in all three states the internal situation has improved. The stability was established. The EU began to be more active. European money started to be allocated by the EU in the South Caucasus – over a billion euro for the period 1991-2000, mainly under the TACIS programs. In June 1999, the Partnership and Cooperation Agreements (PSAs), which provided the legal framework to the provision of assistance, were signed with Armenia, Azerbaijan, and Georgia. But these moves were rather routine steps than a manifestation of any coherent long-term policy.

At the turn of the century the EU was preoccupied with the process of the unprecedented enlargement, finalizing the terms of acceptance of ten new members. Expecting the finale of the enlargement in March, 2003, the European Commission elaborated a policy document on the concept of Wider Europe. This concept referred to countries that were bordering on land and sea with the EU already enlarged (the formal date was May 1, 2004). At the East side they were Russia, Ukraine, Belarus, and Moldova; at the South – the countries of the Southern Mediterranean. The concept of Wider Europe provided general guides to new kind of relations with neighboring states. In this scheme the South Caucasus was absent. It was not an accidental omission but a result of discussion. In a footnote to the document it was stated that the South Caucasus because of its

geographical remoteness did not hold within the scope of the concept of Wider Europe. This was a very weak argument so the authors were quick to add that this was temporally, just "for the time being."

Probably differences in opinions on the sort of engagement in the South Caucasus produced at the end a decision to create a new post of the EU Special Representative for the South Caucasus. That was a proposal first made by the German government already in 2001. The first Special Representative Heikki Talvitie (2003-2006), an experienced diplomat from Finland, was appointed on July 7, 2003. His mandate referred to the necessity to foster inter-regional cooperation and support conflict settlement efforts but without direct involvement in mediation. He was keeping rather a low profile limiting his activity mainly to providing and receiving information. His successor Peter Semneby (2006-2011) was much more active, pursuing an imaginative policy mostly but not only in security spheres. But it seems that he had not always enjoyed strong and full support of the European Commission. It was already during the term of Talvitie that the Special Representative ceased to be the major instrument of the EU activities in the region as the European Neighborhood Policy (ENP), including this time the South Caucasus, was launched in 2004. From that moment Armenia, Azerbaijan, and Georgia have become a part of the long-term strategy by the EU and shared with the EU the final and ambitious aim to create a common "zone of prosperity and friendly neighborhood." And only after that event the EU has established fully-fledged delegations in all three countries.

The ENP was not the only policy towards neighbors. Apart there are policies towards EFTA/EEA countries (Iceland, Switzerland, Norway, Lichtenstein) that are not focused on membership but on close cooperation. There is enlargement policy towards Balkans and Turkey and there was a strategic partnership with Russia.

The fact that the EU moved to the South Caucasus after more than decade after the countries of the region have achieved independence have certain consequences. The most important one was absent of the EU during the transition period when the radical transformations have taken place in economic and social life. Those transformations created a base for consolidation of power of the new elites and brought stabilization. Except of Georgia, strengthening of the autocratic tendencies in Armenia and Azerbaijan were not conducive to continuation of reforms. In fact the governments of Armenia and Azerbaijan were interested in cooperation with the EU to achieve modernization of existing state institutions but not in structural

changes that could endanger existing system of monopolistic practices, corruption, and patron-client pattern of behavior. Even in case of Georgia after the Rose revolution during the early years of the M. Saakashvili presidency despite strong rhetorical emphasis on the country's European identity, integration with the EU was not a key priority. Many Georgian leaders were more interested in other models of Western economic development, neoliberal in nature. Membership in NATO was their main goal.

The EU and the problems of security

The process of enlargement in Europe produced certain "enlargement fatigue" but did not weaken the confidence of European politicians that the problems of security in Europe, as well as to some extent in other parts of the world, should be looked upon in a new way. Nationalism, sovereignty, and the traditional notion of the balance of power were thought as no longer relevant sources of security. The processes such as social and economic progress, empowerment of the citizens and first of all cooperative relations between all sorts of actors have become the structuring features of the international system in Europe. For many in the EU the enlargement was an evidence of effectiveness of such approach, and the most right way to achieve security. The EU started to be perceived by its members as providing security through social stability, economic prosperity, and the promotion of norms and values.

This approach explains why the representatives of the EU at early stages of interaction with the officials of the Caucasian states were so strongly advocating the need of all kinds of interaction and cooperation between governments and societies of Armenia, Azerbaijan, and Georgia. Such cooperation and contacts should create the basis for conflict resolution or at least produce a favorable atmosphere for negotiations. At one moment representatives of the EU contemplate even to make of such demand a rigid conditionality. But in the end of the day it was the EU that partially if not wholly abandon this approach coming often to the conclusion, never said openly, that the countries of the South Caucasus are not enough mature. Such strong emphasize on the inter-regional cooperation was based on the assumption that there are mighty unifying elements in the region. There was a tendency to underestimate the strength of differences and conflicting interests dividing the countries of the South Caucasus. There was also not much understanding that from the point of security the South Caucasus is strongly connected not only with Russia but also

with Turkey and Iran. At the same time the representatives of the EU often overestimated their power of persuasion.

The problem is that the South Caucasus states, being greatly interested in the involvement of the EU in security issues, were inclined to take traditional view of security. They look at the EU mostly from the balance of power angle. They believe that deepening of cooperation with the EU would strengthen their international position and even help to avoid the negative consequences of geopolitical rivalry between the United States and Russia. A resolution of the conflicts they are involved would be easier to achieve if each of them with the help of the EU could increase their bargaining position.

Despite the fact that the existence of unresolved conflicts has heavily negative impact on the development of all countries of the region, the EU during the first phase of its presence was hesitant or rather not ready to be active in those matters. In case of the Nagorno Karabakh conflict the EU is excluded from the negotiating process for good reasons. The chief mediators of the OSCE Minsk Group are representatives of three great powers – Russia, the United States, and France. Despite occasional and even sharp criticism, the position of this Group is strong and nobody seriously think about its replacement. In this situation the role of the EU could be only supportive or taking measures conducive to build confidence or changing the mood of public opinion in both countries in the direction favorable to achieve peace settlement. But the EU was not undertaking much of this type of initiatives.

There were no such constraints in Georgia. After the Rose revolution the new pro-Western authorities were seeking the greater EU involvement in conflict resolution in Abkhazia and the South Ossetia, which had fallen under supervision of the CIS and Russia. But the EU was rather reluctant to take active role and usually preferred to relay on and support the activities of other international organizations such as the UN and OSCE. It seems that the EU up to 2008 consciously was not even planning to engage in conflict resolution. Such position was a source of constant disappointment to many sectors of public opinion in all three countries of the South Caucasus. In fact this position was limiting the ability of the EU to exercise conditionality and therefore the achievement of the long-term goals set out by Brussels proved to be more difficult.

The eventful year of 2008

Indeed, this was the year full of mostly unexpected events directly or indirectly concerning the South Caucasus; the majority of the observers especially among the Westerners were inclined to rather underestimate their importance equally to the region and to the world.

The recognition in February, 2008, of the independence of Kosovo seems to be the first step of the West that provoked a fury in Moscow and threats that Russia would not feel constraint to use Kosovo's precedent in the future. But much more concern to Russia brought the NATO summit in Bucharest, held April 2-4. The members of this organization were engaged in a heated discussion over whether to grant Georgia and Ukraine access to NATO's Membership Action Plan (MAP), a program to help candidate countries to prepare for eventual membership. The debate at summit revealed the existence of strong divisions among the members on this matter. The United States were for granting MAP; among the countries supporting this position were Canada, the United Kingdom, and most of the Central and Eastern European countries (among this group the most energetic backers were Romania, Poland, and Lithuania). Voices against belonged among others to Germany, France, Belgium, the Netherlands, Greece, Luxemburg, Italy, Spain and Turkey. After dramatic negotiations the compromise was reached avoided granting MAP but instead made quite strong commitment to eventual membership for those two countries. Russia was not happy with the outcome. Its leadership noticed however the divide between the members. The fact that the MAP was not mentioned in the final document made wrong impression but quite wide spread that the aspirations of Ukraine and Georgia were not met. Soon after the conference in Bucharest there was another summit, this time bilateral, between the presidents of Russia and the US in Sochi. Though the results were close to nothing the meeting no doubt improved international climate.

Then suddenly to Europe and the rest of the world in August, 2008, Russian forces invaded Georgia. The surprise should not be great because there were clear signs of an escalation of tension for at least a year before the outbreak of the war. Probably the wishful thinking was dominating in European and American diplomatic circles that neither Russia nor Georgia would dare to start the war. The Russian – Georgian war lasted a mere five days. The Russian army immediately started to dominate the field, and the Georgian army proved to be not able to fight, and was even disintegrating. Russian forces were soon only a few hours' drive from Tbilisi.

In this difficult situation the EU response was quick and decisive. French President Nicolas Sarkozy holding the presidency of the EU was not wasting time and pressed for negotiation. The aims of French diplomats at that moment were to stop Russian army and to prevent the regime change in Georgia. They were successful but the South Ossetia and Abkhazia was the prize that Georgia should pay. The ceasefire has been achieved however it was difficult for Georgia to accept the terms.

On August 26, President Medvedev recognized Abkhazia and the South Ossetia as independent states. It was to humiliate Georgia but also the act of vengeance by the Russian diplomacy for Kosovo. What was worse Russia was not implementing the negotiated agreement. Only in the first half of September after the talks between the delegation of the EU and Russia the full agreement was reached. Of lasting importance was the deployment of a 200-member strong EU observer mission. It was thanks to its existence and activities that the border with the South Ossetia has become more or less free from all kinds of tensions and provocations. It is in fact the first and so far the last example of the EU direct response to security challenge in the South Caucasus.

It must be stressed that the EU and the West in general did not assess correctly the full meaning and the lessons of the war in Georgia. Too often the Western politicians considered this war as an aberration. The war was seen sometimes as a consequence of the emotional duel between President/Prime Minister Vladimir Putin and President Micheil Saakashvili. In fact, many European leaders were willing to give the President of Georgia a significant share of the blame to initiate the war. Only four heads of state from the EU showed Georgia unconditional solidarity visiting Tbilisi just before the ceasefire (presidents of Estonia, Lithuania, Poland, and prime minister of Latvia). To the relief of the European leaders the war had not immediately influenced relations between Russia and the EU. This contributed to the confirming of the view that the war rather something exceptional and not a prophesy of the future.

The reception of the war in the countries of the South Caucasus was different. The most significant in the societies of these states was the fact that Russia intervened military and showed its strength in defense of its interests, as well as the observation that Russia was the only great power ready at any moment to use force in the region. Superiority of Russian forces was admitted, as well as surprisingly the poor performance of the Georgian army and visible lack of

determination to fight. Russia's behavior was not considered in the countries of the region as something exceptional rather as something predictable and possible to be repeated in the future. No doubt, such assessment had long-lasting impact on the countries of the South Caucasus.

The year of 2008 was significant not only for reasons related to security and the war in Georgia. It was the year of fundamental change in the EU policy. This was the year of introduction of a new program.

The Eastern Partnership Initiative

The Eastern Partnership Initiative was introduced as a joint Polish-Swedish proposal in May, 2008, during the meeting of the EU's General Affairs and Foreign Relations Council. It was officially launched one year later in May 2009, in a document called Joint Declaration of the Prague Eastern Partnership Summit. Six countries were invited – Ukraine, Belarus, Moldova, Armenia, Azerbaijan, and Georgia. The key proposal was to negotiate on bilateral level (EU – partner state) the Association Agreement (AA) covering a wide spectrum of cooperation. Its final content would depend on the conclusion of a Deep and Comprehensive Free Trade Agreement (DCFTA).

It seems that the original purpose of the Initiative was to balance the importance of the plan for the Mediterranean Union (also in financial matters). The Initiative was also answering the often-heard demand to differentiate among the countries of the ENP. There was probably the special political aspect. By initiating the new program its supporters hoped to mobilize more members of the EU to engage in its implementation. It was not a secret that a part of the EU members was indifferent to the fate of the countries of the former Soviet Union. Some of them have doubts about the rationality to involve the EU in deep cooperation with the states that were considered to be within Russian sphere of influence.

There were doubts about the meaning and significance of the new program among the partner states. Why it was introduced? What was the relation of the new program with the old one? Under the ENP during three-four years the governments were elaborating the country's plans and were discussing the best ways of their implementation. Now they should concentrate on different tasks and engage in difficult negotiations having not so clear vision of the future. The entire process had become mostly a bureaucratic exercise involving official structures and leaving aside the civil society. The instruments that the

EU was applying were aimed at building institutional capacity and the socialization of political elites. They may be successful only in long run. But there is no guarantee that they would be. The Eastern Partnership was not fostering radical political change. It was not very successful in installing the EU values.

The EU has become an element of an internal political game. Some political forces that self-defined, as the EU's major allies are not necessary truly dedicated to the European model. The politicians both from government and opposition are using pro-European rhetoric often to cover their misdeeds or to legitimize internationally and internally their position. The access to European funds is also playing role.

In the South Caucasus the EU while emphasizing all the time the regional character of its policy in fact is focusing on countries individually. Georgia is making the greatest progress in achieving the Eastern Partnership objectives. It signed both the Association Agreement and the DCFTA. Already in the near future this country has the chance of being the main beneficiary of the relationship with the EU in the South Caucasus. Armenia has been the victim of the geopolitical struggle and preoccupied with problems of security had has to give up its Association Agreement. Despite the abrupt turn by becoming a member of the Eurasian Economic Union, the EU and Armenia started to negotiate a new agreement so far with the content unknown. Azerbaijan from the beginning was not interested in the Association Agreement. Its government proposed to have sort of "Strategic Dialogue" with the EU devoid of any conditionality.

The Eastern Partnership Initiative in relation to the South Caucasus has lost its regional character. It is a set of bilateral policies with different aims, different forms, and different substance. This is not a result of any decision taken by the EU but just a reflection of the political realities of the region, of the situation that is characterizing individually Armenia, Azerbaijan, and Georgia.