

A European Strategy for the Southern Caucasus

Towards identifying an agenda

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Identifying a Strategic Agenda

August 8 2008 marks a paradigm change in international relations. For the first time, Russia intervened militarily in its “near abroad”. The intervention can be generated by the following factors.

1. Since the Rose Revolution, 2003 Georgia developed an image as a democratic advance guard. By demonstrating its interest of joining the European Union and NATO, the Georgian government tried to emancipate its country from the influence of the Kremlin. So far, the European Union and NATO have not agreed to offer Georgia concrete prospects of membership. This decision has been based in part on “enlargement fatigue,” but also indicates deepening institutional integration, the unresolved ethno-territorial conflicts with Abkhazia and South Ossetia and the shortcomings of Georgia’s economic and political transition.
2. Georgia has been contributing to an alternative energy transport route safeguarding European energy supply by bypassing Russia. The Baku-Tbilisi-Ceyhan oil pipeline and Baku-Tbilisi-Erzurum gas pipeline – both of which go through Azerbaijan, Georgia and Turkey – bring Caspian Sea and Central Asian energy resources to global markets while bypassing both Russia and Iran. Geostrategic priorities were of the utmost importance in routing and building these parts of the European energy infrastructure.
3. The Georgian government has been in favour of quick solutions for the conflicts with Abkhazia and South Ossetia, while the attempts to overcome the legacy of Stalin’s nationalities policies based on bottom-up cooperation and understanding were very limited.

The five-day war between Russia and Georgia has caused a long list of unsolved problems and opened new strategic requirements. It would be too early and superficial to offer tailor-made strategic answers right now. Nevertheless, it is definitely time to open a debate about identifying actors, issues and the agenda involved.

I. Georgia and beyond: consequences of the five-day war for the Southern Caucasus

Since the five-day war the freedom of the media has declined. There are plenty of questions which are still disputable, and to a certain extent have become an issue of propaganda in both Georgia and Russia. It remains foggy what impact Russia and Georgia had on the violent escalation of the conflict. The same applies to the number of victims, IDPs and economic losses. Georgian citizens did not have access to Russian media and websites. At the same time, the official Georgian position is dominated by the theme “Stop Russia,” which is present as a logo on billboards on the roadsides, public buses and on TV. On 25 August the Saakashvili government, supported by the Orthodox Church, organized the biggest public gathering in the history of Georgia

The war
threatens
media freedom

bringing more than 300,000 people on the streets under the slogan “Stop Russia”. Overall, clarification of the background and consequences of the conflict has been dominated by solidarity against external harassment.

Even without clear-cut information about the consequences of the war, there is no doubt that that war caused widespread human losses, infrastructure damages, economic losses, injured key parts of the economy – including the image of becoming a “Switzerland” of the Southern Caucasus attracting international investors, the banking sector and the building industry. For the time being at least, Georgia has lost Abkhazia and South Ossetia. Overall, public opinion is dominated by phenomena of a post-war society.

Far-reaching losses

Since November 2007, when president Saakashvili forcibly put down a public protest, his reform agenda has become unclear and criticism against him has been increasing. Both tendencies have been growing in the period after the war. Instead of aspiring to western values and cooperation, the current priorities are concentrated on avoiding the worst and developing survival strategies. Proactive strategies have been decreasing. The withdrawal of the Russian army also opens room for civil unrest and criticism against the government. So far Saakashvili has answered with a two-pronged approach: the “Stop Russia” campaign” and nominating a new cabinet on October 29, which is, however, more of a cosmetic change. The democratic opposition has been trying to come up with several reform proposals asking for early parliamentary and presidential elections, and strengthening parliamentarianism in Georgia. So far the opposition has been either weak or not spoken with a single voice. New expectations have been raised by the announcement of Nino Burjanadze, the former speaker of the Georgian parliament, that she will create a “clear-cut opposition party,” Democratic Movement-United Georgia. The country’s transition is losing momentum by not offering a clear concept of movement towards a western democracy and market economy, while becoming another example of a country just muddling through. This is, to a certain amount, a normal phenomenon for transition countries, which can be overcome. But to do this, society has to see a light at the end of the tunnel. The international support for stabilization and growth offered by the donors’ conference should be connected to the progress of democratic reform. In any case, assistance should be dedicated to support the state and non-state actors.

Intentions of the “Stop Russia” campaign

The future development of Georgia, as well as the Southern Caucasus in general, depends on the ability to implement democratic standards, procedures, institutions and decision-making in the government but also in society. The amount of democracy will determine Georgia’s attractiveness as a partner for European and transatlantic cooperation. Furthermore, Georgia should also represent itself to the societies in the

two unrecognized territories, in Abkhazia and South Ossetia, as a showcase for western democratic standards and prosperity. To do this, Georgia would be well advised to open communication and contact channels with the two related societies. The relations between the Federal Republic of Germany and the democratic opposition in the former German Democratic Republic should also be highlighted as an example of how to contribute to democratic regime change through cooperation and opening channels of contacts.

A precondition for strengthening democracy in Georgia is to overcome the legacies of the recent past caused by the five-day war. Without clarifying the causes and consequences of the war, Georgian society will hardly contribute to responsible democratic development, international cooperation and sustainable conflict settlement. The task would be to overcome easy concepts of the enemy and move towards differentiation and reconciliation.

Strengthening democracy as a key condition

Georgia's contribution to a European Strategy for the Southern Caucasus:

- 1) Reconciliation of the five-day war.**
- 2) A clear-cut reform agenda towards democracy and a market economy.**
- 3) Financial assistance has to be transparent and depend on progress of transition.**
- 4) Offering contact channels with the unrecognized territories.**
- 5) Cooperation with Western partners on all possible levels.**

II. Russia's reliability as a partner

With its intervention in the Southern Caucasus, the Kremlin has been demonstrating a new image of Russia on the domestic as well as on the international scene. President Medvedev illustrated that his policy is not dedicated to modernizing the country basing on western cooperation, as was expected directly after his inauguration. In contrast to former expectations the priority so far has been continuing Putin's approach of a "Sovereign Democracy," a strong state and influencing foreign relations, in particular the "near abroad," based on energy dependence, energy transit and ethnic minorities. Overall Russia's behaviour in the Southern Caucasus went even beyond Putin's rhetoric's towards making an example out of Georgia with military intervention against a country which has been the strategic outpost of the West in the Caucasus. That was also perceived as a signal to the more pro-Russian states Armenia

Medvedev, a new wolf in sheep's clothing

and Azerbaijan.

It became quite clear that Russia is still the major player in the Southern Caucasus controlling Western orientation, cooperation and energy supply and transport. This signal has to be considered in European strategies to shape Eastern policy such as the Eastern Partnership, the ENP action plans, Black Sea Strategies and the Partnership and Cooperation agreement between the European Union and Russia. Contrary to the former assumption, Russia and the European Union differ in shaping the overlapping integration space between Russia and the West. The strategic difference between the “European Neighbourhood” and the “Near Abroad” has been growing. Even on occasions when Russia is needed as a partner, as for safeguarding the European energy supply and controlling territorial conflicts, one has to be careful about differentiation between Russian and European interests. The Caucasus conflict generates pressure on European discussion makers to elaborate and implement a Russian strategy that can overcome the gap between common values and different interests, speaking with a single voice and elaborating a European energy strategy. It would be narrow-minded and even dangerous to ignore Russia, but at the same time cooperation with Russia requires a European strategy that is also anchored into the transatlantic partnership. The development of Moldova and Ukraine, ENP countries that also depend on Russia (because of ethno-territorial conflicts in Transdnistria and Crimea, energy and pipelines) and at the same time aspire to greater cooperation with the West has to be observed with particular attention to avoid further escalation of the war in the Southern Caucasus.

Differing
between near
abroad and
European
Neighbourhood

The European Union should create a trilateral institutional framework, bringing together the ENP countries, Russia and the EU institutions. Furthermore Russia’s membership in the Council of Europe and the OSCE should be used as platforms for democratic dialogue.

Engaging
Russia

Russia as an constructive part of a European Strategy for the Western Caucasus requires:

- 6) Managing the gap between joint interests and differing values.**
- 7) Speaking with a single European voice with Russia.**
- 8) Implementing a European energy strategy.**

III. Europe as an actor, lagging behind its potential

The military conflict between Russia and Georgia has been a challenge for the European institutions as well as for the European capitals as test case for European crisis management and European Eastern policy.

Beyond declarations, the most remarkable initiative was French President's success in negotiating the six-point plan between Russia and Georgia, which achieved ceasefire. Although it was an important breakthrough the plan includes shortcomings that led to vagueness and contradictions. Among other problems, thousands of internally displaced persons from the buffer zone between Georgia and South Ossetia were left in limbo because of differences about the contents of the ceasefire. The shortcomings of the six-point plan are demonstrated in the IDPs' need to escape all kinds of violence.

A test case for Europe

Beyond many positive examples of European activities, but also shortcomings and contradictions, the Caucasus conflict shows where European action is needed and what the requirements are for an effective European strategy for the Southern Caucasus.

First, the existing big-bang strategies of the European Union as enlargement do not apply for the Southern Caucasus in its current state of development. To date, the Southern Caucasus is part of the European neighbourhood policy. The biggest advantage of this approach is that it gets the issue onto European decision-makers' desks, but at the same time the ENP is lagging behind the expectations of these participating states, like Georgia, that are interested in actually joining the European Union. The ENP is neither offering a conditionality approach nor fulfilling the expectations of the people who would press reform further. The ENP also has a wide geographic scope, combining the Eastern and Mediterranean neighbours. This strategic shortcoming, in combination with the interests of some member states, has led to a steady stream of proposals to develop the ENP further. To date, the strategies have some aspects in common: they include prospects of membership depending on further progress of transition, and they concentrate either on the eastern or on the southern wing of ENP. In this regard, the French-driven initiative of a Mediterranean Union became an EU approach, and currently the Polish-Swedish project of an Eastern Partnership is entering into the EU policies. Driven by an old and a new EU member state, the Eastern Partnership opens new options of alliance building for European Eastern policy. So far the content of the Eastern Partnership does not reach much further than the existing approach. The real test case will be bringing Russia into an inclusive format. Based on these experiences, the geographic reach of the ENP can only be reduced by concentrating on the countries directly bordering the European Union that are currently undertaking a transition dedicated to European values. Implementing this goal would not mean annulling the ENP but rather a

Shortcomings of the ENP

regional differentiation between Mediterranean and Eastern Europe including the Southern Caucasus, putting the focus on the latter.

A European strategy for the Southern Caucasus should not be concentrated exclusively on Georgia but has to consider Armenia and Azerbaijan as well. The five-day war was a litmus test for the international orientation of the two countries. By not recognizing Abkhazian and South Ossetia's independence both governments did not follow the Kremlin's position but rather demonstrated their national interest. In this regard the Nagorny-Karabakh conflict is of crucial importance and offers Russia also a potential point of attack. Armenia and Azerbaijan are also important players in safeguarding alternative supply of goods and energy.

A Caucasus inclusive approach

In the aftermath of the Russian-Georgian war, the frozen relations between Turkey and Armenia demonstrated a signal of reconciliation reflected in "football diplomacy." Turkish President Abdullah Gül and Foreign Minister Ali Babacan joined Armenian President Serge Sarkisian and Foreign Minister Edvard Nalbandian watched the two nations' World Cup qualifying match in the Armenian capital of Yerevan in September 2008. The face-to-face meeting was the first ever since Armenia became an independent state in 1991. Improving Turkish-Armenian relations would decrease Armenia's dependence on Russia and also open a window to Europe.

Football diplomacy, a breakthrough in Turkish-Armenian relations

The uniting factors of the Southern Caucasus are redefining the foreign policy position towards Russian on the one hand and the West on the other, managing transition, energy supply, and pipelines that bring oil and gas from Azerbaijan and Central Asia to global markets. Beyond the uniting factors, the lack of regional cooperation is caused by ethno-territorial conflicts, missing transport connections and limited social interdependence. Nevertheless the Georgian war opened new options for creating an inclusive concept of the Southern Caucasus. The recent meeting of the Armenian and Georgian presidents is one example of enhanced cooperation. Furthermore, the Georgian conflict also demonstrated that the countries need each other to guarantee supply corridors for goods, and in the worst case also as an exit corridor for refugees.

The potential for regional cooperation, for instance cooperation in the Black Sea, to create stability and security is not fully used. Facilitating free movement of peoples, decreasing trade barriers and creating common institutions oriented toward European integration could be sustainable contributions to regional wellbeing. Regional cooperation might also be a future approach to overcome the dividing lines between Georgia and the two unrecognized territories.

As long as EU membership is not a realistic option, integration has to be supported by other mechanisms. The neighbouring countries and the European Union should use the expiring Partnership and Cooperation

Agreements (PCA) to redefine bilateral relations. By signing an enhanced agreement Ukraine might work as a test case for negotiating a PCA between the European Union and three countries of the Southern Caucasus. Considering the five-day war, the PCAs have to change from their former blueprint approach by considering the national interests and related European challenges, and expressing long term commitments of bilateral cooperation.

Overcoming the strategic gap should include a debate about the future of Europe. As long as the European Union cannot overcome its fatigue concerning integration and enlargement, the toolbox that the EU can offer its neighbours will be reduced to “neighbours of Europe”, guided by cooperation, and not a “European neighbours” approach, targeted at integration.

From
Neighbours of
Europe
To European
Neighbours

The paradigm changes since 2004 caused by Russia, the Colour Revolution countries and the crises of European integration have created a new strategic environment, one also marked by an American foreign policy that has shifted attention and resources from Europe to the Middle East. The common U.S.-European grand strategy is lagging behind the new challenges on the nearest European periphery. The EU should build linkage with NATO to continue the mapping of Europe with the transatlantic partners, successfully initiated at the beginning of the 1990s in the Baltic States and Central Europe by offering membership. NATO’s Bucharest summit in April 2008 demonstrated some fractures in the alliance. Members should also revise the instruments such as MAP to guide the new EU and NATO member states according to the requirements of the 2004 paradigm change.

NATO, MAP
and beyond

The agenda of a European Strategy for the Western Caucasus should include:

- 9) **Thinking beyond the existing strategic framework.**
- 10) **Using the upcoming negotiations of a new PCA.**
- 11) **An inclusive approach for the Southern Caucasus.**
- 12) **Connecting European and American strategies**