



Study Group Information



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## **De-conflicting Protracted Conflicts in the South Caucasus: The Role of the EU and NATO**

**6<sup>th</sup> Workshop of the Study Group  
“Regional Stability in the South Caucasus”**

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## Foreword

After a hiatus of several years, the Study Group Regional Stability in the South Caucasus was re-launched by the PfP Consortium and the Austrian Ministry of Defence and Sports in June 2011. Building on previous iterations of the RSSC Study Group, it held its 6th workshop at Reichenau, Austria, on November 8-11 2012. The format of the workshop was based on the successful Study Group Regional Stability in South East Europe (RSSEE), and its thematic concept aims at gradually bringing parties from the region to discuss and form policy recommendations on security issues and conflict resolution ideas starting from a high-level strategic outlook towards resolving particular issues of tension.

To this end, the Study Groups in the PfP Consortium provide an apolitical forum in which to discuss the most sensitive matters in a free and informed manner. The objective is to build mutual trust in small groups of people of different backgrounds. The objective of the RSSC Study Group is to help the academic and policy-making elite of Armenia, Azerbaijan and Georgia to build mutual trust among themselves and with other regional stakeholders, such as with participants from Russia and Turkey. The task of the Study Group is to have its members, led by the co-chairman, to identify areas of common interest pertaining to the security of the whole region and lead the workshop participants to develop pertinent and actionable security policy recommendations. One of the medium-term objectives is to lead academics and policy makers to treat the region as a single strategic entity.

Armenia, Azerbaijan and Georgia each have their integration agendas, but the RSSC Study Group seeks to promote the value of regional integration as well. This process helps to achieve the critical long-term goal of altering conflict narratives in the region towards more constructive exchanges.

In the workshop, panellists from all three South Caucasus countries were invited to present their thoughts on five key questions:

- 1) How can the EU (and/or NATO) engage the region without triggering a pushback from Russia?
- 2) What are the possible consequences if the EU and NATO decrease their engagement in the South Caucasus?
- 3) What are the objective factors impeding social, political and economic development in the South Caucasus? What are the consequences for stability and security in the region?
- 4) Based on 3) above, is there a need for an “energy security convention” or a renewed commitment to regional disarmament along the lines of the CFE Treaty, or in a more general way: should there be more room for regional cooperation?
- 5) What conditions of external pressures (push) and internal lure (pull) can incentivize or deter constructive change in the South Caucasus?

These five questions were examined through a three-panel structure which allowed for greater precision when developing policy recommendations. Breaking a cycle of conflict and mistrust two decades in the making will not be easy, but we have been fortunate to receive expression of interest from all three South Caucasus countries, along with Russia and Turkey. This settles a key quantitative measure of success.

What follows are the speaking notes of the panellists who were invited to present in Reichenau, followed by Policy Recommendations. They represent the qualitative measure of success of our 6<sup>th</sup> RSSC SG workshop. The Policy Recommendations that follow have been taken on to conceive future workshops. This was made possible as much by the participants themselves as the organizers, sponsors and co-chair, and we are grateful for their contribution, and our gratefulness is expressed through this Study Group Information.

Some of the preceding texts argue that nothing much can be done about the conflicts in the region. This opinion is mostly directed at the seemingly intractable conflict between Armenia and Azerbaijan over Nagorno Karabakh. There two things to be said about the *status quo* in that conflict, in relation to the EU and NATO, and, in general, to the international community.

First, the *status quo* should be seen as intolerable to both organizations and more should be done to develop incentives to resolve tensions there. These incentives should motivate belligerents by proposing material rewards for cooperation. At present, such rewards cannot be obtained from within the region.

The *status quo* is intolerable because as long as the conflict between Armenia and Azerbaijan endures and remains frozen, the more the “idea” of a *de facto* independent Nagorno Karabakh becomes attractive in law. To the EU and NATO, which do not cease to repeat that territorial integrity should be respected in the spirit and letter of the 1975 Helsinki Final Act, this cancels the premise that the case of the independence of Kosovo should be seen *sui generis*, not to be applied to other contexts.

Suzanne Lalonde shows that the principle buttressing post-Cold War independence claims has been found in the principle of *uti possidetis*, a principle with a life of its own. Although it is legally inapplicable to the South Caucasus conflicts, international law breeds by precedent, and no matter what the international community says, the tendency is for Karabakh Armenians (and why not Abkhaz and Ossetians in the case of Georgia) to say “why not us?” And so the international community has an interest in preventing further fragmentation internationally and regionally. The reason is simple, and has been provided by Pierre Jolicœur; if secession is to be defined as successful because it brings post-separation stability, then it is a solution which has a very poor track record, unless both parties agree mutually to a separation. So far, this has taken place in a very few cases, and the most celebrated has been that of Czechoslovakia in 1992.

At the very least, the objective of the EU and NATO should be to promote the conditions for this mutuality. So far, however, the actions of the international community have only achieved such a result as to promote the *status quo* in the region. Armenia has an interest in keeping the conflict frozen because it increases the chances of an independent Karabakh. At the same time, a frozen conflict gives time to Azerbaijan to generate the armed forces that can buttress its negotiating position vis-à-vis Armenia.

Having sensed this, Armenia tries to keep up with Azerbaijani defence spending at great cost to the ordinary Armenian's welfare and social development. The asymmetry between the two contenders is balanced by Russia's presence on Armenia's side, and this represents an additional burden for her.

The second thing that can be said about the *status quo* is that it is in fact an expression of the Armenian and Azerbaijani public's fatigue with the conflict. In other words, neither the governments of Armenia or Azerbaijan are willing to visit additional hardships on their population by unthawing the conflict and resort to a shooting war. Lately, the skirmishing that has taken place along the Nagorno Karabakh trench lines has increased, but has not negatively unfrozen the conflict. That is the good news.

This means that the efforts at confidence-building could be more propitious if applied at the grass-roots level as opposed to official levels, even if the existing channels through the Minsk Group should remain open, despite their lack of results. Indeed, participants were keen to promote Armenian-Azerbaijani contacts at the level of constituents and civil society, but also *within* each society (Armenian-to-Armenian and Azerbaijani-to-Azerbaijani). The objective would be to bring greater awareness and understanding of the other's conditions, and the real causes of conflict.

If one were to promote Boris Kuznetsov's idea of a "Commission on Difficult Issues" towards Armenia and Azerbaijan, improving the mutual perception of each belligerent would have to be a key objective. In this

last sense, the preservation of the *status quo* provides room for dialogue. But dialogue can only take place if there is a perception of equality which is not merely military in nature. There needs to be the assurance that on the other side of the table, there is an individual of equal rights and who has legitimate interests, feelings and hope for a better tomorrow.

For the whole region, conflicts seem to be driven by two key intangibles; an idea of sovereignty made antiquated by new conditions of integration, and leaders' personalities. First, the idea of sovereignty, which has been too long associated with control over territory, finds little meaning if the political ambitions of countries is to access the EU or NATO, or any other multilateral body where legal norms define state behaviour. This "modernist" notion of sovereignty (to take Robert Cooper's definition in his *Breaking of Nations* book) continues to inform policy and to guide action in the South Caucasus. The attachment to sovereignty should be less strong if a country is to submit to the legal constraints of a multilateral regime. One of the solutions should be to bring greater emphasis to the fact that obtaining membership to multilateral institutions brings less national freedom, and therefore, it matters little whether a particular piece of territory is effectively controlled or not, since it will end up in a wider geo- and economic-political framework eventually.

Second, the endurance of this antiquated vision of sovereignty is also driven by the egos of the political elite. This socio-psychological complex must be surpassed, and the only way to surpass it is to help each leader develop greater returns from resolving the conflict than for continuing it. Furthermore, the leaders must be seen to be the owners of the solution.

However, international life is not lived in isolation, and because ego trumps material gains, the idea of a "win-win" result, where zero-sum outcomes are substituted by solutions that improve the greater regional good, is premature. This observation may be less true in the case of Georgia vis-à-vis Russia, where the new government has recently greater openness than that of Mr. Saakashvili. However, we do not know yet whether this openness will be replicated in the case of the two break-

away regions of Georgia, and will be answered positively by the authorities in Sukhumi and Tskhinvali.

Indeed, leaders will need to show that they will have prevailed over the “adversary.” This factor is so evident as to make any attempt at resolution apparently fruitless. The international community must therefore provide the *material incentives* to resolve the conflict, and help the sides articulate the outcome in positive sum gains towards their respective constituents (and diasporas). Breaking out of two decades of bitter conflict will depend on the leaders’ ability to demonstrate tangible improvements in the public good, and initially, at least, this improvement can only be provided by the international community, and more specifically by the EU.

The case of Georgia vis-à-vis Russia, as we have seen, seems more promising. We must lament the occurrence of the a 20<sup>th</sup> century conflict in the 21<sup>st</sup> century, but we must realise that it has been decisive in bringing the two sides at the negotiating table, under the auspices of a process led by major “Western” powers. As Boris Kuznetsov has said, both Russia and Georgia are to blame for the eruption of the first conventional war in the 21<sup>st</sup> century. But other participants were adamant that other actors also had a share of (indirect) blame, namely NATO and the EU, by sending conflicting messages.

International diplomacy must only promise what it can deliver if it is to remain credible. The current malaise affecting the UN and the OSCE, for example, can be traced back to their inability to make effective commitments. On the other hand, the perception of their good intention borne by the erstwhile recipients of the international organizations’ favours can also be blamed.

It is Georgia that has convinced itself that it would become a NATO member in short order. Alliance members have made no concrete promise of the sort. The assurance that Georgia would “one day be a member” was tempered by the fact that there was no definition of the quality of that membership, and by the statement that only NATO members will decide who gets to join. A realistic outlook would have helped Georgian

decision makers that this last statement was directed at Georgia as much as at Russia. Such are the hazards of Alliance politics. In a sense, the 2008 August War serves as a stark reminder to NATO that clarity of expression brings greater credibility, and that ambiguity brings distrust, and, ultimately, fragmentation of effort, if not of commitment. The same critique can be applied to the EU, whose Eastern Partnership Initiative has been seen as lacklustre in the region.

The process of conflict resolution in the South Caucasus cannot avoid identifying Russia and Turkey as critical partners of the EU and NATO. The South Caucasus countries would rather not have to deal with such great powers in their regional disputes, but the wider framework of regional security actually demands their inclusion.

Russia is a prime mover of energy resources towards the EU, and a country with which NATO is actively seeking better relations. Its interests must be factored in. Turkey, for its part, has been NATO's most important ally and an important EU partner – despite its EU membership snub – because of its geostrategic location. Turkey has front row seats to all the major conflicts of the last decade; whether it be the war on terror, the 2003 Iraq war, the Syrian civil war, and Iran, not to mention its own troubles with separatist Kurds.

As we have seen lately, Turkey will remain an essential interlocutor with regards to the Arab Spring developments, now in their second successive summers, falls, and now winters, as well as with the looming confrontation with Iran over her nuclear ambitions and intractable leadership. NATO and EU members will only show resolve in these crises with the benefit of international consensus, which will not obtain without Turkish and Russian assent.

Without suggesting that a “deal” might be struck between these two countries and the international community at the detriment of the South Caucasus countries, it bears reminding that realism, as an operating disposition of international affairs, is a matter of great powers, not medium or soft powers.

This adds greater credence to the need for Armenia, Azerbaijan and Georgia to find the common ground to pool their political resources and impose themselves *collectively* as an international actor to be reckoned with. Although we have seen that energy extraction and transport was *not* a driver of instability, it remains nonetheless a source of interest for the region. The same can be said for the region's position relative to the conflict with Iran, and perhaps Syria, especially now that Russia has acknowledged the moral and political bankruptcy of the latter's regime, and is now siding with major Western actors on the issue of intervention. We conclude that the South Caucasus must harmonize its relations with the international community if it is to break out of the cycle of conflict, but it must first normalize relations within the region.

The solutions proposed in this workshop have focused on soft-security measures; on building better relations from the ground up (as opposed from the top down, i.e. relying on political elites), by putting emphasis on cultural, educational and commercial exchanges. It will be the task of future workshops to explore this avenue further. For now, the RSSC SG has been blessed by the profound thought from participants representing every South Caucasus country, plus a generous participation from Russian and Turkish panellists.

*Ernst M. Felberbauer*  
*Frederic Labarre*

## **Reconnecting with the South Caucasus**

*Heidemaria Gürer*

You have been convened here because of your expertise on the South Caucasus, and on the themes related to the grave challenges that this region faces. I rejoice at seeing that all the countries of the region are represented here today, and I thank every one of you for taking the time off your busy schedule to come here. The objective of the Regional Stability in the South Caucasus Study Group is to develop and establish a critical mass of experts and policy-makers, as well as future policy-makers, whose deep knowledge of the region's challenges will help the Austrian Ministry of European and International Affairs, as well as the Ministry of Defence and Sports formulate policy towards the region.

Thanks to Austria's extensive political networks and membership in the EU and PFP, the conclusions of this workshop have a strong likelihood of finding resonance in higher spheres of international relations.

By definition, the process whereby we reach our conclusions this weekend is iterative and inclusive. It is iterative because we come here with no pre-conceived ideas, no ready-made solutions to impose. It is inclusive because to reach balanced solutions, we need balanced representation, and discussions that take place in a spirit of constructive creativity and openness.

I know that two decades of conflict have created tensions, and that in some cases, tensions are being keenly felt. To rise above these tensions requires courage, of which we are all endowed here. So let me say that the fortitude that is demonstrated by your presence is a step in the right direction, and I am thankful for it. To continue on this path, I believe that it is vital that we consider the value of each other's positions based on its own merits. No one person here is responsible in whole or in part

to the problems of the South Caucasus, but all of us here are responsible in providing at least part of the solution.

Our deliberations must be aimed at discovering the solutions when possible, or creating them anew when necessary.

Let me refer to the main questions that should frame our panels:

- How can the EU or NATO engage in the region without affecting relations with Russia?
- What consequences for EU or NATO disengagement in the South Caucasus?
- What are the objective factors impeding social, political and economic development?
- Can a regional trade regime bring forth greater stability, especially in the energy domain?
- What are the incentives and deterrents to regional stability?

We will be looking for your input and feedback whether it comes from within the region, or from without.

The ultimate goal is building stability through a common understanding of the challenges of the South Caucasus, and ideas on confidence-building measures. I truly hope that we will be able to take significant steps in that direction at least among ourselves.

I am certain that the accommodation and facilities put at your disposal by the PfP Consortium and the Austrian government will help us in our task.

I would now like to yield to Professor Annie Jafalian, of the Université Jean-Moulin in Lyon, France, where she is a member of the Law Faculty, in charge of lecturing and research. She specialises in conflict studies in the South Caucasus, and on energy security. The latest book that she has edited “Reassessing Security in the South Caucasus” has been published at Ashgate in 2011.

# **EU and NATO Relations with the South Caucasus: Toward a Decade of Pragmatic Realignments?**

*Annie Jafalian*

Since the collapse of the Soviet Union, EU and NATO relations with the South Caucasus have gone through different periods, which could be divided into three main stages. After a period of gradual opening up to the world, the South Caucasus has gained substantial visibility in the eyes of EU and NATO decision-makers. This was particularly exemplified by the creation, in the 2000s, of “special representatives” for the region in both organizations, thereby expressing readiness for growing relations with the three regional states, i.e. Armenia, Azerbaijan, and Georgia. But twenty years after the establishment of first cooperation frameworks, relations on both sides have also reached a certain degree of maturity. There are currently some signs that partners are entering into an era of pragmatic realignments, clarifying their positions and commitments as a consequence of the latest regional developments.

## **The 1990s: The Decade of Mutual Discovery**

Starting from the early 1990s, the first period could be called the decade of mutual discovery, when broad cooperation frameworks were established to promote economic, political and military reforms in the South Caucasus. In December 1991, the EU started providing Technical Assistance to the Commonwealth of Independent States (TACIS) in order to support the transition to democracy and market economy. A few years later, in 1996, it strengthened its involvement in favour of stability and prosperity in the region through the conclusion of Partnership and Cooperation Agreements (PCA) that entered into force in 1999 for a ten-year

period.<sup>1</sup> As for NATO, it launched in 1994 its Partnership for Peace (PfP) program, aimed at increasing stability and security through cooperation in the defence sector between the Allied members and the former members of the Warsaw Pact.

However, European and Euro-Atlantic institutions were rather reluctant to deeply engage in the South Caucasus, and even less in the settlement of regional conflicts. The area was then clearly perceived as a conflict-ridden but also small and remote zone, which hardly aroused the interests of Western countries and was regarded by Russia as its traditional sphere of influence. Even in the context of military conflicts and political instability in the South Caucasus, the EU and NATO were more concerned about and committed in the Balkans at the time. So they kept, during the 1990s, quite a low profile in the region.<sup>2</sup>

### **The 2000s: The Decade of Growing Institutional Involvement**

The second stage, covering the years 2000s, could be qualified as the decade of intensified institutional engagement of the EU and NATO in the South Caucasus. Over this period, the area has officially turned into a region of strategic importance, especially after September 11<sup>th</sup> and the international fight against terrorism. For the EU, this *rapprochement* has also been fostered by the 2004-2007 enlargements eastwards, which brought the Caucasus much closer to Europe, and even created a common border with the region through the Black Sea. It has been boosted by “the Georgian factor” too, i.e. Georgia’s official priority objective,

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<sup>1</sup> From 1991 to 2005, EC assistance to Armenia thus amounted to €380 million; assistance to Azerbaijan equaled €400 million while the one provided to Georgia reached €500 million, cf. ENPI, Armenia/Azerbaijan/Georgia, Country Strategy Papers 2007-2013.

<sup>2</sup> In others words, the regional context “served to temper the Alliance’s willingness to quickly get engaged in the region and pursue closer relations”, cf. *Regional Security in the South Caucasus: the Role of NATO*, Central Asia-Caucasus Institute, Washington, 2004, p. 66. For some comments on EU hesitations at the time, see Uwe Halbach, “The European Union in the South Caucasus: Story of a Hesitant Approximation”, in *The South Caucasus, 20 Years of Independence*, Friedrich-Ebert-Stiftung, 2011, 301-302.

under President Mikhail Saakashvili, to become a full member of the EU and NATO. During his visit to Tbilisi in September 2012, NATO Secretary General Anders Fogh Rasmussen indeed made a point of presenting Georgia as “a special partner”<sup>3</sup>, partly because of its membership aspirations.

### *Interests in Energy Security and Regional Stability*

The EU and NATO’s enhanced institutional involvement was based on the definition of specific interests in the South Caucasus. It was mainly driven by two core interests that may be connected with each other: access to the Caspian Sea energy resources on the one hand; security and stability in the neighbouring areas on the other hand.

Starting from the early 2000s, the EU has expressed growing interest in the Caspian Sea oil and gas resources, considered as a source of diversification of energy supplies and of valuable contribution to EU energy security. In its November 2000 Green Paper, the European Commission first identified the “considerable potential for oil and gas production in the countries of the Caspian sea basin”<sup>4</sup>, which was then presented as a “source of non-OPEC production, extremely important” for the Union.<sup>5</sup> After the Russian-Ukrainian gas dispute in winter 2005-2006 (and again in 2009), the Green Paper that followed rather referred, indirectly, to the need to reduce EU energy dependence on Russia and thus called for the construction of “independent gas pipeline supplies from the Caspian region.”<sup>6</sup> As for NATO, it did not pay a special attention to energy security at the time. However, the April 1999 Strategic Concept touched upon the issue when it mentioned that “the disruption of the flow of vital

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<sup>3</sup> “NATO Secretary General praises Georgia's progress toward NATO in visit to Tbilisi”, *NATO News*, 6 September 2012.

<sup>4</sup> *Toward an European Strategy for the Security of Energy Supply*, European Commission, 29 November 2000, COM(2000) 769 Final, p. 24.

<sup>5</sup> *Ibid.*, p. 38.

<sup>6</sup> *A European Strategy for Sustainable, Competitive and Secure Energy*, European Commission, 8 March 2006, COM(2006) 105 Final, p. 15.

resources” could possibly affect the security interests of Allied members.<sup>7</sup>

In addition to energy security, stability and peace were also at stake in the EU and NATO further commitment in the South Caucasus. In its December 2003 Security Strategy, the EU listed the “violent or frozen conflicts, which also persist on our borders, [and] threaten regional stability” among the key threats, more diverse and less predictable, that Europe was mainly concerned about.<sup>8</sup> And it stated, as a strategic objective, the need to take “a stronger and more active interest in the problems of the Southern Caucasus, which will in due course also be a neighbouring region.”<sup>9</sup> At approximately the same time, NATO also expressed, in its communiqué following the June 2004 Istanbul Summit, its willingness “to further strengthen the Euro-Atlantic Partnership, in particular through a special focus on ... the strategically important regions of the Caucasus and Central Asia.”<sup>10</sup>

### ***New Cooperation Policy and Tools***

These interests were then translated into new cooperation policy and tools. The creation of new positions in the EU and NATO dedicated to the South Caucasus was instrumental in the development of closer ties. In July 2003, the EU appointed a Special Representative for the South Caucasus. Its mandate has consisted in implementing EU policy, including the objective, “in accordance with existing mechanisms, to prevent conflicts in the region, to assist in the resolution of conflicts and to pre-

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<sup>7</sup> See point 24 of the Alliance Strategic Concept, issued in April 1999.

<sup>8</sup> *A Secure Europe in a Better World, European Security Strategy*, European Commission, Brussels, 12 December 2003, 4.

<sup>9</sup> *Ibid.*, 8.

<sup>10</sup> “Istanbul Summit Communiqué Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council”, *NATO Press Release*, 28 June 2004 (Point 3).

pare the return of peace.”<sup>11</sup> A similar position was created by NATO in September 2004. A Secretary General’s Special Representative for the Caucasus and Central Asia was appointed to establish high-level working contacts with regional leaders and thereby support NATO’s goals in the area.<sup>12</sup>

Beyond the creation of these positions that enhanced EU and NATO visibility in the region, action plans were adopted to reinforce relations between each side. In November 2002, NATO launched Individual Partnership Action Plans (IPAPs), open to countries that have the political will and ability to deepen their relationship with NATO. In October 2004, Georgia became the first country to agree an IPAP with NATO, followed by Azerbaijan in May 2005 and Armenia in the following December. Considering Georgia’s specific aspiration to full membership, NATO offered an intensified dialogue to this country in September 2006.

At the Bucharest Summit of April 2008, it has also agreed that Georgia will become a member. As for the EU, it included the South Caucasus in its European Neighbourhood Policy (ENP) in June 2004. Within this framework, the European Union signed bilateral Action Plans (AP) with the regional states in 2006 to strengthen cooperation and reforms. Each action plan included a commitment to the peaceful solution of regional conflicts, described as a key priority.<sup>13</sup> This was reaffirmed in the Coun-

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<sup>11</sup> See article 2(b) of Council Joint Action 2003/496/CFSP of 7 July 2003. This position was successively held by Heikki Talvitie (2003-2006), Peter Semneby (2006-2011), and lastly Philippe Lefort (since 2011).

<sup>12</sup> Since December 2011, this post has been held by James Appathurai, who replaced Robert Simmons – the first NATO Special Representative for Central Asia and the Caucasus.

<sup>13</sup> But the ranking of this objective in the list of priorities differed from one plan to another. The peaceful settlement of conflict was described as priority 1 out of 10 in the AP for Azerbaijan, priority 6 out of 8 in the AP with Georgia, and priority 7 out of 8 in the AP with Armenia. For an in-depth study on this period, see Laure Delcour, Hubert Duhot, *Bringing South Caucasus Closer to Europe: Achievements and Challenges in ENP Implementation*, Natolin Research Papers, Warsaw, March 2011, 65.

try Strategy Papers covering the 2007-2013 period as well as in the National Indicative Programs.

As far as energy security is concerned, the European Commission presented the Caspian area, including Azerbaijan, as a source of “spectacular progression” of supply potential to Europe.<sup>14</sup> As a consequence, the area was called to form an energy corridor – the fourth one – to be reinforced with a view to further diversify and secure EU oil and gas imports.<sup>15</sup> So the European Commission has welcomed the construction of the Baku-Tbilisi-Ceyhan oil (BTC) and gas (SCP) pipelines linking Azerbaijan to Turkey through Georgia. Azerbaijan has then turned into a new oil supplier to the EU, accounting in 2011 for 4.4% of the EU’s global oil imports.<sup>16</sup>

The BTC and SCP have thus become the pillars of a broader strategy aimed at the creation of a Southern gas corridor, potentially transforming Azerbaijan into a transit country between European gas markets and Central Asian exporting countries. In that regard, the Commission has supported new infrastructure projects – the Nabucco, ITGI and TAP – involving different European countries and companies. These developments were a particular source of tension with Russia, as Russian gas company Gazprom itself suggested to transport Central Asian gas through its own infrastructure project, namely the South Stream gas pipeline.

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<sup>14</sup> *Energy Corridors, European Union and Neighboring Countries*, European Commission: Brussels, 2007, p. 7.

<sup>15</sup> The other three corridors being formed by EU traditional partners: Norway, Russia, and Algeria, cf. *ibid*, p. 23.

<sup>16</sup> Cf. *European Commission*, DG Energy, Market Observatory for Energy, Period 1-12 2011. Azerbaijan share in EU global oil imports is relatively small compared to Russia’s one - 28% - but it is still seen as a valuable source of diversification.

	<b>Consortium members</b>	<b>Transit countries</b>	<b>Length(km)</b>	<b>Capacity (bcm per year)</b>	<b>Cost (billion €)</b>	<b>Operational</b>
<b>Nabucco</b>	BEH, BOTAS, FGSZ, OMV, RWE, Transgas	Turkey, Bulgaria, Rumania, Hungary, Austria	3 893	8-31	7.9-14	2018
<b>ITGI</b>	Edison, DEPA, BEH	Turkey, Greece  Italy	800	10-20	1.5-2	2017
<b>TAP</b>	Axpo, Statoil, E.ON-Ruhrgas	Turkey, Greece, Albania, Italy	792	10-20	not available	2017
<b>South Stream</b>	Gazprom, ENI, Winterhall, EDF, DESFA, MVM, OMV, BEH, Plinovodi	Russia, Rumania, Bulgaria, Serbia, Hungary, Slovenia, Austria, Croatia, Greece, Italy	3 346	15-63	15.5	2015

Table 1: Southern Gas Corridor – Pipeline Projects<sup>17</sup>

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<sup>17</sup> Source: Edison, BP, Gazprom, Nabucco Pipeline, TransAdriatic Pipeline

## The 2010s: Entering into a Decade of Adjustments?

Since the August 2008 Russian-Georgian war, the EU and NATO seem to have entered into a decade of adjustments, based on a more realistic assessment of developments in and around the South Caucasus, and of their own related objectives and capacities. At a broader level, regional powers have returned back to the region. Russia has for instance reasserted its influence in the South Caucasus. From a military point of view, it has increased the number of its troops in Georgia's breakaway regions<sup>18</sup> and maintained its position in Armenia.<sup>19</sup> Whereas the future of its military presence in Azerbaijan is not clear yet<sup>20</sup>, Russia has played a new role there in the energy sector. In 2010, for the first time in its history, it became an importer of Azerbaijani gas, albeit in small but growing volumes.<sup>21</sup> In addition to a revived Russian Federation, the EU and NATO have had to cope with a more independent Turkish partner in terms of strategic thinking and foreign policy, and a less isolated Republic of Iran.<sup>22</sup>

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<sup>18</sup> In February 2010, Russia signed a treaty with Abkhazia on a joint military base (the 7<sup>th</sup> military base), and a similar one with South Ossetia in April 2010 (the 4<sup>th</sup> military base), both for an initial 49-year period. Around 7000 troops would be deployed in the two break-away republics. These treaties were ratified in October 2011; cf. "Russian Military to Stay in Abkhazia, South Ossetia, 49 More Years", *Eurasianet.org*, 10 October 2011.

<sup>19</sup> In August 2010, Russia signed a protocol with Armenia extending the lease of its 120<sup>th</sup> military base in Gumri until 2044, i.e. 24 years more than what was initially agreed upon. The first lease agreement dated 1995 was indeed signed for a 25-year period, up to 2020, cf. "Russian-Armenian Talks", *Kremlin.ru*, 20 August 2012.

<sup>20</sup> Russia has been long discussing with Azerbaijan the terms of a lease agreement on the Gabala radar station, but no agreement has been reached so far.

<sup>21</sup> In 2010, Russia started importing 500 million cubic meters gas from Azerbaijan. These volumes have been regularly increased to reach three billion cubic meters in 2012, cf. "Russia to Double Azerbaijan Gas Imports", *United Press International*, 25 January 2012.

<sup>22</sup> As pointed out by some observers, Iran is perhaps "out of the game" in the regional political arena, but it is "still in the background". It indeed serves as an available partnership option which is used by the regional states whenever tensions arise in their cooperation with other powers.

At the local level, the South Caucasian states have also developed more self-confident domestic and foreign policies. This was particularly shown by Azerbaijan's decision in May 2011 to join the Non-Aligned Movement.<sup>23</sup> In other words, the South Caucasus has appeared as a more complicated area, where more players need be taken into account as soon as it comes to consider any involvement in the region.

In this context, there have been – over the last years – some signs of re-alignment from NATO and the EU toward the states of the South Caucasus. While NATO has reaffirmed its strategic objectives in the area, it has also refrained from making any further commitment. This was especially true for the issue of Georgia's membership. The Alliance has kept its door open to Georgia but it has not provided any clear agenda toward that end. In its November 2010 Strategic Concept, the Allied members only declared “taking into account the Euro-Atlantic orientation or aspiration” of Georgia.<sup>24</sup>

As far as energy issues are concerned, the Alliance admittedly reached a new step as it committed, in the same document, “to develop the capacity to contribute to energy security, including protection of critical infrastructure and transit areas and lines.”<sup>25</sup> It has reiterated the “critical importance” of stable and reliable energy supplies in its May 2012 Chicago Summit declaration, while adding at the same time that these issues were “primarily the responsibility of national governments and other international organizations”. As a consequence, NATO will just “closely follow” relevant developments in the field of energy security.<sup>26</sup> Finally, conflicts in the South Caucasus have been explicitly considered as “a matter of great concern for the Alliance.”<sup>27</sup> Nevertheless, NATO has clearly stated that it “does not seek a direct role in the resolution of these

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<sup>23</sup> “Azerbaijan Joins Non-Aligned Group”, *Azernews*, 26 May 2011.

<sup>24</sup> See point 35 of NATO Strategic Concept dated November 2010.

<sup>25</sup> See point 19 of NATO Strategic Concept dated November 2010.

<sup>26</sup> See point 52 of the May 2012 Chicago Summit Declaration of NATO Heads of States.

<sup>27</sup> See point 47 of the May 2012 Chicago Summit Declaration of NATO Heads of States.

conflicts but supports the efforts of other international organizations, which have specific mandates for their mediation roles.”<sup>28</sup>

Even though the EU has taken a higher profile in the South Caucasus, it is still divided on which strategy it should follow. In terms of gas projects, the Council approved in September 2011 the opening of talks with Azerbaijan and Turkmenistan to build a Trans-Caspian pipeline aimed at transporting Central Asian gas to the Nabucco, the ITGI and the TAP. However, other European operators have kept promoting competing projects such as the Russian-backed South Stream pipeline. Like NATO, the EU has also acknowledged the European aspiration of Georgia without offering Tbilisi concrete perspectives in that regard. Instead, it has rather focused on its traditional know-how in dealing with neighbouring countries, i.e. on negotiations on Association Agreements, as well as on Deep and Comprehensive Free Trade Agreements (DCFTA).<sup>29</sup>

Last but not least, while fully committed to the peaceful settlement of regional conflicts, especially in Georgia where it has deployed a mission monitoring the August 2008 cease-fire agreement, the EU has repeatedly expressed support to existing mediation frameworks, namely those provided by the Geneva international discussions and the OSCE Minsk Group. In this regard, if it has voiced some concerns about Russia’s fulfillment of its obligations in Georgia, it has also acknowledged “the efforts of Russia” in achieving progress in the talks about Nagorno-Karabakh.<sup>30</sup>

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<sup>28</sup> “NATO’s Partners in the South Caucasus”, *NATO News*, 10 September 2012.

<sup>29</sup> Negotiations on Association Agreements with Armenia, Azerbaijan and Georgia were launched in July 2010. As for talks on Deep and Comprehensive Free Trade Agreements, they started with Armenia and Georgia in early 2012.

<sup>30</sup> *Council of the EU*, Council conclusions on the South Caucasus, 3149th Foreign Affairs Council meeting, Brussels, 27 February 2012, points 18 and 24.

## **Conclusion**

Under these circumstances, the EU and NATO seem to be searching for a more balanced approach, based on a continued involvement coupled with a more cautious line, sometimes with some degree of reservations or reluctance to intervene. How are these developments perceived in the South Caucasus?

1. Is the EU and NATO willingness to accommodate Russia and move away from a zero-sum game considered as an opportunity to play a more constructive role in the region? Or is it rather viewed as a concession made at the expense of regional states' interests, thereby changing their perceptions of the EU and NATO?
2. In the field of energy security, how do South Caucasian states view the impact of liquefied natural gas (LNG) and shale gas on EU interests in Caspian Sea energy? How could this alter the geopolitical picture of the Caspian Sea?
3. What are, from a South Caucasian point of view, the advantages, the limits, and the added-value of EU's involvement in conflict mediation compared to existing mechanisms of negotiation? In a context of potential renewed conflicts, how can the EU change relation to war and peace in the South Caucasus?

Those are questions that the Regional Stability in the South Caucasus Study Group will need to address in its future workshops.



**PART 1:**

**PERSPECTIVES OF THE SOUTH CAUCASUS  
FROM THE REGION: WHAT ROLE, WHAT  
CRITICAL CHALLENGES FOR THE EU AND  
NATO?**



# **Reassessing EU and NATO Engagement: Lost Opportunities and Ways Forward**

*Leila Alieva*

## **Current Security Situation due to Unresolved Conflicts in the South Caucasus**

Conflicts in the South Caucasus are not dormant – they are active; the daily violation of ceasefire in Karabakh and the war in Georgia is the most outstanding evidence. While in the early stages of the ceasefire the risks were associated with accidental violations, the new trend – made possible by the greater consolidation of power in both states – makes the threats and risks of skirmishes are more subject to manipulations for political purposes; to advance external actor's objectives in the region, to put pressure on the other side during another round of negotiations, or to promote one's domestic agenda and to draw legitimacy from nationalistic sentiments.

The entrenched institutions of the cease fire situation, which has lasted for almost two decades makes any change from the *status quo* in a positive direction unlikely. The negotiations on Karabakh have stalled because the Minsk Process seemingly has exhausted its highest potential to mediate and lead to a breakthrough in conflict resolution. In fact, the *status quo* has proved to be less risky than its possible change. Indeed, the *status quo* of the unresolved conflict provides a sufficient level of stability to allow Russia to maintain its traditional lever of influence over Armenia and Azerbaijan and consequently over the whole region. For Western powers tensions did not prevent major oil and transportation companies from contracting and implementing the “Deal of the Century.” Thus no incentive has been created, as in case of Yugoslavia or more recently the Arab states for more decisive and concerted intervention, or to actually implement UN resolutions pertinent to the South

Caucasus. However, in spite of stagnation in political affairs, there is obviously dynamism in others – such as the military.

A few factors led to militarization in the region. One of them is the failure of the Caspian states to come to agreement on the security and legal status of the sea. Now every state tries to build its own naval forces, observing Russia's or Iran's unwillingness to reconcile with the new geopolitical realities. The inability to suggest an effective international framework for resolution of the South Caucasus conflicts – such as consensus-based decision mechanisms, the normative uncertainty of the OSCE framework, the unbalanced composition of the OSCE co-chairmanship (France, the US and Russia), the insufficient pressure on the sides which violate international law – are the other reasons.

Neither Azerbaijan and Turkey's economic embargo of Armenia resulting from the conflict (mainly due to the regional trade with Russia and Iran and extensive aid from the West) led to greater awareness in the region that colonial times are over and that if a state wants to enjoy a safe and prosperous future it should respect for the international norms of behaviour with its neighbours. The absence of economic relations between the parties in conflict was also part of non-military signals to Armenia, which violated the borders of its neighbour. This led to the fact that Azerbaijan's significant oil revenues (roughly 50 million dollars per day) have been spent on militarization of the country. On the other hand, the unresolved conflict also led to the plans for the restoration of the Medzamor atomic station in Armenia, which poses serious security challenges in an earthquake-prone area such as Caucasus. Much has been said also about the danger that uncontrolled territories pose for regional and international security in terms of trafficking and militarization due to the inaccessibility of the region to international inspectors.

Geopolitically, unresolved conflicts make regional stability vulnerable to Russia's manipulation and the region is still a hostage to her interests. Although Azerbaijan's and Georgia's united efforts in the 1990s promoted NATO and EU presence in the region, Russia still retains the leverage over conflicts due to the security deficit and domestic political stagnation in the countries in conflict.

## **The Democracy Deficit of States in Conflict – Transformation of Threats**

The effects of the “frozen” conflicts go far beyond tensions and security risks related to the region. The case of Georgia – democracy in one separate country – is almost a success. However, with lack of resources and resulting dependence on authoritarian Azerbaijan and Russia, Georgia has limited capacity to play an important role in promotion of reforms in the region and even to sustain its own democratic achievements. Two states in conflict – Armenia and Azerbaijan – have poor record of human rights, basic freedoms, division of power and are at the end of the rating list based on the recently developed *EU Integration Index*. According to Freedom House Armenia is ‘partly free’, while Azerbaijan is a “not free” country. Both states are ruled by similar elite, which has entrenched interests in the domestic political *status quo* and extensively takes advantage of the “no peace – no war” situation. This includes playing the nationalistic card by the incumbents, corruption in state institutions related to the military industrial complex and security apparatus, lagging reforms in the government, and significant spending on the military.

The lack of democracy often is reinforced by outside actors, who compromise their assessment of democracy progress in the countries for the sake of “stability”, or any other interfering foreign policy agenda, both in Armenia and Azerbaijan. However, democracy building is an important factor in resolving major security issues in the region, as “democracies do not fight each other.”

The role of the EU and NATO in this regard could have been unique, as institution building in the states in transition was notably influenced by the interaction with external actors – through the mode and nature of aid policy, bilateral relations, trade, etc. At the same time, the nature of threats in the region has changed – those, caused by “weak states” were replaced by those caused by strong but repressive states. This increased the threat of radicalism, abrupt domestic instability due to the failure of evolutionary development and uncertain fate of the post-revolutionary regimes.

For instance, the threat of disintegration of Georgia and Azerbaijan in the early 1990s affected stability in the region, but on the other hand the weakness of Russia allowed leaders of the same South Caucasus states to promote consolidation of their national independence and pronounce boldly the strategic course of integration in European and Euro-Atlantic structures. At the same time, while the direction of post-Soviet integration in the 1990s was mainly affected by hard security threats, this factor was complemented by institution building and the resulting political identity of the authoritarian states in the 2000s.

In the case of Azerbaijan, the gradual cooling of integration aspirations was primarily caused by the inability of NATO of prioritizing its relations with Azerbaijan, as compared with Armenia, in recognition of its significant contribution to NATO-South Caucasus cooperation and of the Western states presence in the region. On the other hand the problems with Azerbaijan's Individual Partnership Action Plan (IPAP), which implementation dragged on indefinitely proved the reform process to be a major stumbling block on the way to integration. Thus, the emerging political identity of the state, along with hard security threats, such as the Karabakh conflict, weakened the integration momentum, and justified Azerbaijan's joining the Non-Aligned movement.

### **NATO keeps the South Caucasus at a Distance**

NATO's policies in the South Caucasus were characterized by inconsistency. South Caucasus security policies were divided by the Karabakh conflict and relations with Russia. While Georgia and Azerbaijan expressed their intention to integrate in European and Euro-Atlantic structures, Armenia did not. Moreover, while Azerbaijani leaders – Aliyev and before him Elchibey – in a move of outstanding political courage adopted EU, US and NATO interests (through withdrawal of all former Soviet bases from its territory and granting only 10% to Russia in the major oil contract), Armenia strengthened its cooperation with Russia and continued to serve as a stronghold for Russia's interests in the region. However, neither Georgia nor Azerbaijan received preferential treatment in their relations with NATO. Azerbaijan was not “rewarded”

by NATO even by political statements asserting an importance of internationally recognized borders and condemnation of their violation by Armenia.

The other example was NATO's hesitation on the issue of membership for Georgia and Ukraine. NATO allies were reportedly divided on the issue of offering them the Membership Action Plan (MAP) at the 2008 Summit. Besides the factor of Russia, the slow pace of reforms of the military and in general in the country contributed to the hesitation in keeping promises regarding Ukraine and Georgia's membership.

In sum, the lack of support in solving security concerns of the country like Azerbaijan, which has taken significant risks by creating conditions for the Western states to realize their interests in the region, the hesitant position of NATO regarding membership perspectives for Georgia and Ukraine and the slow pace of reforms limited NATO's influence in security of the region.

### **The EU's Delayed and Inconsistent Policies**

The EU arrival to the South Caucasus as compared to the USA or individual states was late and her policies, much like NATO's, were inconsistent. The EU was too pre-occupied by issues of enlargement and the necessity to accommodate Russia. Thus it focused mainly on emergency situations and energy access and transportation issues. There were a few problems related to EU policy in the region. First there was an underestimation of the reform potential of the South Caucasus states, especially Azerbaijan, and their European identity which resulted in delayed support for institution building through EU programmes. The other problem was that policies were lagging behind stated strategic objectives. For instance, while pronouncing energy as a main interest in the Caspian region, the EU's diplomatic efforts were much weaker than those of Russia. The third set of problems has been inconsistency in stated objectives and the actual policy in promotion of democracy in the oil rich states, like Azerbaijan. There was permanent criticism from the side of the experts and domestic actors that the EU applied softer standards to

democracy building and does not apply its mechanisms, such as conditionality, to this country, as compared to others. Last but not least is that the EU has been promoting multilateral (or trilateral) cooperation in the region – between all three states Azerbaijan, Georgia and Armenia— but remained passive and in a subordinate role in the resolution of the major conflict in the area. The EU stated that it supported the Minsk Process of the OSCE, which so far has not achieved any significant results.

The EU’s incapacity to suggest a mechanism and an effective institution for resolution of the conflict is one of the reasons of the limited role the EU can play in the security of the region.

However, the EU does not utilize its major advantage – the extremely attractive nature of the EU “club” for the South Caucasus states – in the form of openness to membership perspectives.

### **Resulting Patterns of Regional Integration**

The post-Soviet history of the South Caucasus witnessed the process of consolidation of independence of two states – Azerbaijan and Georgia – vis-à-vis Russia as a high risk enterprise. The leaders of both states respectively Aliyev and Shevardnadze have undertaken bold measures and policies to provide for the interests of the EU and NATO in the region. Both experienced permanent pressure in a form of attempts at coups d’états, assassinations, manipulation by secessionist groups and issues of border security. However, neither of them has ever enjoyed full-fledged military cooperation or support which would allow them to counterbalance Russia’s pressure.

Noticing the absence of counterbalancing support in the region and insufficient interest to regional organizations like GUAM (Georgia, Uzbekistan, Azerbaijan and Moldova) the states opted for individual strategies to deal with the regional security challenges.

Azerbaijan has joined organizations where the power balance allowed recognizing the violation of international norms by Armenia – such as

the OIC, Non –Aligned Movement and even got an observer status in African Union in 2011. The same year Azerbaijan was invited to a non-permanent seat at the UN Security Council. Armenia continues its intense trade with Iran and Russia, with which it is closely allied militarily, and is part of the CSTO. She also depends for her survival on the transportation routes through Georgia. Georgia has chosen the way of integration to EU and NATO, and cooperates in most of the energy projects with Azerbaijan and Turkey.

Thus, “frozen conflicts” continue to divide the South Caucasus, block democratic reforms, economic prosperity (first of all in Armenia), trilateral regional cooperation and integration of the region into the EU and NATO. The vicious circle of conflicts feeding the deficit of democracy and vice-versa has led to a dangerous divide in the region, pushing states in opposing directions and promoting militarization of the conflicting parties.

### **A Way Forward: Promoting a Sense of Interdependency...**

Not all states of the South Caucasus accepted the international norms of the external relations in practice. One of the obstacles was inertia of patron-dependent behaviour of the small and poor states left since the times when Russia was determining the flow of resources between republics of the Soviet Union. In the Soviet Union, poor resource countries, such as Armenia, were enjoying support from other resource rich republics, such as Azerbaijan.

This however did not lead to the sense of interdependency which usually regulates relations between independent states, as these trade and supply relations were realized through Moscow and by the decision of Gosplan. The disruption of these ties between Armenia and Azerbaijan as a result of the conflict, and afterwards joined by Turkey’s embargo, was supposed to be a reminder of the regulating nature of economic relations between the independent subjects of international relations.

Logically Armenia should have restrained its military involvement in Azerbaijan, which is rich and can be a beneficial provider of resources to the landlocked state. But support from Russia, and aid from Europe and the USA undermined the economic opportunities, resulting in military conflict, where Armenia openly violated internationally-recognized borders of the neighbour.

Thus the perspectives of enjoying full-fledged cooperation and prosperity in Armenia only under conditions of responsible behaviour with regards to its neighbours should be promoted by the EU and NATO. This behaviour might be modelled after that of Austria during the conflict with Italy over the Tyrol area. In fact, non-interference and discouragement of the minority from secession on the neighbour's territory could be considered an internationally responsible behaviour, which would be "rewarded" by constructive cooperation between the states. Instead, NATO and the EU promote trilateral relations including economic cooperation between the states regardless of the state of affairs between them.

This continues the Soviet dependence type of behaviour rather than promoting a new basis for relations between the parties as independent subjects of international relations. Any attempt to unconditional force the parties to cooperate will not lead to positive results, especially since economic cooperation is part of the bargaining tools in the Minsk Process of the OSCE.

### **...and Responsibility**

The South Caucasus is an area where none of the laws and norms of international behaviour are applied in practice. There is no a regional organization which could create a normative framework to address the violations of international law having taken place during the disputes. The problem is that those who led ethnic cleansing and mass elimination of civilians are now in power and are not brought to justice, simply because they participate in the official negotiation process. The "soft" reaction of the international community to violation and occupation by Armenia of a significant (16%-20%) part of the lands in Azerbaijan has

created a sense of impunity and a precedent, which was obviously taken into account by Russia in August 2008.

The only normative organization demanding unconditional withdrawal of troops from Azerbaijan territories has been the UN, but none of the five resolutions calling for withdrawal were implemented.

In contrast, the OSCE Minsk group shows complete normative uncertainty allowing countries to appeal to and manipulate two principles – territorial integrity and self-determination – and encouraging countries to find a compromise between the two principles. The justification of the mediators in this case is to call the lands (officially belonging to Azerbaijan) “disputed” (which is not the case for Georgia). There are however two clearly distinguishable elements in the conflict which are clear violation of the norms of international relations. First in the case of Russia it is the violation of Georgia’s borders, and second is the case of Armenia, regarding Azerbaijan’s borders.

Once military gains become bargaining tools in negotiations, relations in the region lose any normative basis. The EU and NATO should direct their efforts to clearly support rules which they observe in Europe and between each other – those of inviolability of borders, protection of rights of minorities and right of displaced people to return, discourage external actors from interference and involvement in the issues of minorities in the neighbour states and discourage minorities from secessionist claims. The international community should also identify and address all cases of crimes against humanity and other violations of law.

### **Elevating to the next Level: Making Borders less Significant**

Taking into account the current power balance which does not allow bringing parties to compromise there are few possible ways out of the situation, the main principle of which is to take the solution of the conflict to the next level, which is to neutralize the *major obstacles on the way to solution*.

As the conflicts are in essence territorial, a common perspective which would be equally attractive for all parties to the conflict and would make borders less significant could be encouraged. There have been attempts to create an open market, or trilateral “Caucasus common House”, or the parliamentary cooperation, but two issues are preventing it from the success – all of the three states (or at least their populations) have a desire to integrate in a better world, rather than any uncertain Caucasus commonwealth.

They prefer attachment to already successful models, which are the EU and NATO. Only by having a real perspective of such integration will the Caucasus countries be willing to delegate part of their sovereignty to a Union ruled by law and decision making based on democratic principles. This will be equally attractive to minorities, as they will be protected not only by local laws, but also have supranational guarantees of security and prosperity.

### **Development of Liberal Values and Keeping up with Global Trends**

While democracy is the most reliable way to resolution of conflicts, this is not a sufficient factor yet for peaceful resolution of conflict. In fact, according to Jack Snyder, democratizing societies are often torn by violent conflicts. Besides, the opponents of viewing a democracy as a factor of peaceful solution to conflicts usually refer to the possibility of election of extreme or radical leaders.

Democracy however is a necessary step on the way, as it generates legitimate leadership, where power is supported by popular votes and what in turn allows the leader to compromise. On the other hand, democracy develops institutions of checks and balances and agencies which would develop alternative approaches to the resolution of conflicts. And lastly, it is democracy and freedoms that create conditions for the development of liberal values. There are some concepts and traits of liberal mindset, which are relevant for conflict resolution – tolerance, inclusiveness and equality.

Transforming mindsets shaped by authoritarianism can be realized by encouraging their involvement in a greater space – integrating in European Union, globalizing through the internet or free market.

With borders being increasingly challenged by information technologies, global markets and freedoms, the communities that are keeping up with the current or emerging trends will be the ones to most probably survive in this speedy transformation of the world by getting out of the provincial and modernist level and moving on to the post-modern and global world with provisional physical borders.

This is the other area, where EU or NATO can help both the South Caucasus and Russia to get to the level which would allow them to escape controversies and barriers erected by modernist (or in this case Stalinist) thinking.



## **On the Role of the EU and NATO in the South Caucasus: The View from Georgia**

*Ghia Nodia*

It is easy to be sceptical about the ability of NATO and the EU (that is, the *West*) to contribute to greater stability and development of the South Caucasus. This scepticism is often a reaction to exaggerated expectations. So, we should probably start by getting the expectations right. NATO and the EU cannot do wonders in the region. By ‘wonders’ I mean three things: they (1) they cannot ‘de-conflict’ the conflicts, that is, they cannot bring solutions to the so-called ‘frozen conflicts’; (2) they cannot turn political regimes (that are different in each country but neither of them can be described as a full democracy) into stable democracies; (3) they cannot turn poor countries into rich ones.

Why is this so? The main problems are of course inherent to the countries themselves: they have the level of development, the political culture and historical legacies they have; solving a post-violent conflict by peaceful means is difficult for any country. But apart from that, this is a contested area in terms of international influence. Ambassador Philippe Lefort said that the South Caucasus is between EU and Russia; I would rather say it is between the West and Russia (US has also been active and influential here), and these two players have conflicting aims with regards to the region.

The disagreement between Russia and the West over the 2008 war and the status of Abkhazia and South Ossetia is the most conspicuous – but by all means not the only – expression of this difference. One should also not forget that there are disagreements and differences within the European Union with regards to policies towards the region: some countries want the EU and NATO to be more active over Russia’s objections; others prefer to keep it at arm’s length. If we use the Balkans – another conflict-ridden region – as a point of comparison, the commitment of

NATO and the EU, as well as their influence and capacity to bring change in the South Caucasus, are much more modest.

Having said all that, I would still contend that the West is indispensable to the South Caucasus. Namely, I see an important role for NATO and the EU in three areas: (1) not allowing the conflicts to re-escalate; (2) to increase the chances for the political regimes to become more democratic than they are, and (3) increase chances for their economic development.

Taking into account the lack of commitment within NATO and the EU to be strongly engaged in the region, made worse by deep internal difficulties the Union is going through, it may be proper to play devils' advocate and ask: why not to leave the region to Russia? Arguably, this might remove a bone of contention between the West and Russia. This is not a language used in official discourse in the West but we can be certain that such an idea crosses the minds of quite a few Western politicians. One strong argument against such an idea is that Russia has no resources to be a real hegemon in the region anyway: this implies both economic resources, and hard power. Russia suffers from imperial overstretch. We can see that Russia has a difficulty to take care of its own problems, and the region where this is most obvious is North Caucasus. Russia has only enough resources to play the game of a spoiler, but it has no ability to play a leading role. No less importantly, Russia also has few resources of soft power because it is not a desirable model of development. Yes, the EU is undergoing grave problems, but for peoples of the South Caucasus Europe continues to be a much more attractive model than Russia.

Now I will focus on Georgia. With regards to conflicts, at this point there is no grave imminent danger for Georgia's security from its own conflicts. Under Georgia's 'own' conflicts I mean the triangle constituted by (1) Tbilisi, (2) Moscow, and (3) *de facto* governments in Sukhumi and Tskhinvali. Within it, the situation appears to be deeply frozen for the immediate future, which means that it is unlikely that things will get much better or much worse. Probably, the recent change of power in

Tbilisi will not affect the situation much – but I will come back to this in a moment.

In this sense, the August 2008 war, a tragic event as it was, may have proven to have been a stabilizing event in the long run. Georgia put this war behind her and survived, so it was an important test of statehood to be passed. It also brought greater clarity: Russia is now openly a patron-country of Georgia's separatist regions. For obvious reasons, Georgia has no other option but to accept the *status quo* for the time being, but Russia has less leverage against Georgia than it used to have before the war. Theoretically, one cannot rule out Russia's military invasion – but short of that, its ability to seriously influence the situation in Georgia is rather limited.

For Georgia, the greatest threats of destabilization come from its immediate neighbourhood. Namely, there are three potential conflict escalation scenarios that may have a spill over effect in Georgia: 1) resumption of military conflict between Armenia and Azerbaijan over Nagorno-Karabakh; 2) possible military strikes against Iran by Israel and the USA; and 3) deterioration of security situation in North Caucasus.

There is no space here to discuss each of these three scenarios in detail and in terms of their possible spill over effects for Georgia. But there is some level of consensus within Georgia's security community that there will be some in each case. Large-scale military escalation concerning Karabakh is obviously the worst nightmare, but the other two prospects are bad enough. Georgia has no capacity to influence the situation in either of those cases in order to prevent worse-case scenarios. The capacity of the West to influence the situation in the North Caucasus is very limited, but with regards to Iran and Nagorno-Karabakh it can do much more. Of course the nature of threats in these regions is very well understood and nobody needs to be reminded by the Georgians. But this demonstrates once more how important NATO and the EU are for stability in the region.

In the last part of my paper, I will focus on what the recent political change in Georgia may bring to this country and the region. I will men-

tion implications of this change for regional conflicts and for democratic development. This is a very recent development, so my remarks can only be tentative and preliminary. Moreover, the Georgian Dream coalition that came to power as a result of the October 1 parliamentary elections is a very diverse coalition that is only united by its opposition to the previous government, and by the personality and money of Bidzina Ivanishvili, a billionaire-turned-politician. But in his own turn, Mr Ivanishvili, who recently became Georgia's prime minister, is an untested politician and a somewhat enigmatic person, so this is an additional reason to be cautious when predicting the effect of his coming to power.

But still, what happened might prove a positive development for the future of Georgia. This was a first precedent in Georgia, but also in the region at large, that power changed hands peacefully and constitutionally from the government to the opposition. Not only the result of the elections was somewhat unexpected, but also its aftermath. Most people anticipated the government party to win and the opposition not to accept defeat. Another narrative saw Saakashvili losing but also not accepting defeat. In either case, this would have implied post-election turmoil and a crisis of legitimacy of power. Therefore, there were ambivalent attitudes: the elections were seen as constituting an opening for democracy but also an opening for destabilization. So far it did only prove the former.

Paradoxically, the elections had their good side for Mikheil Saakashvili and his team as well: he was vindicated in the eyes of history. Despite criticism for autocratic transgressions (some of it just and some greatly exaggerated), in the critical moment he proved himself to be a mature statesman and a democratic rather than autocratic leader. This also allowed his party to keep afloat as a democratic opposition in a new parliament.

Having said all that, there is no guarantee that overall, Georgia will now progress towards a consolidated democracy. It is a widely shared concern that after the elections Georgia may follow the pattern of Ukraine: there too, the Orange coalition lost elections in peaceful and democratic elections, but under the incoming government of President Victor

Yanukovich the country backtracked and became more autocratic than it used to be.

There are quite a few things about Mr Ivanishvili showing that his instincts are far from democratic: he has already displayed a wish for monopolizing power as well as the spirit of retribution and witch-hunting. There are also structural challenges: it will be very difficult to balance power which is underpinned not only by administrative resources but also by Mr. Ivanishvili's immense personal fortune (roughly equal to half of the country's GDP).

This does not mean, though, that Georgia is doomed to repeat the Ukrainian scenario. And here the western factor may play an important role. Why? In general, Georgia lacks many important structural preconditions for democracy. I do not only mean general socio-economic indicators: the country is quite poor, the middle class is relatively small, and about half of the people live in the countryside. There is also weak civil society development, the system of political parties hardly exists, and the dominant Church is rather influential but often takes illiberal stands.

The influence of the West somewhat compensates for the lack of internal system of checks on central power. In critical moments of Georgia's political development, the West has played the role of effective (though not formal) mediator and arbiter in internal fights. It is a major moderating influence on Georgia's extremely confrontational political culture. Arguably, the influence of the West has been rather important also for making possible the peaceful transfer of power from the government to the opposition.

Why is this so? The most obvious answer is: because of Georgia's commitment to join NATO and the EU, and because of the country's general western vocation that makes the majority of Georgia's people see its future as a European nation.

This makes it the decisive point; will the new government keep that vocation up? Before the elections, this was major question. Saakashvili's team described Bidzina Ivanishvili as a Russian stooge. This was not just

pre-election rhetoric aimed at discrediting the opponent; taking into account Ivanishvili's biography and his enigmatic nature, as well as the fact that there were quite a few openly anti-western groups in his coalition, one could have some doubts about his intended direction.

However, there were no direct proofs for these allegations; therefore the government was justly criticized for this rhetoric. What can we say now? The first signs after the elections are somewhat promising. Mr. Ivanishvili and his lieutenants have made clear statements that they will continue the pro-western foreign policy of the previous government. His appointments to foreign and defence ministries, as well as the president of parliament are consistent with this. There are also signs that he actually listens to suggestions from the West.

Moreover, the peaceful transfer of power created a new momentum in Georgia's relations with NATO and Europe. It is widely recognized that in October, Georgia passed a critical test of democracy so at least some objections to Georgia's further integration into the West should be lifted. It is important that there is close interaction between Georgia on the one hand and the EU and NATO on the other. This will maintain western leverage on Georgia's continuing democratic development.

In contrast to that, the Georgian Dream's pre-election promises of improving relations with Russia look somewhat empty now. Russia's first reactions make it certain that it is not interested in improving relations with Georgia unless the latter makes very important strategic concessions, which means making steps towards recognizing the independence of Abkhazia and South Ossetia, and away from western integration.

These are all very preliminary remarks. The coming year will be very important because it will show, which way Georgia really goes. Western players can influence that.

## A “Commission on Difficult Issues” to Improve Russian-Georgian Relations<sup>1</sup>

*Boris Kuznetsov*

This amazing place<sup>2</sup> leads us to be tolerant, patient and peaceful. I am not prepared to defend Russia’s policies towards the South Caucasus, especially towards Georgia. I am convinced both States have made lots of mistakes, and much is to be learned from those mistakes, and how to develop our relationships. I would like to bring some examples on how we can improve our relations, and especially how we can affect ordinary people.

We are faced with a phenomenon, after the August 2008 war; Russia has a big Georgian community concentrated mainly in Moscow and Saint-Petersburg. I noted that the number of restaurants of Georgian cuisine has rapidly increased after the August war. I counted in my district, in Saint-Petersburg, where I live, seven restaurants. Before, we had only two restaurants of Georgian cuisine. All of these restaurants are run by native Georgians, who have relatives and friends back in Georgia. And I asked them, “What do you think about our relations between our countries?”

Because most of them suffered from the August 2008 consequences, they told me they would really like our relations to improve because they really need direct flights to Tbilisi from Saint-Petersburg to see their friends and relatives. They would like their friends to visit Saint-Petersburg also. They would like to develop our trade, to bring more and more Georgian goods to Russia.

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<sup>1</sup> This is a verbatim transcript from Mr. Kuznetsov’s presentation, prepared and edited by Frederic Labarre, co-chair of the Study Group Regional Stability in the South Caucasus.

<sup>2</sup> Château Rothschild in Reichenau, where the 6<sup>th</sup> Conference of the Study Group Regional Stability in the South Caucasus took place.

In this case, we have a clear message from ordinary people. The message means that we should change the policy of confrontation to a policy of gradual cooperation, step by step. I suppose that the new Georgian government understands this clearly, as it would like to develop economic contacts between our countries that would affect further relationships.

I can also trace the similarities between the Russian-Georgian relations with the relations with Russia's closest, nearest neighbour – Estonia. Since the Bronze Soldier<sup>3</sup> event, we have no high level political contacts between Estonia and Russia. Moreover, Russian authorities conceive of Estonia as an unfriendly country. Nevertheless, we see the growing tourist flow between our countries, year by year, despite the official propaganda. People ignore this propaganda and visit Estonia as a tourist destination. We face the fact that on holidays, all the Estonian hotels are over-booked with Russian travellers. This is soft power – Estonian soft power – because Estonians give us their traditions and their culture, and people visiting their country see what is happening in reality. It contributes to our relationship, but we have no political contact at high level.

Another example of what I would like to bring to your attention is the relationship between Russia and Poland. You know that we have had very difficult times between our countries, especially when the President of Poland was Lech Kaczynski.<sup>4</sup> But the situation has changed since

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<sup>3</sup> What Mr. Kuznetsov refers to here is the removal of a Soviet-era statue in downtown Tallinn, which was the focal point of many Russian-Estonians and Estonians of Russian extraction, who commemorate the Soviet losses of the Second World War every year. The removal of the monument, on 26 April 2007, triggered massive riots in the Estonian capital, causing millions of Euros in damages, killing one, injuring several dozens, and resulting in the arrest of several hundreds. The statue was transported to the site of a military cemetery in the suburbs of Tallinn. Estonia was then subjected to a concerted cyber-attack, the first of its kind, and it is widely thought that it originated from Russia, or with the Russian government's approval and as retaliation for the removal of the statue (Note of the editor).

<sup>4</sup> Mr. Kaczynski died along with several other Polish officials and members of the high-ranking military staff when the plane they were travelling in crashed in heavy fog at Smolensk airport, in April 2010. Mr. Kaczynski and his delegation were supposed to attend a memorial to commemorate the 70<sup>th</sup> anniversary of the Katyn

2009 when then Prime Minister Putin visited Gdansk to commemorate the 70<sup>th</sup> anniversary of the beginning of the Second World War. There, he (Mr. Putin) admitted that Russia – at that time the Soviet Union – had done a lot of bad things against Poland during the Stalin regime and extended his condolences to the Polish people.

There was a bilateral commission established – a “Commission on Difficult Issues” – between Russia and Poland. This Commission is composed of policy makers and experts from both sides, and has two meetings per year; one in Warsaw and one in Moscow or Saint-Petersburg. Policy makers and experts discuss all the difficult issues between our countries, and try to find solutions. After that, all recommendations and considerations are submitted to Russian and Polish authorities.

I am a member of this Commission and I see how we are really improving relations between Russia and Poland. For example, we also established in 2011 and 2012 a Russian-Polish Centre for Dialogue and Understanding, and its partner, the Polish-Russian Centre for Dialogue and Understanding, under the auspices of the Minister of Culture.

Both Centres have their own budget, estimated at some 1 million Euros. It is not much money, but it is enough to start work, and mostly they would like to use this money to develop contacts between youth, journalists, experts, and organize events between the two countries that should improve the image of Russia in Poland, and the image of Poland in Russia.

And I also hope that we will find the same solution between Russia and Georgia. As a first step we should think about establishing such a “Commission on Difficult Issues” to bring independent experts and to begin this hard work together.

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Forest massacre, where Soviet NKVD troops, under Josef Stalin’s orders, shot more than 25000 Polish armed forces officers in the Spring of 1940 (Note of the editor).



**PART 2:**

**PERSPECTIVES OF THE SOUTH CAUCASUS  
FROM THE OUTSIDE: WHAT STRUCTURAL  
SOLUTIONS FOR WHAT DRIVERS OF  
INSTABILITY?**



## The Role of *Uti Possidetis* in Determining Boundaries: Lessons for the South Caucasus

*Suzanne Lalonde*

The second panel of the workshop has been asked to try and identify what structural solutions might be out there to deal with particular drivers of instability in the South Caucasus region. I believe international law can be a stabilizing force and that it has an important role to play in shaping solutions. I've been asked to discuss, briefly, one particular international legal principle and to evaluate its potential impact on the conflicts plaguing the region: the *uti possidetis* principle.

*Uti possidetis* is a principle bequeathed to international law by the Roman Empire. As originally defined under Roman law, *uti possidetis* constituted a provisional remedy between two individuals based on possession and until a final judicial determination as to ownership could be made: *uti possidetis, ita possideatis* (as you possess, so may you continue to possess). In the decolonization period of Latin America in the 19<sup>th</sup> century, the principle resurfaced as a tool for determining the boundaries between the newly independent Republics.

This rather obscure and neglected 'Latin American principle' was recently catapulted into the limelight by the Yugoslavia Arbitration Commission [Badinter Commission]. In its 3<sup>rd</sup> Advisory Opinion delivered in January 1992, the Badinter Commission recommended that the internal boundaries which had divided the former Yugoslav Republics should automatically become the international boundaries of the new independent States. And the Commission declared that this conclusion followed from the principle of *uti possidetis*.

Only a few short months later, in May 1992, the sovereigntist Parti Québécois under Jacques Parizeau commissioned five renowned international legal experts ((Franck, Higgins, Pellet, Shaw, Tomuschat)) to ad-

advise the Quebec government on the question of Quebec's territorial integrity in the event of secession [Quebec Report]. Relying heavily on the Badinter Commission's novel interpretation of the colonial *uti possidetis* principle, the Five Experts assured the Parizeau government that in the event of secession, Quebec could assume legal entitlement under international law to its existing boundaries.

In the decades since Opinion No. 3 and the Quebec Report, there have been a number of calls to extend the *uti possidetis* principle to other non-colonial situations, particularly in the context of secessionist claims. However, I believe that the idea that the *uti possidetis* principle can provide a one-size-fits-all, legally incontestable solution to all territorial disputes is an illusion. There is much to say but I will try to summarize my two main arguments.

First, there is the very fundamental question of the legal status of the principle. In the Canada/Quebec context, Quebec separatists argue that in the event of a unilateral secession, the *uti possidetis* principle would guarantee Quebec its current provincial territory. Indeed, *uti possidetis* would eliminate the specter of partition, a key issue for undecided Québécois.

Experts in the rest of Canada are not all in agreement: On what basis could the officials of a newly declared independent Quebec impose this particular version of the *uti possidetis* principle? It would certainly not be binding on the rest of Canada by virtue of an international treaty. In fact, the only way it would have this binding effect on Canadian federal authorities is if the *uti possidetis* principle is considered to be a customary rule of international law. That is to say, that the practice of adhering to the *uti possidetis* principle in the context of unilateral secessions is supported by a general and consistent State practice and moreover, that such practice is followed out of a sense of legal obligation.

In preparing for this talk, I came across at least four articles that described the *uti possidetis* principle as a customary rule of international law and those four articles referred to its general application in the context of the decolonization of Latin America in the 19<sup>th</sup> century in support

of this conclusion. I disagree with this assessment for various reasons but in light of time constraints, I will limit my comments to a few key points.

During the course of my doctoral studies on *uti possidetis*, I consulted many of the official Latin American instruments of the independence period and there are actually few instances where the new Republics explicitly referred to the *uti possidetis* principle. It is just simply not the case that it was “generally applied” by the former Iberian colonies; there is in fact no generalized practice to be discovered in the official documents. Worse, there were competing versions of the principle among the newly independent Republics; *uti possedetis juris*, *uti possidetis de facto*, *uti possidetis of 1821*, *uti possidetis before independence*, etc. States relied on one particular version of the principle in negotiations with one neighbour and then in light of political calculations, abandoned it for another version in their dealings with a second neighbour. Thus, not only is there no generalized practice, there is also no consistent practice.

Also, in 19<sup>th</sup> century Latin America, the colonial administrators knew very little about the vast Spanish and Portuguese territories under their authority. As a consequence, even when two or three newly independent States could agree on a particular version of the *uti possidetis* principle and accepted that the determination of their boundaries should be resolved on the basis of that principle, more often than not it proved impossible to establish where the Spanish or Portuguese line had actually been drawn; the official colonial maps and documents proved to be hopelessly flawed. Thus, even in those few arbitrations where the Parties did try to apply the *uti possidetis* principle, the disputes ultimately had to be resolved on the basis of other principles: equity or effective occupation or natural, geographical features. The final point about the Latin American experience with the *uti possidetis* principle is that the consent of all the parties involved was essential; it was never imposed on an unwilling party.

The decolonization process of the African continent adds very little relevant State practice in terms of the customary nature of the *uti possidetis*

principle. It must also be strongly emphasized that the practice considered to this point has all been *colonial* State practice. There is in fact, no trace of the *uti possidetis* principle in any of the official speeches, pronouncement or documents of the African independence period: not in the 1963 OAU *Charter* or the 1964 *Cairo Resolution*.

There was no need for the African leaders to rely on the uncertain and impractical Latin American principle of *uti possidetis*. The combination of two classic, fundamental international legal rights – the right of self-determination, which was territorially defined and was granted to each colonial people as a whole, together with the right to territorial integrity – guaranteed the territorial *status quo* in Africa.

However, in their 1992 Quebec Report the Five Experts argued that recent *post-colonial* State practice had revealed the existence of a generalized *opinio juris* in favour of the *uti possidetis* principle. And in support of this extension of the principle, they referred to the dissolution of the Soviet Union and Czechoslovakia. Yet, it must be emphasized that in both of those cases, the dissolution of the parent State resulted from agreement and thus created no precedent for cases of contested secession.

The 1991 *Minsk Agreement*, a key document for the transition to independence of the former USSR Republics, refers to the territorial integrity and the inviolability of existing borders within the Commonwealth and these principles are then reiterated in the *Alma Ata Declaration*. How can these clear and unambiguous references to such fundamental legal principles as territorial integrity and the inviolability of frontiers be treated as the application of the *uti possidetis* principle? To make such a claim, I feel, is to mistakenly believe that *uti possidetis* has become the incarnation of all the various rules and principles which contribute to the resolution of boundary issues. In addition, it also disregards fundamental rules on treaty interpretation as codified in the *Vienna Convention on the Law of Treaties*.

As for the case of Yugoslavia, as long as the Slovenian and Croatian declarations of independence were characterized as secession attempts,

the international community reiterated its commitment to the territorial integrity of the Yugoslav Federation. It was only after the Badinter Commission's critical and controversial finding that the process unfolding in Yugoslavia was one of dissolution and not secession that recognition was entertained and the issue of boundaries raised. Furthermore, an analysis of official pronouncements during the critical period reveals that political rather than legal considerations accounted for the ultimate solution adopted in resolving the Yugoslav crisis. Certainly there seems to be no evidence of a belief that international law dictated a particular outcome.

It is therefore highly disputable whether these three post-colonial precedents meet the definition of custom.

My second main argument is that even if it is accepted that the *uti possidetis* principle cannot be imposed on unwilling parties but rather that its application must be based on the consent or mutual agreement of all the parties involved, there is still a huge problem in terms of the outcome. As interpreted by the Badinter Commission and the Five Experts, the colonial *uti possidetis* has undergone a fundamental and unjustifiable transformation.

In Latin America, the declared principle was respect for the colonial administrative divisions existing at the time of independence. However this commitment concerned lines dividing units which the struggle for independence had already placed under the control of new international actors. In some cases, a new State might embrace several *audiencias* (a Spanish administrative unit) as in the case of Colombia prior to 1830, of Mexico or of Peru. In other cases, States were formed on the basis of smaller administrative units within an *audiencia* as in the case of Paraguay and Uruguay. In other cases, the new State was founded on a larger unit – a vice-royalty – as in the case of Argentina. In the African context, devolution is a legal act with territorial implications.

The critical point is that both in Latin America and Africa, two separate and distinct processes were at work: first, the identification of the presumptive units of statehood, whether by virtue of the principle of effec-

tiveness or force of arms in the case of Latin America or the right of self-determination of colonial peoples in the case of Africa; and then, in a second phase, the determination of the boundaries of those entities through the application of various principles, including *uti possidetis*.

As Angelet has so aptly commented, the principle of *uti possidetis* can only fulfil its stabilizing role on condition that the beneficiary of the principle is designated beforehand. For in the absence of such a designation, the *uti possidetis* principle can generate a multitude of solutions depending on whether independence is proclaimed at one or the other level of organization of the Predecessor State.

Yet outside the colonial context, international law does not designate such beneficiaries. The *uti possidetis* principle as defined in 19<sup>th</sup> century Latin America cannot account for the Badinter Commission's pre-independence selection of the Yugoslav Republican borders and only the Republican borders as the new international boundaries. Why choose administrative boundaries between constituent republics but not administrative boundaries between autonomous provinces? No longer an after-the-fact presumption as to the location of boundaries between States who have achieved independence, the principle is now deemed to apply in advance of formal independence and is used to determine the units entitled to achieve statehood. Why Slovenia but not Kosovo? Why the province of Quebec but not the northern lands of the Cree Indian nation? Such a discriminatory treatment of the aspirations of peoples can only have troubling consequences, as the eventual conflict in Kosovo eloquently confirmed.

My conclusion is simple but I think important to ongoing negotiating processes in the South Caucasus: there is no automatic solution to the territorial question. The principle of *uti possidetis* is not a panacea and should not be seen as a cure-all. Indeed, Latin America and Africa bear witness to the fact that in the process of formation of new States, unchangeable administrative borders will not always maximize stability and public order. This is true also of the South Caucasus.

What is perhaps needed is a return to the Roman law origins of the principle. *Uti possidetis*, as a provisional solution, would operate so as to preserve the *status quo* but only until the parties involved could resolve their competing claims. Withholding recognition until boundary issues had been peacefully resolved would constitute a powerful incentive for the arbitration of boundary disputes. A provisional *status quo* would help avoid conflict by providing a clear solution during the critical period. Existing boundaries would necessarily deserve consideration and some deference, but decision-makers would have the opportunity to consider whether a significantly better line could be drawn.

Existing lines could be evaluated as to their suitability as international boundaries in terms of the age of the line, the process by which the line was drawn and the viability of the entities on either side of the line. Furthermore, a flexible *uti possidetis* principle would allow a consideration of alternatives to take into account minorities trapped within the new States and the respect of human rights.

Condemnation of the use of force to change the *status quo* - clearly warranted in the context of Yugoslavia - need not necessarily coincide with the legal transformation of the *status quo* into a permanent solution by default. If the international community decides to intervene and to guarantee the boundaries of internal units in the context of the break-up of a State, then that decision - if agreed to or enforced - may have operative effect. This was essentially the outcome in Yugoslavia, where a decision initially taken only at the European level, was subsequently adopted and applied by the UN and endorsed in the Dayton Peace Accords. The crux of the matter is not to confuse this political process with pre-existing requirements of international law with regard to internal boundaries.



# **Learning from the Others: Patterns of Secessionism Before and After Partition**

*Pierre Jolicoeur*

In this presentation, I will discuss some rarely studied aspects of secessionism and partitions, namely 1) the extent to which external support contributes to the success or failure of a secessionist movement; 2) secessionism as a response to the way a State manages its ethnic diversity; and 3) whether a post-partition society would be more stable than the pre-partition order.

## **External Support – a Key Factor for Successful Secession?**

Outside support has always been seen as critical to the chances that a secessionist movement will fail or succeed (Horowitz 1985).

In particular supply in armaments, funding and bases are generally seen as decisive assets for secessionist groups in their endeavour to become independent. However, overcoming the old order is not sufficient as a definition of secessionist success. There has to be a moment that “makes authority”, which is legitimate, and which legitimizes at the same time in the eyes of the separatist sympathisers, their supporters, as well as their opponents, not to mention the uncommitted members of the international community. This “moment of authority” is generated by the recognition of the new order. Obtaining international recognition is just as important, if not even more crucial for the success of secessionist movements.

In addition to the psychological motivation of seeking recognition, there are practical implications as well. For instance, international recognition allows secessionist groups to join international organisations, to have access to funding from international institutions, and to participate in the club of countries in dealing with international relations. Those advan-

tages are critical to future stability (both intra-national and regional) because they offer platforms for dialogue, which, in addition to consolidating the legitimacy of the new order, remove the incentive to use violence for the separatists to have their voices heard.

Furthermore, the success of secession depends on the ability of the new order to shape the economic future of its constituents. In today's regimented international economic relations, access to World Bank funds or International Monetary Fund programmes, not to mention participation in the World Trade Organization are essential for prosperity, and prosperity is the best guarantor of continued stability.

*A contrario*, secessionist groups without international recognition dwell in ambiguous situations, a sort of political purgatory where economic exchanges and international relations remain at an informal unofficial level. Often, these economic exchanges will take place in black market conditions, where smuggling can become a security risk for other international actors, prompting their intervention. Again, there is a clear line of consequence between unfulfilled national aspirations and unresolved disputes about sovereignty. These consequences affect everyone in a region, and sometimes beyond. This is why support and recognition is believed to be important in determining success of secessionist movements, insofar as success also means the future stability of the new order. In most cases, international support and recognition will explain the success or failure of secessionist enterprises.

However why do some secessionist groups obtain international support and recognition while others don't? As we have seen from Suzanne Lalonde's contribution, international law is of some – but only limited – help. Of course there are fundamental principles of international law. It seems though that these principles are applied only as long as the states deem to do it. As much as certain countries – especially the weaker ones – and separatist groups would like it, the “rule of international law” is capricious.

In most cases, geopolitics – i.e. Realism – is way more successful in explaining why a state accepts to recognise a newly created one. For

instance, an interesting theory explaining the behaviour of states is the “vulnerability of the state”. Vulnerability is here defined as exposure to outside pressure, to challenges to the independence of the existing order. The presence of potentially secessionist groups within a country, the weakness of a government’s authority, the exposure to foreign pressures is important parts of the explanation.

Because international law is of limited help and much depends on the power relations of states, there is absolutely no guarantee that a secessionist movement will obtain one day international recognition. The existence of *de facto* states over several decades is a perfect illustration of that phenomenon, even though the number of such *de facto* states is extremely limited. Most cases (Biafra, Katanga, Somaliland, Cyprus, Transdnistria... and of course some Caucasian polities) have to be considered as secessionist failures because features of international or internal relations remain unresolved.

Since the end of the Second World War, Bangladesh is the only real case of successful secession, and potentially Kosovo can be considered as the most recent example of a successful secession. But again, insofar as stability is concerned, we have to factor in their ability to integrate the global economy. Lately, Kosovo and Serbia appear to have made a breakthrough in stabilising their relations by jointly monitoring their common borders.

### **Secessionism and Management of Ethnic Diversity**

The discussion of patterns of secessionist movements would be incomplete if it focussed solely on a state’s international behaviour. The internal behaviour of a state (i.e. how it deals with minority groups) is just as important. The rationale is that the absence of legitimate political space for minorities to air their grievances will be substituted by covert action, taking the form of political subversion or violence.

Different experiences in this respect can teach us some important lessons useful to establish better practices in managing ethnic diversity. This

leads me to introduce what certain authors refer to as the discrimination/accommodation debate (McGarry, O'Reilly, 1993).

Of course, States can be repressive and use violence in order to extinguish any secessionist movement or attempt of mobilization of internal ethnic communities. But not only is this method reprehensible, this kind of behaviour is generally not a success. It may temporarily succeed in eradicating the mobilization, but at the expense of human rights. It may attract the negative attention of great powers and international institutions.

However, most of the time, this kind of behaviour triggers renewed attempts at mobilization and often produces more violence from the ethnic minorities' side. Repressive tools are commonly used especially by authoritarian States, but are the least successful in terms of managing diversity. Even though great powers do not always have an interest in the stakes in play, this is definitely not a path that the international community wants to encourage.

Instead of discriminating against their minorities, states can also use different forms of accommodation. There is a lively debate about which institutions work best to accommodate ethnic minorities, what incentives they create, and what influence they have on the propensity of ethnic groups to mobilize and seek secession.

Federal institutions and decentralization (political autonomy) are sometimes thought to be slippery slopes leading to secession (Roeder 1991, Bunce 1999, Cornell 2002). Others contend, however, that such institutions actually calm down, rather than nurture, separatist tendencies (Stepan 1999, Bermeo 2002). In other words, making space for a minority should not be seen as legitimation of its grievances, or right to separate. Scholars have made progress in understanding this "paradox" (Anderson) by analysing the conditions under which responsive policies of decentralisation have one effect rather than the other.

There still is no consensus on this question. Nevertheless, a trend seems to emerge from the following analysts; Hechter (2000) argues that

“...decentralization may provide cultural minorities with greater resources to engage in collective action... at the same time, it may also erode the demand for sovereignty”. Kholi (1997) makes a related argument about “accommodation from a strong state increasing instability in the short term, but decreasing instability in the long term”, whereas Lustic (2004) concluded that “increasing representativeness in fact decreased secessionist activity... representative institutions, even if not fully autonomous, thus seem to inhibit secessionism”. At the same time, he also says that “rigorous repression can prevent mobilization, but only in the short term... at a great cost and without eliminating the threat of secessionism”.

Power sharing can be seen as more effective in the long term, yet it also tends to encourage larger minorities to develop “identity movements”. Northern Ireland, Fiji, and Papua New Guinea are often cited as power-sharing successes because they reduced the use of violence by secessionist groups by integrating and including these groups in decision-making. However, Nigeria, Lebanon, Cyprus, by contrast, are reminders that even carefully designed power-sharing institutions are far from being a panacea, and can sometimes exacerbate problems in divided societies. If we were to extend these models to the South Caucasus, we would still have no guarantee for the ultimate outcome on stability.

Bakke and Wibbels (2006) argue that fiscal decentralisation increases the likelihood of ethnic rebellion when there are important income disparities across regions. In addition, they found that when a strong national party excludes ethnic regions from national governance, ethnic conflict is more likely to occur. Essentially, they showed that the effect of federalism is contingent on underlying social features, especially ethnic group concentration and regional economic inequality.

All of these studies contribute to explain the incidence of secessionist movements. Institutional arguments, exploring the role of federalism, also try to answer a number of important questions including:

1. Why, despite decades of federal arrangements, secession happens at certain junctures, but not at others?
2. How secession can occur in the absence of federal arrangements?
3. Why secession happened in pre-federal times, say from the Habsburg and Ottoman empires, where none possessed federal institutions and very few possessed autonomous any form of autonomy?

In general we can say that secessionists react to the state's actions, both present and past, and not only to the state's inaction, weakness, and/or institutions. Whether state policies tend toward inclusion, *status quo* or exclusion is likely to influence the minority leaders' reaction ranging from secession to a less radical pursuit of autonomy.

### **After Secession Scenarios: Will They Bring Stability?**

Talking about secession cannot be limited to examining the struggle for separation (vs. territorial integrity), but has also to consider scenarios of what will happen after the event of secession. In the end, that is the real definition of success.

Secession, much like partition after civil war, does not resolve ethnic conflicts, but merely reorders them and may potentially create new forms of violence.

One reason is that the successful independence creates incentives for new groups within the newly created state to gather and to mobilize. Another reason is that individuals often possess more than one ethnic identity from which to choose, which is likely to be influenced by the new institution setting, and the aggregation of these choices may make a country look quite different than it did before independence. Chechnya is a good example of that phenomenon, and so is the former Yugoslavia, with the region of Sandžak in Serbia, or in Macedonia, with the Presevo Valley. Because international law on recognition is thought to have a life of its own, separatist groups think they can bank on it to legitimise secession, and so the apparent ease of the process encourages further

fragmentation based on ethnic identity, and not on how this ethnic group has been treated within a greater polity.

This said, the problem of accommodating ethnic groups, whether long established or newly constructed, is not to be taken for granted in new states. “Nationalizing states”, as R. Brubaker calls them (1995), can make life for new minorities so unbearable that the risky struggle to fight their own way out through secession becomes relatively attractive.

Of course, this debate would be moot if states could more or less peacefully agree to part ways, as did Norway-Sweden or Slovakia-Czech Republic or Iceland-Denmark. This is, in fact, in law, and in practice the only way to secure future stability in secessionist contests. But states willing to part peacefully with a portion of their territory are extremely rare.

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## Energy Competition in the South Caucasus: Driver of Stability or Instability?

*Régis Genté*

I will speak about energy as a driver of instability in the South Caucasus. That's not an easy topic as thousands of articles were written on the subject in the last 20 years. We know that wars can happen indeed because of the energy search, the will to control export routes, etc. Could it also be the case in the South Caucasus? I will answer as a journalist, basing my opinion on some things I have observed for the last ten years in the region and pointing out some details we don't pay enough attention to, in my opinion.

When I came to work in the region, ten years ago, I had the following questions in mind: why is the South Caucasus so unstable? Is it because of its hydrocarbons reserves, and the ones of the Caspian region that are or could be evacuated through the Caucasus? Would this region be so instable if it wouldn't have 3-4% of the world hydrocarbons reserves in its subsoil? Sometimes, reading the press and academic analysis, I feel that there is a prejudice to say that this instability is nurtured by the thirst for oil and gas.

If we take quick look into the South Caucasus history, in the 20<sup>th</sup> century, we see that there were three major periods of instabilities and war. Let's see if energy appetites were the cause of them:

- At the end of the First World War: Even if Baku was already seen as attractive because of its oil deposits, the instability wasn't due to energy. The then instability was almost only a political and geopolitical fight, between big regional and world players. The new Bolshevik regime was trying to keep the borders it "*inherited*" from the Tsarist regime. The Turkish republic, after the collapse of the Ottoman Empire, was trying to establish its national territory

and to create a kind of Turkish sphere of influence. The Western powers, such as the UK or France, wanted to contain these two new regimes. In some extent indeed, there were also looking at the oil deposits but it was obviously not their main goal.

- During the Second World War: if war came to Caucasus, it was in this case indeed because of the oil thirst. The Wehrmacht tried to pass the Caucasian mountains because it needed badly to get Baku oil.
- At the end of the Cold War: The situation then is more complex, so to speak. The three Caucasian separatist conflicts were not about oil and gas. We may think that Russia was manipulating the conflict in order to keep control over the South Caucasus and the Caspian region's hydrocarbons wealth. But that's difficult to assert, because Russia at that time was then very weak, chaotic and divided on the policy to follow in the South Caucasus. Army intelligence was not thinking like the Foreign Ministry; the Foreign Ministry was not thinking like the security services' successors... which were not thinking like the Ministry of Defence, etc. But after some years, Russia having recovered, the tensions in the region became more and more about oil and gas. The West fuelled these tensions by showing a big interest for the Caspian deposits. We remember how Western experts, oil firms, or diplomats exaggerated the potential volume of reserves in the Caspian basin, speaking about 200 billion barrels while it is in reality 6 times less at least.

It is in this context that the Baku-Tbilisi-Ceyhan (BTC) oil pipeline was built, while investors were not sure that the project would be economically sustainable. It was a political project. But again, nobody can say that this rivalry between the West and Russia was only about oil and gas, but it seems that hydrocarbons were a pretext for a geopolitical fight as a kind of prolongation of the Cold war.

If now, I'm coming to what I could observe this last decade, let me speak about two events or rather series of events:

### **The 2008 Georgian-Russian war**

It wasn't first of all about oil and gas. I remember how during the conflict the Russian leadership was constantly reminding the Western countries of the Kosovo recognition, the NATO bombing of Belgrade, and of the Iraq invasion. Their message was that the West should not anymore weaken Moscow in the international arena. This war was for Russia about regaining its place as a power we have to take into consideration in big decisions to be taken about the world, or at least in the wider region.

The Kremlin's martial rhetoric about the South Caucasus is often motivated by the Moscow claim to get the place Russia believes it deserves in the world community. It was indeed again the case a year ago; when Moscow felt that it could lose its influence in the Middle East (Israel was speaking more about strikes on Iran while the West was asking Assad to step down in Syria).

Two events, during the 2008 war, were directly connected to oil and gas. The first one is the launch of a few bombs close to the BTC, in the South of Tbilisi. Georgian authorities interpreted this bombing, which was not aiming at damaging the oil pipeline, as the sending of a message: "We can destroy your oil pipes if we want." Certainly, Russia could, but it didn't want to go into a direct confrontation with the West. That's an illustration of how the Caucasus is at the moment a place where proxy wars can happen.

The second event is the train carrying oil wagons which exploded at the end of August 2008, after it ran on a mine put on the railway around Gori city. Again, it seems to have been the sending of the same clear message.

It seems that 2008 war was about big politics. As Tolstoï says, in *War and Peace*, wars happen because of plenty of causes, and no one is the only reason of it. But obviously energy thirst can contribute heavily to fuel the flames. That's probably why in 1994, the Azeri President Heydar Aliyev did his best to include Russia in the "deal of the century", giving finally to Lukoil 10% of the Azeri-Chirag-Guneshli field. This man, who knew as nobody the Kremlin's inner logic, thought giving a share to Russia in the project was the best way not to anger Moscow and eventually push it to destabilize the South Caucasus.

### **The Trans-Caspian Gas Pipeline Issue**

Let me first remind you two figures, which are strangely always underestimated. These last few years, Gazprom's volume of exports to Europe was around 30% of its production. This little one third represented about two thirds of Gazprom's income. It means that Kremlin's political ambitions are for a huge part coming from the Gazprom's sales to Europe. That's why, in my understanding, Moscow was so tough on the Nabucco issue, and consequently with the Trans-Caspian gas pipeline.

I never heard any Russian official, whether politicians or energy specialists, saying a single word against the Chinese gas pipelines projects in Turkmenistan even if exports reach about 40 billion cubic meters (bcm) or more per year. For me, it is clear that Moscow is glad to see these huge amounts of gas going to East... and not to the market Gazprom wants to keep as much as possible for itself, Europe. The pipeline war, between the Nabucco/EU project and the Moscow/South Stream competitor project, is rooted in this will to keep for Russia the European market. And all the controversies, for example on the real amount of gas reserves in Turkmenistan, on the Trans-Caspian pipeline are also coming from the same reason.

In 2011, there was even some threatening Russian rhetoric towards Ashgabat. It was not formulated by Russian officials, but by experts reportedly quite close to the Kremlin and Gazprom. Somebody like the Turkmen President, Gurbanguly Berdimukhamedov, probably didn't fear a

Russian military invasion. But he knows how the Kremlin can play a big role to overthrow a post-Soviet president. He knows how Moscow heavily contributed to kick out the Kyrgyz President, Kurmanbek Bakiyev, in April 2010.

Europe didn't understand, or didn't want to understand, what Turkmenistan has been saying since 2007, that it really wants to diversify its clientele; *"everyone is welcome to take our gas at our border."* When Mr. Barroso went to Baku and Ashgabat in early 2012, he encouraged the Turkmen leader to be more courageous. But what Turkmen are saying is that it is to the EU to be more courageous. Taking Turkmen gas to Turkmenistan's borders means taking it on the Eastern shores of the Caspian Sea. It means that it is Brussels who has to deal with Moscow to get an agreement to allow building a gas pipe under the Caspian Sea. Ashgabat thinks, and it is probably true, that it is too weak to challenge Moscow on such an issue.

## **Conclusion**

To conclude, let me remark three things:

- 1) Indeed energy has rarely been the main driver of instability in the South Caucasus, but it can become so potentially.
- 2) If Europe wants to get Turkmen gas, it needs to engage Russia in a big bargain to be "allowed" to lay a gas pipeline under the Caspian Sea. For example, it supposes giving Russia the possibility to benefit from Western technology to modernize its energy industry and improve its terribly low energy efficiency. But the EU, which is divided, seems far from ready for such a discussion.
- 3) What I say might change slightly with the shale gas revolution. Nobody knows at the moment what will be the impact of that revolution. But as America won't import gas anymore, who knows if they will keep a very strong position in the Caucasus to defend the "Western" pipelines projects. Who knows if Europe, which will

buy more liquid natural gas (LNG) from Qatar for example, will really fight to get Turkmen gas in the future? More importantly, who knows what will Russia's strategy be to counter the shale gas revolution?

# **The South Caucasus: Russia's Perspective**

*Nikolay Petrov*

## **Russia: Outsider and Insider to the Region**

What makes Russia an insider? It is geography, first of all, with the Russian North Caucasus 'internal abroad' as it is called by some experts, which is an organic part of the region, inseparable from its southern counterpart beyond the Caucasian range. There is an extremely complicated ethnic mix there with close relatives from both sides of Caucasian mountains. There are also 'divided nations' – Lezgins in southern Dagestan and northern Azerbaijan and Ossetians both in Russia (North Ossetia) and Georgia (South Ossetia).

Second, there are big ethnic Caucasian diasporas not only in North Caucasus (Armenian, first of all), but everywhere in Russia including in Moscow, where number of ethnic Azeri, Georgian and Armenian nationals in total is equal or even exceeds the population of individual South Caucasian states.

Finally, there are very intensive business connections, which have direct political implications. One can recall the Russian-Georgian tycoon Bedzina Ivanishvili, who became the prime minister of Georgia in October 2012, and the recent case of well-known Azeri moguls and public figures in late September 2012 establishing the Union of Azeri organizations.

## **Russia's Problems with North Caucasus**

The North Caucasus is the remains of the former Soviet empire and many of its current problems originated in the USSR. Being an 'internal

abroad' as some experts put it, it creates the biggest challenge for Russia now.

There are both specific regional problems and all-Russian problems like weak institutions, huge corruption etc., which reach extreme expression in the region. Proper Caucasian problems are connected not so much with poverty, but with huge inequality, lack of social development and archaic clan social organization.

The scale of problems there which have been accumulating since before the Soviet era, even in czarist time and has huge meaning. Among other things, problems can't be fixed without implementing a long-term and painful strategy which carries risks of instability. The problem is that the Russian government, being overwhelmed by short-term tactical consideration, is hardly in a position to work out and to implement such a strategy.

It started in 2003, when on the eve of forthcoming presidential elections Vladimir Putin, in order to demonstrate the glorious character of his war in Chechnya, decided to install one of the Chechnya's warlords Ahmed Kadyrov. In exchange for his personal loyalty, he helped him against other warlords, which created a vision that the war is over and the situation is under control. Since that time Putin is hostage to a choice he made in 2003.

Instead of trying to deal with the essence of Caucasian problems Moscow is saturating them by money, trying to buy loyalty from local elites. Not only is it ineffective, but it is counter-productive because it maintains or even increases social inequality.

### **Public Opinion and Ethnic Tensions**

The Russian perspective about the Caucasus and the wider security problems of that region are provided by the Levada Centre's 2011 Annual Report. The figures that follow come from that report, and indicate the

tendency of public opinion, also as it relates to the Federal authorities handling of tensions in the region.<sup>1</sup>

When answering the question whether some ethnic groups should be limited to live in Russia, respondents put 'Caucasians' in first place (39% in 2011), ahead of Chinese (30%) and those who originate from Central Asia (26%). The phobia against 'Caucasians' replaced anti-Semitism.

42 per cent think that Russian authorities will never manage to provide order and peaceful life in the Caucasus, and another 38 per cent think that it is possible but in many years, while 13 per cent think that Chechnya and maybe other North Caucasian republics will secede from Russia. When answering the question whether Russian authorities can control the situation at the Caucasus the share of those answering in the affirmative (49%) almost doesn't differ from the share of those answering in the negative (40%). This is nevertheless a great amelioration as some years ago the latter dominated in a 2:1 proportion.

However only 5 per cent think that Federal authorities now control the situation in the Caucasus entirely, another 29 per cent more think that the Federal level controls the situation most of all, while 43 per cent think that they control the situation to a lesser extent, and 10 per cent think that authorities don't control the situation at all. Almost two thirds (62%) think that the war in the Caucasus will continue decreasing in intensity, but that this will be a long-term process. Evidence for this tendency is provided in Table 1.

As a mean to fix problems of North Caucasus tougher control over North Caucasians coming into Russia is at first place (36%), 26 per cent would use all the Russian Army might to mercilessly crush secessionist movements forever, 18 per cent got both peaceful solution including negotiations with separatists and militants, from one side, and breaking North

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<sup>1</sup> Levada-Center Annual Report 'Public Opinion-2011',  
[http://www.levada.ru/sites/default/files/levada\\_2011\\_0.pdf](http://www.levada.ru/sites/default/files/levada_2011_0.pdf)

Caucasus away from Russia while maintaining open the possibility for those who want to resettle in Central Russia.

With regard to Chechnya 11 per cent consider that its secession has already taken place, 23 per cent would be glad if it did take place, while 28 per cent would not worry if so, with only 12 per cent being against such an opportunity and 13 per cent more being ready to oppose such a development by all means including military.

When answering the question whether life in Russia will become more or less calm and peaceful in case the North Caucasian republics secede, respondents are split half and half.

With regard to the slogan 'Let's stop feeding the Caucasus' 28 per cent definitely support it with another 34 per cent rather supporting it. Another 18 per cent don't support it and only 6 per cent definitely don't support it.

### **Public Attitude toward Armenia, Azerbaijan and Georgia**

The knowledge concerning Russia's relations with the South Caucasus states is not that big with Armenia and Azerbaijan being in the second echelon of countries to be known as Confederation of Independent States (CIS) members (27 and 22 per cent respectfully). 12 per cent of respondents were mistaken in thinking that Georgia is a CIS member as well along with Abkhazia (12%) and South Ossetia (9%). The balance of positive and negative attitude toward Georgia which has been oscillating over the last decade from +10% to -20% has reached -60% in late 2008, and now moves to 0.

The usual speculations about Armenia being brother in faith and a Russian bastion in the Caucasus endure. It's not so evident in public opinion where Armenia goes eighth (11%) in the list of friends and allies, with Azerbaijan being tenth (9%) and Georgia 36<sup>th</sup> (2%) just near South Korea (2%) and Iran (1%). Georgia leads in the list of Russia's enemies

(50%) being far ahead of everybody else, with Azerbaijan (5%) and Armenia being neighbours once again in 14<sup>th</sup> and 16<sup>th</sup> position.

2010								
	Attacks	Victims	Deaths	Losses of siloviki <sup>1</sup>		Losses of militants <sup>2</sup>	Losses among pop.	
				Kill	Wound		Kill	Wound
Chechnya	37	250	127	44	93	80	3	30
Ingushetia	40	326	134	31	133	63	40	59
Daghestan	112	685	378	124	200	176	78	107
Kabardino-Balkaria	41	161	79	23	35	25	31	47
Karachai-Cherkessia		4	2	1	1	1	0	0
Stavropolsky	3	89	10	0	0	2	0	0
North Ossetia	5	125	24		4	2	20	157
<b>Total</b>	<b>238</b>	<b>1710</b>	<b>754</b>	<b>225</b>	<b>467</b>	<b>349</b>	<b>180</b>	<b>489</b>
2011								
	Attacks	Victims	Deaths	Losses of siloviki		Losses of militants	Losses among pop.	
				Kill	Wound		Kill	Wound
Chechnya	26	201	95	21	97	62	12	9
Ingushetia	29	108	70	19	32	40	11	6
Daghestan	86	824	413	111	281	173	129	130
Kabardino-Balkaria	21	173	129	31	32	80	18	12
Karachai-Cherkessia	1	38	22	6	9	13	3	1
Stavropolsky	2	24	17	2	6	15	0	0
North Ossetia	2	14	4		5	1	3	5
<b>Total</b>	<b>167</b>	<b>1378</b>	<b>750*</b>	<b>190</b>	<b>462</b>	<b>384</b>	<b>176</b>	<b>163</b>
2012, first 9 months								
	Attacks	Victims	Deaths	Losses of siloviki		Losses of militants	Losses among pop.	
				Kill	Wound		Kill	Wound
Chechnya		159	77	42	74	34	1	7
Ingushetia	1	135	64	24	50	32	5	18
Daghestan	4	557	332	100	160	178	54	59
Kabardino-Balkaria		119	82	15	22	63	4	13
Karachai-Cherkessia		7	5	3	2	2	0	0
Stavropolsky		12	10	0	0	9	0	2
North Ossetia		7	4	0	3	3	1	0
<b>Total</b>	<b>5</b>	<b>996</b>	<b>574</b>	<b>184</b>	<b>311</b>	<b>321</b>	<b>65</b>	<b>99</b>

Table 1: Terrorist attacks in North Caucasus, 2010-2012<sup>2</sup>

<sup>2</sup> Source: Kavkazsky Uzel site



## **Structural Solutions for Drivers of Instability: Perspectives from Turkey**

*Burcu Gültekin Punsmann*

The evolution of the security situation in the Caucasus region at the end of the Cold War has had a direct impact on Turkey's security. The days of Turkey sharing a land border with the USSR ended and Turkey rediscovered her new neighbours. This evolution is first considered as a main strategic gain: for the first time in several centuries (with the exception of 1918-1920) Turkey and Russia have no land border. Turkey recognized the newly independent post-Soviet Republics before the United States and other Western powers in 1991.

However the instability which arisen from the power vacuum in the region became a source of concern for Turkey. Turkey which has traditionally avoided being involved in regional politics has been drawn into volatile new conflicts in the Caucasus. Celebrations of the fall of the Soviet Union have been short-lived. The newly rediscovered Caucasian borderlands transformed the Turkish-Soviet border in an area of instability and brought the risk of a direct confrontation with Russia, reminding of the recurrent Turkish-Russian wars of the past century.

The conflicts are spilling over into Turkey. Turkey discovered her own Caucasian identity and became an insider to regional dynamics. The Chechen, the Georgian-Abkhazian and the Nagorno-Karabakh wars have become part of the domestic Turkish agenda with large parts of the population showing sympathy for one or another of the conflicting sides.

According to some unofficial data – censuses in Turkey don't collect any data on the ethnic descents of the population – the total number of Chechens and Abkhazians in Turkey can outweigh the populations of Chechnya and Abkhazia proper. The Diasporas can therefore emerge as powerful and unsettling lobbies within Turkey.

Generally speaking, Turkey's policy towards the South Caucasian Republics aims at the strengthening of political institutions, the fostering of economic viability and military reforms. In this respect Turkey's approach to the region precedes the launch of the Euro-Atlantic integration processes. The independence, sovereignty and stability of the region are considered as important for Turkey's own security and regional ambitions. In the second half of the years 2000, economic growth and internal political stability allowed Turkey to increase considerably its external action capacities in its neighbourhood.

The need to project stability beyond its borders is more than mere rhetoric in the case of Turkey. It defines a real strategic objective. Turkey's neighbourhood policy as formulated by the Turkish Minister of Foreign Affairs, Mr. Davutoglu, aims at helping to secure and nurture a peaceful, prosperous, stable and cooperative environment conducive to human development at home and its neighbourhood. This proves to be a difficult challenge in the complex and conflicting environment where Turkey is located.

More specifically, five different range of factors are underlying Turkey's approach to South Caucasus: 1) Balancing of its NATO commitments; 2) The development of good neighbourly relations with Russia have indeed become the major strategic gain at the end of the Cold War; 3) the shared interest with Georgia in positioning itself as a transit hub for hydrocarbons. Furthermore Georgia has become Turkey's gateway to the rest of the Caucasus and Central Asia after the closure of its border with Armenia; 4) the sense of solidarity with Azerbaijan claimed to be based on ethnic kinship, which is conditioned domestically to a large extent by a nationalistic discourse; 5) and finally, the historically fraught relationship with Armenia and current impossibility to normalize intergovernmental relations between Ankara and Yerevan.

Has Turkey been able to develop leverages powerful enough to impact positively on the regional and domestic dynamics in South Caucasus? Turkey's role in South Caucasus cannot be analyzed separately from its broader relationship with Russia. Throughout the last decade, Turkey has grown more deferential towards Russia's regional strategic interests.

Turkey tries to work *with* rather than *against* Russia. Paradoxically this deferential attitude doesn't represent a limitation; it enlarges Turkey's room for manoeuvre and underlines Russia's implicit acceptance of Turkey in the post-Soviet geography.

Turkey is a factor that has to be dealt with in security equations. Turkey and Azerbaijan signed a defence pact which includes a mutual assistance clause. Its signature has been possible with Russia's implicit understanding of its more symbolical aspect; this explains the latter's restrained reaction. Turkey has been acting as a security provider for the Baku-Tbilisi-Ceyhan (BTC) pipeline and by extension to Georgia; although its security-based relationship with Turkey has been overshadowed by NATO and US involvement. One can argue that the Turkish factor proved its efficiency during the 2008 war which opposed Georgia to Russia by providing security to the port of Batumi and the airport of Tbilisi. The Baku-Tbilisi-Ceyhan oil and the Baku-Tbilisi-Erzurum gas pipeline became facts on the ground respectively in June 2006 and March 2007. The region matters therefore for Turkey's energy security.

Turkey's actions in South Caucasus face serious limitations as long as it can't have a direct influence on the dynamics of conflict settlement. The proximity to the region is both an aide and hindrance to diplomacy. Turkey is too close to the theatre. Its capacity to use hard power is seriously restricted not much because of its lack of freedom of action and independence but because of the risks it involves. The decision to send troops across borders can have far-reaching consequences.

Turkey's main contribution can be in reshaping the geopolitical discourse in the region away from a grand chessboard of great power confrontation. The future of the region depends on its re-orientation away from regional polarization. It is necessary to promote pragmatically-oriented approaches based on self-interest and business initiatives, and to stress the importance of economic competition, rather than political confrontation and domination.

The Caucasus Stability and Cooperation Platform announced in the context of the 2008 war could have been a significant step ahead in this respect. It is unfortunate that it had remained short-lived. Regional momentum triggered from inside can develop the much-needed sense of accountability and ownership. Inclusiveness requires a healthy communication with all without any discrimination. A pragmatic approach can help to build trust and cooperation in the context of mistrust and mutually perceived threats.

Turkey has the potential to support transformation and reform processes within the societies of South Caucasus through soft power means. Turkey is the only country that can compete with the soft power of Russia in the region. Its force of attraction is based on economic growth and its liberal visa regime. Turkey has become a major destination for tourism, trade and work for people from the region. 3.5 million Russians, 1.1 million Georgians, 500 000 Azerbaijanis and 72 000 Armenians visited Turkey in 2011.

The nascent middle classes travelling to Turkey for work, trade or tourism become lucid enough to acknowledge the need for social and political change at home. Turkey's new strength, its experience in building a strong, modern economy and its ambition to trade and integrate with its neighbours offer a chance to bring more stability and reduce conflicts. Turkey's approach can help shape a vision of a region in which security and economic interests are pursued pragmatically by all states and citizens and within a framework of cooperation aiming at a normalization of relations.

However the current state of the relations with Armenia will keep on seriously curtailing Turkey's outreach in South Caucasus. Furthermore the transformation of this soft power and force of attraction into a vector of influence to be used in the field of preventive diplomacy and mitigation of tensions requires enhanced political engagement and strategic planning.

## **PART 3:**

# **BUILDING UNDERSTANDING AND BUILDING STABILITY: IDENTIFYING EXTERNAL PRESSURES**



# The Internal Threats to the South Caucasus Region

*Alexander Iskandaryan*

The main threat to the South Caucasus region comes from inside not from the outside. The region is broken into parts, some internationally recognized and some not, and the various parts challenge one another. Sometimes external actors also create challenges but Iran or Turkey, Russia, CSTO or NATO are much less challenging to the nations of the South Caucasus than Armenians are to Azerbaijanis, Azerbaijanis to Armenians, Georgians to Abkhazians, and so on. External actors are certainly aware of this fact. Everyone understands that conflicts are holding back the region's development. And therefore, Western and international players have been trying to promote the resolution of these conflicts ever since they began engaging with the region.

During twenty years, efforts to resolve ethno-political conflicts have involved every kind of international body and actor in a wide variety of formats, from official negotiations to Track Two diplomacy. However, all these efforts and formats have always been inefficient.

The US, the EU, NATO and the UN have – to their great surprise – found that the parties in conflict, instead of cooperating, are doing their best to prevent a settlement, although it seems to be in their best interest to cooperate. This resistance has made the regional engagement of external actors very problematic. Pressure on the political leadership of the parties in conflict – whether internationally recognized states or internationally unrecognized *de facto* states – does not lead to any results, because resistance to resolution efforts from inside the region remains stronger than the pressure applied from outside.

Being smart and creative does not help either. The parties in conflict reject all conflict resolution scenarios, however well elaborated. They don't reject particular scenarios – they reject them in principle, because

in the eyes of the parties in conflict, negotiations are either a continuation of warfare using other methods, or a useless activity imposed by the powerful external actors. Consequently, stakeholders only pretend to engage in negotiations. The result is a sometimes rather realistic but always hypocritical imitation of a peace process.

Worse still, since the external players who are applying the pressure are different actors with different stakes and concerns, they always have some disagreements on how things should be done in the region. The parties in conflict soon learn to play on those disagreements in a way to make the negotiation process meaningless and make sure it does not affect the *status quo* in any significant way.

In my opinion, this means that we cannot resolve the conflicts by just dealing with the conflicts. From numerous examples worldwide, we know already that it is wrong to see the conflicts as isolated problems that can be handled separately from other political or societal concerns. This approach is *a priori* doomed to failure. The problems are not just about the conflicts themselves but about the stakeholders – leaders, states and societies included. Everywhere they happen, ethno-political conflicts are deeply rooted in the political, cultural and social lives of the region. They are not random unfortunate incidents, nor are they the result of the evil will of individuals. Of course, for people involved in the conflicts, it is comforting to think that they are the fault of ‘bad guys’; Soviet politicians, local post-Soviet politicians, world powers, or international cartels. This way, you don’t have to accept responsibility for the conflicts, or for their resolution.

Apparently, a productive scenario for external engagement in the region should involve putting the conflicts in perspective. In terms of political science, there is a logical explanation for *both* the origins of the conflicts *and* the parties’ unwillingness to resolve them or to accept responsibility for them.

The explanation is that ethno-political conflicts are intrinsic to the *historical development stage* at which the South Caucasus region now finds itself. In terms of identities and visions, the region’s current develop-

ment stage is rather similar to the late 18<sup>th</sup> – early 19<sup>th</sup> century in Western Europe, or the early 20<sup>th</sup> century in Eastern Europe and Central Europe. At that stage, empires fall apart into nation-states. In these terms, contemporary post-Soviet society is Modernity that began here two centuries later than in the West and almost a century later than in Eastern Europe. The reason why it didn't happen earlier is that the creation of the USSR preserved – or re-created - imperialism in this part of the world, and kept it going for an extra 70 years.

The emergence of nation-states never goes conflict-free. In the post-Soviet world, like in Central Europe a hundred years ago, the nation-states were ethnicity-based projects. “Nations” were understood as ethnic domains, which is always problematic because ethnic groups often live on both sides of any administrative border. Besides, while changing hands from empire to empire, the South Caucasus region grew a complicated history of border-drawing and administrative divisions. As a result, some of the nation-state projects overlapped in a really bad way, with two (or more) ethnic nations claiming ‘ownership’ of the same territory. This means that, on the level at which they originated, the conflicts cannot be resolved. In a zero-sum game, whatever one party in conflict gains, the other party loses, and its ethno-national identity is badly damaged.

Within this paradigm, there is no such thing as a good scenario for conflict resolution. The goal of a peacemaking initiative is to leave the paradigm altogether. Ideally, one needs to teleport all stakeholders from the 18<sup>th</sup> to the 21<sup>st</sup> century, from zero-sum-games to problem solving. However, this is a very complicated task, much more challenging than writing up conflict resolution scenarios.

One could, however, say that the search for scenarios, and pressure on the stakeholders to implement them, is not just useless. The risks here are the wars that periodically break out. Although caused by very old 18<sup>th</sup> century paradigms, the wars are fought with very modern 21<sup>st</sup> century weapons. Each new round may be fought at a higher technical level, causing even more destruction than the wars that happened in the region in the early 1990s.

When thinking of the alternatives, many peacemakers say that the region needs more democracy. If we democratize the societies, the conflicts will go away. However, in the societies of the South Caucasus, more democracy will not necessarily mean less conflict and more integration. In history, there have been situations when societies democratically elected leaders with nationalist or even aggressive agendas. The societies of the present-day South Caucasus may prove even *more* radical with regard to the conflicts than their leaderships are.

This does not mean that we need to stop democratization in order to resolve conflicts. It means that democratic institutions, however useful, are not enough to prepare societies for resolution. Identity and culture are vital. They will need to change quite a bit before the conflicts can go away.

Cross-border efforts at 'building trust' are not working either. Cross-border trade, civil society projects, educational exchange and joint activism, in a variety of spheres from women's rights to environment, all seem to involve a small circle of the same people. Participants of these projects form an international network of people who have learned to cooperate across borders but remain marginalized in their own societies. At best, these activists feel isolated from the societies; in the worst case scenarios, they are hated or even oppressed. Again, the problem is not about institutions or individuals. It's about paradigms.

Changing paradigms does not require dealing with the conflicts; it requires working with the societies. Ideally, the issue is not to draw the 'right' borders but to build new, dramatically different societies. Once this happens, the developments will lie in a different paradigm, which we cannot imagine now, just like people living in 18<sup>th</sup>-century Alsace-Lorraine were unable to imagine the role that Strasbourg would one day play in the European Union.

I am not trying to say that external actors in the South Caucasus must be prepared to engage here for the next two hundred years. However, I believe that they should also give up the idea of getting things done in a year or two. In the contemporary South Caucasus, the frozen status of

the conflicts is not a bad result. The preservation of the *status quo* in the medium or even long-term perspective is not a sign of failure. It is not a setback, but a respite, a relatively peaceful environment in which some very important things can be done to modernize societies, not just governments.

The societal transformation required for changing the existing paradigms can include activities in the sphere of discourse development, education and media.

The current emotional discourses around the conflicts will need to be replaced with rational ones. Very few rational things are currently said or written about the conflicts. This will require engaging scholars but also working with the media and journalists' education and training.

Cross-border projects are a good idea but they will need to change in order to become effective. The participants of these projects usually give feedback to their societies. However, most of the time they only talk to people who already support the ideas of peace and cooperation. In order for something to change, they will need to start talking to people who don't agree, such as ethnic nationalists or opponents of modernization. So far, in our countries it is normal that people with contrasting views hardly ever talk to each other. They have their own NGOs, blogs and discussion clubs. For paradigms to change, we will need to build a culture of rational informed debate between supporters of contrasting ideologies and worldviews.

The societies will need to move towards a more modern and more European model, based, first, on diversity (including diverse approaches to conflict resolution) and second, on efficient mechanisms of inclusive governance. In both, European actors can help a lot.

Another key step that external players can take is to put an end to the international isolation of the *de facto* states, so as to ensure their modernization, transformation and democratization.

Something that European actors can also help us to do is to shift conflict perception into the human dimension. This way, conflicts will no longer be perceived as territorial disputes, but as problems faced by people.

Overall, a good way to invest into the region is not resolving conflicts but changing people in order to create a new environment in which the conflicts can be resolved.

## **Managing External Pressures to Stability: Some Brief Observations**

*Rashad Shirinov*

The South Caucasus could be characterized as a producer of instability; producer as well as consumer of security. These different roles have made domestic and international politics complex and volatile.

The presence of big actors having interests in the region (Russia, US, Turkey, Iran and EU) have contributed to local actors' searching for safe havens for security among these players. Armenia is oriented mostly towards Russia and partly to Iran; Georgia – mostly towards Europe and United States and Turkey; Azerbaijan has developed a special policy of balancing among practically all regional players.

As professor Neil McFarlane mentioned earlier this year in Tbilisi during the PfP Consortium Annual Conference, this diversity of approaches inside and outside the region creates doubts whether the South Caucasus can be termed a case of regional integration. Perhaps it could be considered as a region (like the Balkans or Middle East), but the question remains; can it be taken as granted when it comes to regional integration?

The lack of a more or less clear idea of “belonging” to a region from the countries has also created various tendencies with the process of democratization: Georgia (adhering to Western principles of liberal democracy) shows more interest in transforming its state and civil institutions according to a liberal democratic state model. Armenia has been caught between authoritarian and democratic tendencies (with manipulated elections but relatively free assembly, media and freedom of association practice). Azerbaijan has demonstrated an obvious retreat from democracy-building after 2003 with nominal freedom of media, assembly and association and constantly rigged elections.

Therefore the biggest question is whether values or interests should prevail in the region, especially when it comes to Azerbaijan, which is the dominant economic player due to the rich energy resources. It is a legitimate question of Realpolitik versus Idealpolitik that, “will the West lose its power and positions (to Russia or Iran) in the region if it sticks only to its values and principles and forgets about its interests (economic and security)?

Or can values and interests coexist and mutually reinforce each other? Can we be convinced that value-based politics/policies would lead eventually to basic interests being fulfilled?

The oil and gas resources of Azerbaijan can be a stabilizing factor for the moment. However, in the long run, the region is yet to see the consequences of flattening, decrease or eventually termination of energy resources. The expectations that are raised due to the energy production and the security it provides for the region might explode like a balloon after the oil is over. I remember here a song by a prominent Russian dissident group DDT “Kogda zakonchitsa neft” (When the oil runs out). It’s a great optimistic song about Russia’s post-oil period, but I wouldn’t be that positive; the prospects of the post-oil phase for Azerbaijan look more volatile.

Democratic peace theory has for a long time been advocated by many in academia and among politicians. The assumption (and empirical data proves that) is that democracies do not fight each other. However, this theory does not give an answer to following questions: a) does this thinking help when we talk about non- or semi-democratic polities (among which countries actually strive for democracy and some not necessarily). It has been considered as a valid argument. Also, whether democratization is going to contribute to more peace is not certain.

Russia’s role in the region after 1990s has been one of keeping ethnic conflicts open and managed by the various leverages it possesses. I believe starting from the 2000s Russia restarted to employ its “cultural hegemony” (in Gramscian terms) at a moment when the Russian politi-

cal culture of the ruling elite was being launched anew. Especially, the ruling elite in Azerbaijan have largely withdrawn from the track of democratization.

Moreover, the presence of ethnic conflict between Armenia and Azerbaijan and the occupation of Nagorno-Karabakh and neighbouring areas have created not only an open-ended military-security and humanitarian problem for the region, but it strengthened anti-democratic tendencies in both countries. The conflict has given additional tools for ruling political elites to manoeuvre so as to ensure the survival of ruling regimes. Thus, every issue of domestic politics (including democratization) is deemed to be viewed through the prism of this international conflict. This factor (along with others) has reduced the space of democratization potential in Armenia and Azerbaijan.



## **PART 4:**

# **POLICY RECOMMENDATIONS**



## **Policy Recommendations**

*Study Group Regional Stability in the South Caucasus*

### **Overview of Events in the South Caucasus**

The current situation in the region has not improved since the wars of the early 1990s came to a stalemate over Nagorny-Karabakh between Armenia and Azerbaijan, with the two countries engaged in an arms race at least since 2006. There is evidence that the increased defence spending on the Armenian side has the consequence of denying the government the tools to address critical social issues in terms of health and nutrition. At the same time, Azerbaijan, which has rebuilt its armed forces thanks to revenues generated from its natural resources, could be in for a shock when the oil and gas reserves start dwindling in 2014. There is virtually no contact at all between the two countries besides meeting of their presidents under Russian auspices or in the framework of different conflict workshops that have however taken place years ago.

In Georgia, the relationship between the central powers in Tbilisi and the breakaway entities of Abkhazia and South Ossetia has changed dramatically since the Georgian-Russian war in 2008 with the following recognition of Abkhazia and South Ossetia as independent states by Russia. Previous contacts with the breakaway entities have stalled or are to-day functioning differently in a decreased manner in comparison to what they used to be. The 2008 war and its outcome meant for NATO and its members a visible contradiction to its Kosovo policy, for Russia an additional complicated surrounding taking into consideration her own policies towards the Northern Caucasus. Channels of communications between Moscow and Tbilisi have been opened in the wake of the French mediation following the 2008 war and take place to-day in the framework of the Geneva talks. The recent election of Mr. Ivanishvili as Prime Minister of Georgia seems to have provided the grounds for maintaining

the goal of western integration in parallel with improved relations with Russia.

The war of independence of Abkhazia and South Ossetia after the collapse of the Soviet Union has produced thousands of refugees and internally displaced persons (IDPs), in countries where traditional attachment to the soil runs very deep. This suggests that easy solutions of “exchanges of territories” or even compensations for abandoning an ancestral home and moving away may not yield much in terms of sustainability. This partly explains why insistence of parties on return of IDPs is so crucial. IDP return would forestall further territorial disintegration in case secessions are voted on by referendum, if it is perceived that IDPs have run counter to a national destiny separate from central authorities (e.g. the population of Abkhazia was composed of only 18% Abkhaz (others predominantly Georgians) at the outbreak of the war.

## **Summary of Recommendations**

### ***Honouring Promises, Managing Expectations***

The relationship between the South Caucasus and the EU and NATO, seen from the region, has been marked by “broken promises”. This should be characterised rather by an asymmetry between expectations from the region, capability (or will) by the EU and NATO, and the belief that security guarantees that these institutions could provide for the region would in fact be provided. To-day governments in the region realize that there are limits to the EU’s and NATO’s level of regional engagement. NATO, in particular, was thought as “hesitant” and “indecisive.” In fact, the dominant institutional actor in the region is the EU, while NATO has not expressed deep-seated interest in the region, save for secure access to energy resources

EU and NATO approaches to the region are also interlinked with their relationship towards Russia. In fact, the EU-Russia dyad is an essential component of any future resolution of protracted conflicts in the South Caucasus. NATO, for its part, is torn between commitments it may seem

to make towards a region composed of non-members, and obedience to the will of the various NATO member States which decide on its strategic direction. In consequence, the Alliance members decide the Alliance's priorities.

One of the lessons of the Georgia-Russia war of 2008 is that perceptions of security provisions and the actual delivery may differ widely. For example, the 2008 NATO Summit declaration in Bucharest stated unequivocally that "Georgia would one day be a member of NATO". This has the effect of an official promise by the organization. But this promise is mitigated by the other statement that "decision on enlargement is made by NATO members only, and not by third parties." This statement can be aimed at Russia, but it is also aimed at any candidate member, from any part, and reiterates that it is not NATO as an *organization* that makes such decisions, but as an *Alliance* (its member countries). Failure to heed this nuance reveals the depth of misperception between regional and outer regional (EU, NATO) approaches.

In consequence, a possible policy recommendation could be framed in these terms:

1. **Manage expectations rather than letting rhetoric build an alternative reality.** EU and NATO counterparts to the region should reiterate that the level of engagement of their institutions is predicated upon the political agreement within their respective structures. This process should start with the sine qua non condition of engagement, which is shared by both the EU and NATO, and, one believes, by Russia as well, namely: no war.
2. **Avoid rhetorical entrapment by instituting mild conditionality.** EU and NATO, having clarified their positions with regard to the region and in consultation with Russia, could leverage their respective engagement initiatives (Eastern Partnership, IMAP, IPAP, etc.) to strengthen the commitment of the non-use of force in developing solutions to regional security challenges – if these instruments however are of interest for the parties (special case Azerbaijan).

3. **Clarify terminology.** One of the Soviet Union's legacies to the post-Soviet republics is a penchant for ambiguity. Too much is read between the lines, and not enough trust is put in the value of what is actually expressed. Frankness has its value, and EU and NATO officials should not fear for their institutions' credibility by speaking plainly, even in public formats. Trust must be built on achieving what is promised based on what is achievable by all, not on what is desirable by some.<sup>1</sup>

### ***Relying on International Law and Recognition as Ways towards Stability***

Discussions on objective conflict resolution mechanisms have yielded that international law and the practice of state recognition had not offset the threat of instability. The international doctrine of *uti possidetis*, which means that one uses what they possess, and vice-versa, has evolved after the Balkan Wars of the 1990s to an ulterior meaning involving the control by an ethnic group over a specific territory can often yield to secession (external self-determination). Evidence has also been presented to show that although certain political secessions can on the surface be successful; the ensuing cascade of secessionist grievances created by newly-former minorities (in the new independent state) will perpetuate instability, and pose problems for other powers by the precedent thereby created. A seemingly evident policy recommendation imposes itself;

1. **Insist on mutual consent of the parties, regardless of the decision.** If the internationalization (i.e. the involvement of large and legitimate international bodies, like the UN, the International Court of Justice, the OSCE or the EU) of the South Caucasus con-

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<sup>1</sup> This could be the basis for a renewed program of engagement by the EU and NATO, but also of particular frameworks of youth interaction based on education exchanges aimed at clarifying recent history, building understanding of international actors' interests and international law's limits.

flicts is to meet with a happy end, the involvement of international law and the practice of state recognition, if needed, should be directly linked upon the mutuality of the decision by the parties in conflict.

While this seems evident, large regional powers, namely Russia and Turkey, will more easily accept an entity's decision to separate if that decision is somehow made with the consent of the (former) central authority (i.e. Baku, Tbilisi or Yerevan). It has even been suggested that "joint sovereignty" is a worthy subject to explore.

2. **"Commissions on Difficult Issues"**. Because reliance on international law may not yield the stability hoped for, it may be necessary for the parties to engage in constructive bilateral talks on their own initiative. These initiatives should be formally rewarded by the EU and NATO, and/or by great powers. The example provided by the Russia-Polish Commission is worth following, and the beginning of such contacts may be in the works between Tbilisi and Moscow, which we all applaud.

### *Emphasizing Soft Security Measures*

Participants insisted on the fact that the conflicts in the region were protracted because of the absence of contact between parties. This is a characteristic of the Armeno-Azerbaijani conflict mostly. The desire for stability and a constructive resolution of the conflict has to come from within.

This reality has helped shape the discussion as to what can be achieved, and towards which audience initiatives should be aimed. In particular, there was no consistent agreement that (mostly for Armenia and Azerbaijan), appealing to the political regimes in the region as opposed to the civil society would lead towards a relaxation of tensions.

The following recommendations have been brought out:

1. **A Two-Track Approach Focusing on the Elite and Civil Society in Parallel.** The political sphere in the region is also hostage to frozen conflicts. Though some political actors may depend on the continuation of conflict as a backdrop to their political power, it follows that only a change in public opinion about the conflicts can lead the political elite to adopt a more conciliatory tone.

This is why the “Track 1” method of official diplomacy should be maintained by keeping the Minsk Group channels open, or strengthened by renewed engagement of other actors (EU; NATO?).

At the same time, efforts should be made to offer the respective public/civil society within the region access to alternative points of view on the conflicts without necessarily exposing the EU, NATO or any other actor to the charge of intervening unduly in internal affairs, which the Helsinki Final Act of 1975 prohibits.

2. **Develop Incentives for the Political Sphere.** Creativity should be applied in finding ways to reward political elites for adopting less confrontational policies or agreeing to confidence-building measures to resolve their conflict. For the purpose of these policy recommendations, the definition of political elites should include the elites of the unrecognized regions, their IDPs as well as the different lobbying factions..
3. **Focus on Soft-Security Measures.** Programmes should be developed to offer the South Caucasus civil society with options for economic and commercial cooperation, scientific cooperation, and trust-building through regional intercultural cooperation. These measures can take the form of educational exchange, women, youth, journalists’ cooperation etc., and also involve intra-national (Armenian-to-Armenian, Azerbaijani-to-Azerbaijani and Georgian-to-Georgian) contacts aimed at redefining the conflicts that affect their respective country.

## Concluding Remarks

*Johann Pucher*

It is of strategic interest for Austria to contribute substantially to the peace-building process and to support regional cooperation in the South Caucasus, even if the two are not immediate neighbours. As LTG Csitkovits said in his opening address, instability has the tendency to spill-over into other regions, and take many unexpected forms.

This is why it is better to do the utmost to prevent conflict, as opposed to react to it. This conference has enlightened us as to the value of the engagement of the EU and NATO, international organizations and other actors in stabilising the region.

Much more work remains to be done before we reach a common understanding of the region's challenges and possible solutions.

Still I am proud to say that this workshop has already made a substantial contribution in increasing awareness of the region's problems.

Building upon lessons identified and best practice established in the Regional Stability in South East Europe Study Group, the Austrian MODS through its Directorate General for Security Policy and its National Defence Academy, and in cooperation with the Ministry of European and International Affairs, has transferred this expertise into the establishment of the Regional Stability in the South Caucasus Study Group.

It is in that context that we have hosted some the previous workshops of the Regional Stability in South Caucasus Study Group. This is proof of Austria's ongoing engagement in the region. Furthermore it shows that the Southern Caucasus is a region worthy of being supported on its way to greater stability.

The Southern Caucasus has always been an area of concern for Euro-Atlantic security. During the last two decades, the region has not always received the focus it deserved, mainly owing to other crises nearer Europe's borders. Nevertheless, the Southern Caucasus is of interest to Europe mainly in terms of energy and human security.

Study Groups provide an opportunity for civil society actors and policy makers of the region to introduce practical conflict resolution ideas to each other and international actors alike. The regular gathering of experts and interested parties from the region and beyond ensure an information loop that leads to positive action.

The first step is to acknowledge the achievements of our conference. I have noted three general areas of significance for the future:

- First and foremost, panelists from the region have given us an updated appreciation of the challenges facing the South Caucasus, for which we are grateful. In certain cases, the input of certain great powers and organizations has not led to greater stability. The input received this weekend will help us formulate policy to suggest changes in approach that maintains the engagement, but brings about more constructive solutions.
- Second, panelists dealing with international law and recognition tell us that relying on international precedents and the practice of recognizing new States is not always a guarantee of stability. The panelists outlined that even if a region is independently viable, and even if on the face of it, a region would "deserve" to be recognized, we were informed during the conference that doing so perpetuates a practice that has not proven successful in erasing regional conflict. There is a need for the region, with the support of other actors and nations, to look to additional solutions to bolster a sustainable future.

- Third, we have heard of the objective factors that inhibit regional cooperation. The discussions we have had this weekend on the impact of energy security, on the plight of minorities, just to name a few, will lead to proposals that will leverage these challenges to bring forward regimes of trade cooperation and exchanges that are the basis of regional prosperity, and from there, stability and peace.

To have peace, the constituents of the region must live in conditions that gives them something to cherish, something related to their human security that they would fear losing if it ever came to be threatened. Currently, the challenges remain too great to expect this outcome in the short term, and for this we have to blame the global economic downturn, and the consequences it has on the national budgets of the countries that would like to see greater regional cooperation in the South Caucasus.

Over the past years Austria has contributed extensively to the PfP Consortium mainly through the Study Group on Regional Stability in South East Europe, but also in close cooperation with other study and working groups through joint workshop and publications.

The South Caucasus cannot be neglected as a region any longer. The PfP Consortium and the Austrian Ministry of Defence and Sports are committed in pursuing the solutions that can be applied in real life, in a transparent and inclusive manner. So far this conference has been run in that spirit and I am very happy with the result.

The more security and stability develop in the Southern Caucasus, the more countries of the region will look to be providers of security in their own neighbourhood and beyond. Mutual engagement, with due respect for regional sensitivities, is the key to decreasing tensions.

In addition, the Study Group on Regional Stability in the South Caucasus will continue the tradition of taking the conclusion of its workshops and digesting them into practical and applicable advice. This advice will hopefully find echo in the region, attracting the attention of new actors

and future partners. Furthermore, the policy recommendations, fruit of everyone's participation here, will influence major actors in the area.

The Austrian MOD appreciates very much the opportunity to collaborate within the framework of the PfP Consortium. The role of this association as a unique vehicle of international scientific research cooperation becomes evident with each workshop, through each publication.

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