



Study Group Information



Ernst M. Felberbauer
Frederic Labarre (Eds.)

Building Confidence in the South Caucasus: Strengthening the EU's and NATO's Soft Security Initiatives

**7th Workshop of the Study Group
“Regional Stability in the South Caucasus”**

Vienna, July 2013

Imprint:

Copyright, Production, Publisher:

Republic of Austria / Federal Ministry of Defence and Sports
Rossauer Lände 1
1090 Vienna, Austria

Edited by:

National Defence Academy
Command
Stiftgasse 2a
1070 Vienna, Austria

in co-operation with:

PfP Consortium of Defence Academies and Security Studies Institutes
Garmisch-Partenkirchen, Germany

Study Group Information

Copyright:

© Republic of Austria / Federal Ministry of Defence and Sports
All rights reserved

July 2013

ISBN 978-3-902944-17-7

Printing:

HDruckZ
Stiftgasse 2a
1070 Vienna, Austria

Table of Contents

Foreword	7
Opening Keynote Address <i>Maia Panjikidze, Minister of Foreign Affairs of Georgia</i>	15
PART 1: TAKING STOCK OF INITIATIVES FOR THE SOUTH CAUCASUS: THE EU, NATO AND BEYOND	21
European Union Foreign Policy and Interests in the South Caucasus <i>Elena Mandalenakis</i>	23
The South Caucasus and the European Security Strategy <i>Gayane Novikova</i>	43
Motives and Incentives for Engagement – the Russian Perspective of a Eurasian Union <i>Elkhan Nuriyev</i>	59
Confidence-building Initiatives: An Academic Approach <i>Karen S. Rubinson</i>	69

PART II REGIONAL COOPERATION INITIATIVES: BREAKING ISOLATION FROM WITHIN	77
Breaking Isolation Bilaterally: Contrasting NATO and EU Initiatives <i>Rauf Rajabov</i>	79
Breaking Isolation by Breaking Linkage Politics <i>Stepan Grigoryan</i>	87
Cooperation Perspectives and Challenges Across de Facto Borders <i>Bakur Kvashilava</i>	91
 PART III GOING FORWARD: GENERATING INCENTIVES AND MOTIVES FOR COOPERATION	 97
The Impact of International Mediation on the Armenian-Azerbaijani Conflict: Azerbaijan's Standpoint <i>Fidan Karimli</i>	99
The Impact of International Mediation of the Armenia-Azerbaijan Conflict: Armenia's Standpoint <i>Diana Asatryan</i>	107
Russo-Georgian Rapprochement: A Light at the End of the Tunnel <i>Boris Kuznetsov</i>	115

Cold Cooperation: Opening the Way to Negotiation <i>Pierre Jolicoeur</i>	119
A Pragmatic Review of Nagorno-Karabakh Conflict Resolution: Could Economic Incentives Help Break the Current Stalemate? <i>George Niculescu</i>	131
Arab Lessons for Azerbaijan: Breaking the Vicious Circle of Impossibility? <i>Rashad Shirinov</i>	141
PART IV POLICY RECOMMENDATIONS	155
Epilogue <i>Frederic Labarre</i>	157
Policy Recommendations	161
List of Authors and Editors	169

Foreword

The seventh workshop of the Regional Stability in the South Caucasus (RSSC) Study Group was convened from 14 to 16 March 2013 in Tbilisi, Georgia. Under the overarching title of “Building Confidence in the South Caucasus: Strengthening the EU's and NATO's Soft Security Initiatives” it explored initiatives that aimed to build confidence in the South Caucasus, via the activities of the civil society, the EU and NATO.

The topic of the workshop was determined thanks to the fruitful discussions held at the previous workshop, held in Reichenau, Austria in November 2012. At that meeting it appeared clear to the participants that - barring a political sea-change in the region - the regional elites seemed unable to break the impasses over the Nagorno-Karabakh, Abkhazia and South Ossetia conflicts. It was left to civil society, the participants felt, to move forward within the region.

Certainly, the pool of participants that assembled in Reichenau, and in Tbilisi for the seventh workshop represent a microcosm of the South Caucasus – on both occasions the Study Group was enriched with experts from Armenia, Azerbaijan, Georgia, Russia and Turkey – and within this microcosm, exchanges, however contradictory or antagonistic, were always cordial and constructive.

This suggested that absent major political change in the region, “soft power” might well inform official statecraft and international organizations’ engagement in the South Caucasus.

The election of Bidzina Ivanishvili represented a sea-change of sorts in Georgia; first in attitude and then in policy approach. The seventh workshop was opened by the Deputy Minister of Defence of Georgia, Ms. Tamar Karosanidze, followed by a keynote address by the Foreign Minister of Georgia, Mrs. Maia Panjikidze.

Their presence and intervention demonstrated the depth of the change in Georgia’s attitude. As they both underscored, this was the first

democratic and peaceful transition of government in the history of Georgia, and in the recent history of the region. This is a substantial achievement for which all Georgians can rightfully be proud. The October 2012 elections which brought Bidzina Ivanishvili to power as Prime Minister have also signalled the Georgian electorate's weariness of Russo-Georgian tensions, but as both the Deputy Minister of Defence and the Minister of Foreign Affairs have remarked, the pragmatism that permeates the policy-making approach in Tbilisi does not abandon the objectives of integration within Euro-Atlantic structures. The policy approach change signifies that the level of ambition will be more realistic. Without renouncing the breakaway regions which Georgia claims as its own, Georgia will nevertheless seek to smooth over relations with Russia, while seeking, as Ms. Karosanidze put it "as close a partnership with NATO and the EU as possible."

The RSSC SG and the Partnership for Peace Consortium are proud to consider Georgia as a constructive and supportive member, and the Georgian Ministries of Defence and of Foreign Affairs have been exceedingly generous in their hospitality for our Study Group.

Their offer of hosting the seventh Study Group workshop is, in itself, an example of soft power. Through the intercession of the Republic of Georgia, the Study Group was provided with a safe and comfortable environment in which to debate. The constructive discussions that were entertained generated the policy recommendations which can be found at the end of this volume.

When the Study Group chose to consider soft power methods, it was in support of official and international organizations' engagement in the South Caucasus, particularly the EU and NATO. The aim of the workshop was to identify the measures to apply from the civil society point of view, to make international engagement (EU and NATO, but also the OSCE) relevant and effective. International organizations remain a vital conduit for conflict resolution – notwithstanding the current "frozen" status of the conflicts – and their activities must be bolstered.

The first order of business was to take stock of EU and NATO involvement in confidence-building, which was the topic of the first panel. Elena Mandalenakis' piece presents the evolution of EU programmatic involvement in the South Caucasus in breadth and depth. Her paper represents an essential primer on EU-South Caucasus relations. She has come to a critical conclusion which is essential to convey even in an introduction: the relative efficiency of the EU in the South Caucasus depends in great measure on the awareness by the South Caucasus public of the EU's efforts and programmes.

The EU's current priorities are mainly on its Southern flank and in the Middle East. EU soft security measures can therefore be forgiven for not benefitting the region more than they have. However, this is not good news for the South Caucasus; neglect begets isolation, and isolation begets indifference. One of the Study Group's objectives is to foster the image of a South Caucasus as a vibrant and self-contained strategic entity in order for the region not to be characterised forever as a "troubled region."

One of the questions that this workshop raised was whether there were extra-regional initiatives taking place outside the EU and NATO's remit. Karen Rubinson, president of the American Research Institute on the South Caucasus (ARISC), presented her organization as just such an initiative. Dr. Rubinson offers a vision of cross-regional cooperation that is based on the common past of the South Caucasus countries. This kind of cooperation, anchored on patient and diligent cultivation of cultural and historical ties, helps a consortium of American universities raise interest in the South Caucasus as an area of research. The focus of ARISC's research is anthropological and pre-historical, themes apparently far removed from the issue of human, military and national security that the Study Group is used to discuss. Nevertheless, it is no small irony that Dr. Rubinson felt compelled to define the South Caucasus along the lines of the Achaemenid Empire, giving proof that it might be possible to consider the region as a self-contained strategic entity.

In the second panel, the Study Group sought to reconcile the achievements of international organizations with attempts to “break isolation from within.” Rauf Rajabov’s and Stepan Grigoryan’s texts, respectively from Azerbaijan and Armenia, show that any progress is dependent upon official policy-making. Rajabov sees NATO and EU soft security initiatives as levers for Azerbaijan’s policy diversification. Grigoryan shows the same tendency in Armenia, which is involved in both NATO (as a partner) and the CSTO, two organizations that many are quick to identify as antagonistic. Bakur Kvashilava presents the Georgian experience of civil society cooperation across de facto borders as the evidence that ordinary people do not manifest the animosity demonstrated by policy leaders and officials in Tbilisi, Tskhinvali or Sukhumi. His text shows what steps contribute to making an already difficult situation intractable, and what steps have been taken since Ivanishvili’s election to attempt to untie the knot of discord between Tbilisi and its breakaway regions. His is a positive text, which shows that even if politicians do not see eye-to-eye, constituents nevertheless go about their daily lives as well as they can, because they must.

During the sixth workshop of the RSSC SG, held in Reichenau in November 2012, the theme of “incentives” (material or political) was recurrent during discussions. It seemed appropriate to discuss it further at the workshop in Tbilisi.

Speakers in the third panel were asked to concentrate their attention on the sources of motivation and the incentives that could encourage a relaxation of tensions. Fidan Karimli and Diana Asatryan presented “twin” texts, which are presented in this volume, which highlight the Azerbaijani and Armenian perspectives on the work of international mediators. It is with some disquiet that we note that mediation did not achieve as much as the force of arms. Fortunately, twenty years of frozen conflict, however painful on the respective societies of Armenia and Azerbaijan, has also created a basis on which to build a post-Soviet societal fabric which would be fragile and easily destroyed if hostilities were to begin anew between the two countries.

Against this background, however, the Study Group received the presentation by Boris Kuznetsov, who examined the promise of a Moscow-sponsored “Eurasian Union” to widen trade, cultural and infrastructural relations. The solutions proposed by a Eurasian Union were echoed in the research put forward by George Niculescu, who sees any effort at conflict resolution as dependent upon infrastructural and regional connectivity. Between these two texts, we see a dilemma that has been extensively explored in the Regional Stability in South East Europe Study Group over the past years: should there be regional integration before there is Euro-Atlantic integration?

Pierre Jolicoeur’s text proposes a scheme that would provide for the initial steps towards regional integration, without harming the interests of conflicting parties. The concept of “cold cooperation” offers a solution that would also be of service to national commercial endeavours and regional critical infrastructure protection initiatives that would link countries with exclusive interests together.

The linkage between “incentives” and “soft security” is in fact a circular argument; for trade and cultural exchanges to take place, there needs to be a relaxation of tensions. For a relaxation of tensions to take place, there needs to be commercial and cultural exchanges that foster confidence-building. This is a problem that needs to be honestly acknowledged. But more than the academics’ and politicians’ skills and creativity will be needed. Courage is obligatory to begin this cycle of mutual confidence and prosperity exchanges.

This volume includes supplemental commentary which wasn’t formally presented at the workshop in Georgia. The texts by Elkhan Nuriyev (Azerbaijan), Gayane Novikova (Armenia) and Rashid Shirinov (Azerbaijan) explore and enlarge on the dilemmas of the region. Nuriyev presents greater detail on the Eurasian Union discussed by Kuznetsov. In this text, it is interesting to note that the concept of a Eurasian Union was put forward against the backdrop of deteriorating relations between Russia and the Euro-Atlantic partners. At the same time the Eurasian Union project sees security as being a matter of commercial and trade-driven prosperity; not a matter of “hard” security. Perhaps we are seeing

the beginnings of a new trading block as an answer to the half-kept promise of the European Union.

This scenario is also considered by Gayane Novikova, but against the security strategy initiatives of the European Union. For her, the Eurasian Union is a significant development that challenges the EU's role as most significant "outside" actor to the South Caucasus. In addition, both she and Rashad Shirinov perceive the "Arab awakening" of the last few years as another driver for regionally-defined integration. It seems that the Middle Eastern revolutions act as a critical sounding bell for Moscow and Baku authorities. First, Moscow still needs to control the restive North Caucasus, and second, Baku can feel directly targeted by the events in the Arab world. In effect, some unrest in Azerbaijan has the same quality as that which toppled the regime in Tunisia and Egypt. That this movement has repercussions in the South Caucasus is predictable. That a potential integrative solution would be sought by the key actors in the region and in Russia is a real novelty.

The motivation and incentives for stabilisation and integration are thus only partially Western-driven. The solutions of the "West" are being "borrowed" by the "East" to support a regional integration plan sponsored mainly by the Russian Federation. At the same time, the worsening situation in the Arab world also acts as a domestic catalyst for change. No one, least of all the Russian Federation or the European Union, wants to see any form of radicalism take over in the South Caucasus.

For some countries of the South Caucasus, there is no substitutive "union" to the European Union. Should the EU and NATO be worried or feel challenged by a Eurasian Union?

Prima facie, not any more than the EU and NATO are threatened by NAFTA or ASEAN. A Eurasian Union seems to be a soft security measure par excellence. It is understandable that some countries seek solace and security within the boundaries of the European Union. However, as stability can only be sustained through prosperity, a

Eurasian Union can fulfil this promise just as well as the European Union, especially if it is animated by the same mindset.

Naturally, neither is comparable to what the Achaemenid Empire once constituted between 553 and 330 BC, but step towards a Eurasian Union on the way towards full integration of the South Caucasus into the European Union could be a step in the right direction.

The editors would like to express their thanks to all authors who contributed papers to this volume of the Study Group Information.

Special thanks go to Ms Edona Wirth, who supported this publication as Facilitating Editor.

Ernst M. Felberbauer
Frederic Labarre

Opening Keynote Address

H.E. Ms. Maia Panjikidze, Minister of Foreign Affairs of Georgia

Your Excellencies,
Ladies and Gentlemen,
Dear Friends and Participants,

I have the pleasure to welcome you all in Georgia and to open the 7th workshop of the Partnership for Peace Consortium Study Group on Regional Stability in the South Caucasus.

We highly welcome the decision of the PfP Consortium to create a study Group on the South Caucasus and I would like to thank the Austrian side for its engagement in the region and support to the idea of this workshop, which brings together decision-makers, academia and civil society to discuss the key issues of security and conflict resolution in the region.

The South Caucasus, as a gateway linking Europe and Asia through strategic transit corridors, is of significant importance for the West, especially in the context of Europe's energy security dimension.

At the same time, peace and stability of the South Caucasus region which, offers tremendous prospects for regional and broader international cooperation, remains challenged by the so-called "frozen conflicts" and persistent efforts of certain powers to reinstate the spheres of influence in its post-Soviet neighbourhood. Growing comfortable with the emerged reality and maintaining existing *status-quo* in the region has broader negative implications for the common European security.

Therefore, the stronger, enhanced, and more targeted engagement of international community is required and joint efforts have to be made in order to prevent the development of worst case scenario and to unlock the full potential of the region.

Georgia's effective response to the challenges facing the region is easy to summarize but harder to implement. We remain consistent and patient while our guiding strategy rests on two complementary principles of democratic development and European and Euro-Atlantic integration. Our government is determined to both transforming Georgia into a full-fledged European democracy and advancing further its integration into the European Union and the North-Atlantic Alliance.

Georgia's European and Euro-Atlantic integration is a sovereign choice of the nation backed by the major political forces as well. The recently adopted bipartisan Parliamentary resolution on Basic Directions of Georgia's Foreign Policy is yet another demonstration of our commitment and irreversibility of Georgia's EU and NATO integration course.

In the meantime, we are confident that normalization of our relations with Russia is essential for our national security, peace-building in the region, and we see no alternative to a dialogue in this regard. That's why we have commenced concrete steps opening up a channel of a direct communication with Russia and re-establishing bilateral economic and cultural relations.

Our new, pragmatic approach to Russia and concrete initiatives in the area of conflict resolution are essentially consistent with the policy recommendations put forward by the 6th workshop of the PfP Consortium working group.

Frankly, we do not expect an immediate breakthrough while being certain that either the full reconciliation or restoration of diplomatic relations with Russia is impossible until it maintains the occupation of a part of Georgia's territory. However, de-escalation of tension and establishment of working relations through a gradual, pragmatic approach to Russia is quite realistic. At the same time, we emphasize maintaining Geneva International Discussions as the only international forum for addressing security-related issues with the Russian Federation, and attaining the full de-occupation of the Georgian territory.

Moreover, the direct dialogue with our citizens living in Abkhazia and Tskhinvali regions of Georgia is a new, important segment of our conflict resolution strategy. We intend to build confidence and promote reconciliation among people living on the opposite sides of the dividing line. In this regard, our government will initiate very concrete, pragmatic steps aimed at deepening cooperation within joint humanitarian and economic projects.

In this spirit, we definitely see the room for an engagement through soft security initiatives. However, we remain fully aware that there are certain limitations to the scope and effectiveness of the soft security measures due to continuous military occupation, as the case of Georgia. Today, the EU is the only international actor contributing to security and stability on the ground, through the EUMM. Presence of the EU monitors and full implementation of their mandate, including in the occupied territory, is extremely important. Besides, an increased “borderization” on the occupation lines in Abkhazia and Tskhinvali region extremely limits freedom of movement and people to people contacts, undermining the conflict resolution efforts.

The EU and NATO enlargement has played a key role in democratic transformation of nations and at the same time extended the area of peace and stability across the new Europe. Today, the new members have better relations with Russia than they have ever had before. We believe that advancing further Georgia’s European and Euro-Atlantic integration agenda will largely contribute to peace and security in the South Caucasus region.

The Eastern Partnership and the prospects it offers, form a good mechanism of the EU as a soft power to extend prosperity and stability to its Eastern neighbourhood. The readiness of the EU to accelerate the process of partner countries’ integration based on their individual merits is of paramount importance in EU’s efforts to promote security and stability in its Eastern neighbourhood.

The parliamentary elections held on October 1, 2012 marked a turning point in the history of my country. The Georgian people made their historic choice and voted in a new government.

Now, our main objective is to build a stronger and more effective democratic state where human rights and fundamental freedoms are fully protected, and the rule of law is upheld. While maintaining existing achievements we will build up truly democratic institutions, strengthening the practice of good governance and accountability, and preserving transparency of our institutions as well as the decision making process.

In the meantime, the constitutional reform is necessary to restore balance between the branches of the government and to strengthen the primary function of the Parliament, namely, overseeing the executive branch. The Parliament of Georgia has already started a transparent process of drafting constitutional amendments involving all the relevant stakeholders, including the representatives of civil society and international constitutional experts.

Moreover, the government of Georgia has initiated the reform of judicial system, which still needs to become fully independent. The change of the government in office has naturally solved the problem of loyalty of judges to prosecutors. However, this positive development is yet insufficient and there is a lot to be done in order to make the system fully independent and unbiased.

Our government ensures that certain criminal investigations of high-ranking officials are conducted with full legal protections and international transparency. Press and international monitors, including those from the OSCE/ODIHR, EU and human rights groups have been provided with full access to all high-profile investigations and trials.

Moreover, to fulfil the election pledge of improving the socio-economic situation in the country, the new Government reshuffled the priority areas of the state budget, shifting the focus to social care by reducing certain administrative expenses. In an extremely short period of time the

state budget became socially oriented. It was the first step towards the development of the socially just welfare state.

At this workshop, the objective is to identify the scope and the prospects of EU's and NATO's soft security initiatives aimed at promoting confidence building in the South Caucasus. Personally, I will be keen to learn about the major findings and policy recommendations upon the completion of the workshop.

I would like to once again thank the organizers, and wish you a substance-driven, lively discussion at the workshop.

PART 1:

**TAKING STOCK OF INITIATIVES FOR THE
SOUTH CAUCASUS: THE EU, NATO, RUSSIA
AND BEYOND**

European Union Foreign Policy and Interests in the South Caucasus

Elena Mandalenakis

The EU and the world

The European Union (EU) external action objectives are “to advance in the wider world democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity...” as well as “to preserve peace, prevent conflicts and strengthen international security in accordance with the purposes and principles of the UN charter.”¹ The aim of this paper is to examine the EU’s success in fulfilling its objectives in the South Caucasus and how successful its peacebuilding efforts are in the resolution of the imminent conflicts.

The EU’s political aim to become a coherent unified actor in international affairs is evident not only from its international presence, but also from the restructuring of its foreign policy to include, in addition to security and defence, trade relations with third-states, human rights and enlargement. All these interests are intertwined and reflected in the EU relations with third states.

The adoption of the European Security Strategy (ESS) in 2003 expresses the aspiration that the EU is capable to successfully manage civil and military crises without the help of other international organizations.² The outcome of the Common Security and Defence Policy (CSDP) is the

¹ Treaty of Lisbon (2007), Art. 21.

² “A Secure Europe in a Better World,” *European Security Strategy*, Brussels, 12 December 2003 at <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>

deployment of 16 civilian monitoring missions since 2003 in different parts of the world.³

The EU also emphasizes the significance of using confidence-building measures to open communication channels that actively engage the conflicting parties and promote long-term and peaceful conflict management and resolution. Thus; it abstains from any use of military power unless it is absolutely necessary. For this, it appointed a EU Special Representatives (EUSR), it created the post of the High Representative for the CFSP in 2009 and established the European External Action Service (EEAS), the diplomatic arm of the EU, in 2011. Furthermore, the expenditure ceiling for “Global Europe” in the multiannual financial framework (MFF) negotiations for 2014-2020 has been set to 58.70 mn Euro.⁴ The EU institutional restructuring and the 2014-2020 budget for foreign relations, set at slightly higher level than the 2007-2013, are indicative of Europe’s commitment to play a significant role in the international scene.

The EU in the South Caucasus

The South Caucasus is a region where EU involvement may prove to be crucial for the statehood and development of Armenia, Georgia and Azerbaijan, as well as for the credibility of EU foreign policy. EU engagement in the de-facto states of Abkhazia, Tskhinvali/South Ossetia and Nagorno-Karabakh would strengthen their state capacity and international recognition. The region provides the EU with another opportunity to test the cohesion and effectiveness of its foreign policy in promoting democratic state-building, regional stability, peace-building and conflict resolution.

³ The EU Monitoring Mission in Georgia (EUMM) is one of these civilian missions deployed in 2008. The main objective of these missions is policing, monitoring, border assistance, justice and security sector reform. The scope, nature, size and location of the mission depend on the regional conflict. For more info on CSDP missions see www.consilium.europa.eu/csdp

⁴ “Conclusions (Multiannual Financial Framework),” *European Council*, Brussels, *EUCO37/13*, 7/8 February 2013 at <http://www.consilium.europa.eu/press/press-releases/latest-press-releases/newsroomrelated?bid=76&grp=22599&lang=en>

In light of the EU enlargement towards the East (i.e. the future accession of Turkey), the region is already in EU's "neighbourhood" and in the future it may become EU's eastern border. Thus, regional stability is of utmost importance for a conflict free border, as the EU does not want to risk involvement in a war at its borders, like it experienced in the Balkans.

The EU recognizes that the region is an energy transport corridor connecting Asia with Europe through the Caspian Sea. Thus, there is an interest in securing the peaceful and uninterrupted transit of oil and gas to the West. In light of recent developments in the Mediterranean, Europe needs gas energy in order to become relatively independent from the Middle East and its unrest.

The EU presence in the region facilitates the monitoring of Eurasian states' political intentions, such as Iran, for security purposes. EU's involvement in peace building in the South Caucasus provides with opportunities for the normalization of relations between Russia and its neighbours as well as for cooperation between Russia and the EU.

A brief account of the current EU engagement in the region

EU involvement has two main objectives: a) regional stability through democratization, state building, human security, peace-building and conflict resolution, as well as b) economic gains through trade facilitation and business partnerships in strategic sectors, i.e. energy. The following brief discussion over the different forms of EU engagement in the South Caucasus just highlights the above-mentioned objectives and the evolution in EU's engagement in the region.

The EU has been present in the region since the independence of these republics from the Soviet Union in 1991. The EU assistance programs ranged from financial and humanitarian aid to democratic state-building expertise.⁵ The EU chose to refrain from any political engagement to avoid confrontation with Russia.

⁵ Such EU programmes were the TACIS, TRATECA, INOGATE

The 2003 appointment of the EU Special Representative (EUSR) for South Caucasus and the 2004 adoption of the European Neighbourhood Policy (ENP) mark the intensification of EU engagement in the region to include EU mediating efforts for conflict resolution.⁶ The mandate of the EUSR included a mediating role by Peter Semneby in the spring of 2009 during the Georgian opposition's protests.⁷

The ENP is a bilateral policy that builds upon the already existing Partnership and Cooperation Agreements (PCAs) or Association Agreements (AAs) with each partner state.⁸ The bilateral Action Plans (3-4 years long) enforce the previous agreements and set the agenda for reforms favouring deeper economic integration, deeper political association, increased mobility and further contacts or interaction between individuals. The EU bilateral relations with Georgia, Azerbaijan and Armenia have been governed by individual PCAs that came into force in 1999 and the ENP Action Plans were adopted in 2006.

The ENP launched the Eastern Partnership Initiative (EPI) in 2009, which includes the EU's eastern neighbours of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The three Country Strategy Papers 2007-2013 identify the objectives and priorities of this bilateral cooperation with funding from the European Neighbourhood and Partnership Instrument (ENPI).⁹ The policy areas covered by the EPI are bilateral and multilateral. In the Eastern Partnership (EaP) roadmap of 2012-13, the EU identifies in detail the sectors of development and cooperation between the EU and the EaP partners.

⁶ For more details on the EU engagement phases see Esmira Jafarova, "EU Conflict Resolution Policy Towards the South Caucasus," *CONNECTIONS: The Quarterly Journal*, Vol. X, No. 3, Summer 2011, pp. 59-79.

⁷ Alexander Russetsky and Olga Dorokhina, "Georgia and the European Union: Perspectives for 2011," *European Dialogue*, 24 December 2010 in <http://eurodialogue.org/energy-security/Georgia-And-The-European-Union-Perspectives-For-2011>

⁸ The ENP was proposed to the 16 of the EU's closest neighbours: the South Caucasus, North Africa, Middle East, Belarus, Moldova and Ukraine. All three states from the South Caucasus participate.

⁹ ENPI, EIDHR and IfS are EU external financing instruments.

In the bilateral dimension, trade and democratic institution building are at the centre of cooperation. Hence, there are efforts to control illegal immigration, to enhance energy security, environmental protection, economic and social development as well as the freedom of civil society. As part of the initiative, the EU is negotiating new association agreements with the EaP states such as the extensive trade agreement of Deep and Comprehensive Free Trade Area (DCFTA) and visa liberalization with Georgia and Armenia.

In the multilateral dimension of the EaP roadmap for the 2013 summit, there is explicit attention paid to integration of various stakeholders in the region, instrumental in carrying projects that lead to confidence building. Under the heading “Contacts between People” there are various programs on education, culture and research. These encourage and finance the cooperation of educational institutions from the EU and the EaP, scholarships for study and research abroad and the student exchange at all levels of education.¹⁰ In addition to the financing of such programmes, there is care for the institutionalization of various stakeholders’ interactions through the Civil Society Forum and the EaP Business Forum.¹¹

The Civil Society Forum provides civil society organizations with the opportunity to support the traditional diplomacy between the EU and the EaP countries. It can constructively contribute to the EU-South Caucasus states’ bilateral relations by further enhancing their political and economic relations. The Civil Society Forum was only launched in 2009 therefore; it is too early to measure its significance.

Another opportunity for civil society organizations to interact with the EU and each other is the Civil Society Dialogue Network (CSDN), a 3-year project contributing to international and regional capability for

¹⁰ “Eastern Partnership Roadmap 2012-13: the multilateral dimension,” *High Representative Of The European Union For Foreign Affairs And Security Policy*, Brussels, 15.5.2012, SWD (2012) 108 final.

¹¹ The other forums are the EURONEST Parliamentary Assembly and the CORLEAP that involve the EaP local and regional authorities into dialogue.

conflict prevention and post-conflict cooperation.¹² It facilitates the dialogue between EU policy-makers and civil society in the conflict-affected countries.¹³ The CSDN meetings are organized by the European Peacebuilding Liaison Office (EPLO) under the auspices of the Instrument for Stability (IfS) of the European Community. The IfS was launched in 2007 when the Rapid Reaction Mechanism (RRM) expired.

There are programmes designed for crisis management (civilian and military) that are not regionally specific and aim at connecting security with development. The IfS's scope, along with its budget, was broadened to include Chemical, Biological, Radiological and Nuclear risks (CBRN), combating terrorism and organized crime and building capacity for conflict prevention and crisis preparedness.¹⁴ To avoid duplication of action the IfS is used only when other instruments cannot provide adequate and effective response. Funds under the IfS are flexibly allocated for short and long-term activities such as the European Union Monitoring Mission (EUMM) in Georgia and the European Union Special Representative for the South Caucasus and Crisis in Georgia.¹⁵ Unfortunately the IfS seems best suited for reaction to, rather than prevention of, a crisis or post-conflict reconstruction than for conflict prevention because of administrative delays that jeopardize its effectiveness for crisis response.¹⁶ Other peacebuilding instruments like the European Instrument for Democracy and Human Rights (EIDHR)¹⁷ and the European Neighbourhood and Partnership Instrument (ENPI) often take over the activities of IfS as its focus remains on short-term measures. The EIDHR has been implemented in Georgia since 2004.

¹² "EPLO Strategic Plan - 2013 to 2015," *European Peacebuilding Liaison Office* in http://www.eplo.org/assets/files/1.%20About%20us/About%20us/EPLO_Strategic_Plan_2013-2015.pdf

¹³ Civil Society Dialogue at <http://www.eplo.org/civil-society-dialogue-network.html>

¹⁴ "IfS Thematic Strategy Paper 2012-2013", at http://eeas.europa.eu/ifs/docs/ifs_2012_13_strategy_en.pdf

¹⁵ Simone Gortz and Andrew Sherriff, "1st Among Equals? The Instrument for Stability and Conflict Prevention and Peacebuilding in the EU's new financial perspective", *EDCPM Briefing Note*, No. 39, May 2012.

¹⁶ Simone Gortz and Andrew Sherriff, p.6.

¹⁷ The 2007-2013 budget for IfS is € 2.062 billion. See *Europeaid* at http://ec.europa.eu/europeaid/how/finance/thematic_en.htm

EU efforts for conflict resolution

Georgia-Abkhazia-Tskhinvali/South Ossetia: Limited EU engagement

The EU has enjoyed close ties with Georgia since 1992 when it regained its independence. This bilateral relation has been intensified after the 2003 “Rose Revolution.” After the 2008 Georgia-Russia war, the EU became more involved in the stabilization of the region. The EU brokered the Six-Point Agreement and the Agreement on Implementing Measures signed by both Georgia and Russia. The EUMM monitors the respect of these agreements.

The EU regional policies to the conflicts are still characterized by the principles of Non-Recognition and Engagement. The EU continues to support the territorial integrity of Georgia and thus, it does not recognize the independence of Abkhazia or Tskhinvali/South Ossetia and the change of international borders. In this manner, the EU aims at containing Russian aspirations in the South Caucasus.

The EU and Russia are not on a common ground regarding the seceding regions. Russia has not only recognized Abkhazia’s and Tskhinvali/South Ossetia’s right to secede but it has also actively supported them by reinforcing its military presence in the area. The obvious effect of this action made Russia a de-facto enemy to Georgia and its geopolitical interests. Secession as well as the military and financial dependence of the de-facto states on Russia are the reasons for the continued conflict between Russia and Georgia. The National Security Concept of Georgia states that Georgia “is willing to have good-neighbourly relations with the Russian Federation, based on the principle of equality -which is impossible without respect for the sovereignty and territorial integrity of Georgia and the beginning of de-occupation.” Also, “Georgia would welcome the transformation of the Russian Federation into a stable, democratic country that respects other countries’ sovereignty, territorial integrity, democratic values and

market economy principles.”¹⁸ In the same document, Georgia is not optimistic for a Russian-Georgian dialogue without the participation of the international community as their differences are fundamental. At the same time, Georgia recognizes and supports the uniqueness of the Northern Caucasus that belongs in the Russian territory. By doing this, Georgia indirectly favours the self-determination of these areas despite Russian sovereignty.

There are many bilateral and multilateral cooperation programmes but these are concluded by the legitimate governments of the states involved and apply within the internationally recognized territory. Nevertheless, the conflict areas are not specifically mentioned and therefore, they are not included in the programmes as they function under a different regime, one of occupation. For example, although Georgia works with UNESCO for the protection of its cultural heritage and architectural monuments, it asks the international community to step in for the protection of this heritage in the Russian-occupied territories.¹⁹

It is obvious that despite any international mediation and any use of soft security measures by the EU, the Georgian-Russian conflict will not be solved unless Russia withdraws from Abkhazia and Tskhinvali/South Ossetia both militarily and financially. The EUMM has no access to the Russian occupied Abkhazia and Tskhinvali/South Ossetia. Its mission is stabilization, normalization of relations and confidence-building. Its aim is to prevent renewed armed conflict by monitoring the implementation of the 2008 Six-Point Agreement. Furthermore, it safeguards the civilians living close to the Administrative Boundary Lines of the breakaway regions of Abkhazia and Tskhinvali/South Ossetia. The Russian military presence violates point five of the Agreement.²⁰ Soft security measures such as the EUMM are important for observing the implementation of the cease-fire agreement and thus, for preventing the

¹⁸ “National Security Concept of Georgia,” p.11 at http://www.mfa.gov.ge/index.php?lang_id=ENG&sec_id=12 Also see Georgia’s “Threat Assessment Document 2010-2013” at http://www.nsc.gov.ge/files/files/legislations/policy/threatassessment2010_2013.pdf

¹⁹ “National Security Concept of Georgia,” p.23.

²⁰ www.eumm.eu/en/about_eumm

escalation of the conflict. The fact that the EUMM is not allowed to enter the areas controlled by the Russian military prevents it from fulfilling its mandate. The EU has welcomed the first direct talks between Georgia and Russia since 2008, as well as Georgia's intention to adopt a flexible approach towards engagement with the breakaway regions.²¹

The EU reiterated its commitment to conflict resolution through the Geneva Talks, where it participates as a co-chair, and the EUMM. The Geneva Process was set-up in 2008 as an Incident Prevention Mechanism between the EUMM, UN, OSCE, Georgia, Russia and Abkhazia and Tskhinvali/South Ossetia. This process has reached a stalemate. The EU has managed to engage in these conflict areas without compromising its relation with Georgia while re-initiating the confidence-building initiatives taken before the war, especially in Abkhazia.²² A measure towards conflict resolution has been the EU's donor assistance for ameliorating the life of the conflict's internally displaced persons (IDPs) as well as the reconstruction of the conflict areas.

The EU has also been involved in the Tskhinvali/South Ossetia with projects such as the provision of irrigation and potable water since the 90s. These projects were interrupted by the 2008 war and were only completed in 2010. Now, the EU funds a complementary water project that will be implemented by the Organisation on Security and Cooperation in Europe (OSCE).²³ The OSCE is the only international organization allowed in Tskhinvali/South Ossetia.

²¹ "13th EU-Georgia Cooperation Council," *Council of the European Union*, Brussels, 18 December 2012, 17957/12, Presse 548.

²² Peter Semneby, "The EU, Russia and the South Caucasus-Building Confidence," 25 March 2012 at <http://eng.globalaffairs.ru/print/number/The-EU-Russia-and-the-South-Caucasus--Building-Confidence-15507>

²³ This project is under the ENPI initiative. See <http://www.enpi-info.eu/eastportal/news/latest/30117/South-Ossetia:-EU-funding-access-to-water-project>

Armenia-Azerbaijan and Nagorno-Karabakh: EU non-engagement

In the case of the Nagorno-Karabakh conflict, the EU has not been a mediator but a supporter of OSCE work through the Minsk Group. The Minsk Group achieved a cease-fire in 1994 between the conflict parties, through the tripartite mediation of France, Russia and the US.²⁴ The cease-fire aimed at the conflict's suspension rather than its resolution. The Minsk Group is charged with the monitoring of the conflict parties' respect of the cease-fire as well as with the resolution of the conflict through peace negotiations. Unfortunately, there has been no positive outcome of this mediation effort in settling the conflict between Azerbaijan and Armenia. The lack of any progress in the Minsk Group does not alter the established status quo between the two states and enhances the lack of trust already existing between the enemy states. Currently, there is continued daily exchange of fire between the soldiers stationed across the Line of Contact.

Azerbaijan has been aggravated by Armenia's occupation and in reaction it has been increasing its defence budget in the past years (20% of 2011 budget)²⁵ to achieve military superiority. This arms race has been used as a deterrent measure against Armenia and has been viewed as Azerbaijan's way to elevate the international significance of the Nagorno-Karabakh conflict in order to achieve its resolution through international mediation.²⁶

²⁴ A document adopted on March 22, 2013 by the European Parliament's Foreign Affairs Committee asks for the replacement of France by the EU as co-chair in the Minsk Group. This decision would be welcomed by Azerbaijan and Turkey but not from Armenia, at <http://armenianow.com/print/36768>

²⁵ Richard Giragosian, "The Imperative to Ease Tension in the South Caucasus," *Caucasus Edition. Journal of Conflict Transformation*, 15 December 2012, at <http://caucasusedition.net/analysis/the-imperative-to-ease-tension-in-the-south-caucasus/>

²⁶ Azerbaijan does not want to depend on Russia for its security, which explains its distance from any regional military alliance. It is a founding member of the Organization for Democracy and Economic Development-GUAM, which among others supports peaceful conflict resolution based on UN Security resolutions, in concurrence with Azerbaijan's preference for international mediation.

Armenia on the other hand, insists on its rightful presence in the disputed territories and enjoys Russian military support. Armenia has always been a member of military alliances led by Russia, and currently is the only Transcaucasus member of the Collective Security Treaty Organization (CSTO). The threat that a former superpower with military interests in the region may choose sides and have an indirect involvement in the conflict is not conducive to regional stability. At the same time, Armenia continues to provide incentives for Syrian-Armenian settlement in the disputed area of Nagorno-Karabakh so that they become the ethnic majority in the region. As a result, Azerbaijan heightens its demand for international action.

Despite non-engagement in this conflict, the EU is attempting to engage civil society from Nagorno-Karabakh in dialogue with policy-makers in favour of international peace-building efforts. The civil society programme, European Partnership for the Peaceful Settlement of the Conflict over Nagorno-Karabakh (EPNK), is a consortium of five European NGOs seeking to work with local partners on confidence-building projects that would eventually facilitate the Nagorno-Karabakh conflict resolution. The programme is a 3-year project under the auspices of IfS and has just launched its second phase.²⁷

Gaps in EU programmes

The EU involvement in the region is rapprochement in progress and Georgia successfully follows the European lead. Armenia and Azerbaijan also make efforts but the democratization process is slower due to obstacles from domestic political institutions.

There is always room for development of new projects fulfilling the stakeholders' interests especially when they have already successfully cooperated. Nevertheless, there is room for improvement of these initiatives at the implementation level favouring transparent procedures. Transparency is also needed for the proper selection of the stakeholders

²⁷ "The European Union continues to support civil society peace building efforts over Nagorno-Karabakh," *European Union*, Brussels, A 490/12, 6 November 2012.

that will participate in this institutionalized dialogue for the success of these initiatives. For example, the selection of the participating civil society organizations or NGOs in the Civil Society Forum should be strict and transparent to avoid the hijack of the civil society initiative by government controlled NGOs.²⁸

The majority of these programmes are geared more towards development and management of institutional, natural and human resources with economic and political outcomes that are not directly related to the conflicts. Democratization and development do not make conflict obsolete nor are they sufficient for its resolution. So, there is a need for soft security measures that require the discussion of disputes and take into consideration the specificities of each conflict and its stakeholders. These “soft security” measures for peacebuilding and conflict resolution require the support of the national political apparatus, the business elites, the civil society and most importantly the general public.

The problem with EU support in the region is that the general public does not know the European efforts and how these contribute to peacebuilding.

Achievements of EU-South Caucasus cooperation

It is obvious that the largest and most important initiative for the region is the EaP covering all levels of economic, political and societal interaction. These programmes are successful in furthering economic integration and political association towards the EU. In the 13th EU-Georgia Cooperation Council, the EU congratulated Georgia for the consolidation of its democracy and encouraged it to continue this

²⁸ A GoNGO is a “fake” NGO as it is government-affiliated and therefore, it extends its influence and promotes its interests. See Gevorg Ter-Gabrielyan, “Eastern Partnership Civil Society Forum: The View of a Participant from Armenia,” *The Caucasus Analytical Digest*, No. 35-36, 15 February 2012, pp.9-12.

process with “a constructive cohabitation between the Prime-Minister and the President.”²⁹ Furthermore, the EU set penal reform as a priority.

The EU Commissioner for Enlargement and European Neighbourhood Policy Stefan Füle expressed his satisfaction on the progress made in the political association and economic integration in the EU-Georgia relations and declared the progress made in the DCFTA negotiations as well as on visa liberalization. As a reward to Georgia, he announced an additional €22 million of assistance while he reminded that for the period 2011-2013 Georgia has received €181 million.³⁰

Commissioner Füle also issued a statement on EU-Armenia relations and his satisfaction at the progress made regarding the Visa Facilitation Agreement as well as at Armenia’s unilateral lifting of visa requirements for EU citizens. He further expressed satisfaction with the progress made in DCFTA negotiations and reiterated the EU’s interest for good Armenian-Russian relations.³¹

Citizen mobility and business travel is facilitated through gradual visa liberalization. Despite the political symbolism of this agreement, there are economic gains for each state. The fact that EU citizens can travel without a visa to Georgia and Armenia is beneficial for their tourist and business industry, important sectors in both countries.

The invitation of the EaP civil society to participate in dialogue with the EU, through the Civil Society Forum and the CSDN, institutionalizes its role and elevates its importance as it opens communication channels that extend further than the governmental level.

²⁹ “13th EU-Georgia Cooperation Council,” *Council of the European Union*, Brussels, 18 December 2012, 17957/12, Presse 548.

³⁰ “Press Remarks of Commissioner Stefan Füle after Cooperation Council with Georgia,” *European Commission Memo*, Brussels, 18 December 2012 at http://europa.eu/rapid/press-release_MEMO-12-1010_en.htm?locale=en

³¹ “Press Statement by Commissioner Stefan Füle following his meeting with Hovik Abrahamyan, President of the Armenian National Assembly,” *European Commission Memo*, Brussels, 9 January 2013 at http://europe.eu/rapid/press-release_MEMO-13-8_en.htm

The EPLO although significant, is not specific to the region. It brings to the table civil society organizations from all three states as well as from Abkhazia and South Ossetia. The EU should emphasize this interaction as it will highlight ways to achieve sustainable peaceful conflict resolution. More specifically, the CSDN provides a platform for conflict stricken countries. At the moment, there is one Georgian NGO member of EPLO, the Human Rights Centre. This organization is an example for furthering its activities on the ground while contributing to peacebuilding. It has organized the “South Caucasus Network of Human Rights Defenders” which unites 30 human rights NGOs from Armenia, Azerbaijan and Georgia. Furthermore, it runs the “Sorry Campaign” since 2007, a movement against war aiming at establishing good relations between Georgians and Abkhazians.³² This is the kind of work that would be effective in the long run to peacefully solve the imminent conflicts in the region. Because human rights groups are usually marginalized from governments due to the sensitivity of their subject matter, more organizations undertaking a variety of ancillary tasks have to participate in the process.

Conclusion

The EU enlargement is followed by the Union’s interest in ensuring the stability of the regions close to its expanding borders. It is important for the European Union to have politically stable neighbours as well as states that share the same or similar values; values embedded in the political, economic and social foundation of the EU. The EU prides itself as the promoter of peaceful co-existence among neighbouring and non-neighbouring states. The EU, itself, is the by-product of the economic cooperation of two enemy states believing that peaceful co-existence can only last when common economic interests bind them. Decades later, these common economic interests were infused into the political sphere favouring the political cooperation that exists today in Europe.

Regional peacebuilding is a multifaceted and a difficult endeavour to turn “conflictual regions into areas of positive cooperation, where the

³² www.apsni.org and <http://www.humanrights.ge>

likelihood of another war is reduced or even eliminated.”³³ The EU uses diplomacy and economic incentives at multiple levels to nurture confidence between enemy states with the two-fold ultimate goal of avoiding future eruptions of violence and eventually achieving conflict resolution. The EU undertaking is beneficial for the region but also for the credibility of the EU as an international actor.

The most efficient way to ensure this common understanding with the neighbouring states is to create programmes that engage all states involved in disputes in a beneficial relation that could foster a common understanding and lessen the possibility for a backlash to conflict. This view is in accordance with the neo-functionalist expectation that the more the states interact in international institutional frameworks the more opportunities they have to peacefully solve their disputes as they better understand each other. The bilateral initiatives mentioned earlier in this paper, include some multilateral contacts through which the EU engages organizations at different levels of both government and society with economic and social initiatives that lead to democratization, economic prosperity and the rule of law. Democratic peace theory prescribes that democratic states do not fight each other. Democratization and political rapprochement to the EU is still in process in the South Caucasus and its impact on conflict resolution is not evident. The South Caucasus cannot prove or disprove this theory, as the states involved in the conflicts have not reached the same levels of development and democracy. The implication is that democratic states would think twice before engaging in war as they would experience pressure from their democratic institutions and their citizens.

The EU has to clarify its stance towards the right to self-determination and territorial integrity. Although the right to self-determination has been used to support the right to secession from a recognized state, the recognition of territorial integrity has been dominating in EU foreign and domestic policy. This can be explained by Europe’s will to deal with secessionist movements within its borders. Borders define the

³³ Peter Wallensteen, “Regional Peacebuilding: A New Challenge,” *New Routes*, Vol. 17, No.4, 2012, p. 3, at www.epl.org/members-publications.html

sovereignty of the state, determine national security and legitimize the self-determination of an ethnic community, which is bound to a historic territory. Borders do not only define national identity but influence people's identity so any established border alteration will undoubtedly damage communities and individuals alike. A lengthy unresolved conflict does not cease but continues to exist as it provides governments with the opportunity to implement policies reflecting their aspirations on the disputed territories such as population settlement in or expulsion from the disputed areas (i.e. Jewish settlement policy in the West Bank and East Jerusalem).

Inconclusive peace negotiations create more demographic challenges for the future such as the return of refugees. Once such policies are implemented, it is not possible to reverse their outcomes in the future without again causing harm to the people affected. Only this time, there is more reaction and harm done in an attempt to undo the harm caused in the past. There are communities affected in conflict areas, members of which still hold the keys to their houses hoping to return despite the fact that their houses may have ceased to exist altogether. Notable examples are the Palestinians, the Greek-Cypriots, ethnic communities in the Former Yugoslavia that now belong to different states. Above all, there has to be political will at the government level to surpass domestic and international obstacles for conflict resolution. The government's political will should be determined and strengthened by the society's will for change.

Some points for thought

1) Trust and international status:

The EU should use its position as a trusted partner of the South Caucasus states as well as an important political and economic international actor. Only then can it become a real broker for conflict resolution.

2) Neutral mediation:

The EU should try to remain neutral to the conflicts, as this would enhance the parties' trust for fair mediation.

3) Conditionality:

The EU should set conflict settlement as a precondition to further cooperation. So the EU has to enhance trade flow and interdependence between its market and the markets of Georgia, Armenia and Azerbaijan while attaching to the trade deals efforts for conflict settlement. If such conditions are not included, there will be no incentive for these states to attempt a peaceful ending to the conflicts. The hope that cooperation between the states in conflict in the fields of energy, trade, transport, education etc. will provide the ground for peacemaking and not just peacekeeping is realistic but only to a certain extent. The reality is that economic cooperation will go as far as to reach agreements that serve the economic interest of the parties.³⁴ Once these states develop their economies and acquire free access to the European and other markets, they may not be very willing to proceed with the settlement of the conflict unless this interrupts their economic development (see the text "Cold Cooperation in this volume). These economies are still developing and need foreign investment and technical assistance from the West as well as the EU's partnership that would render them international legitimacy.

4) Multilateral vs. bilateral:

The EU should launch more multilateral programmes that engage political actors, the business elites and civil society at the same time with the EU.

³⁴ Examples of such cooperation are the Georgian business elites' attempt to end the embargo of Georgian products such as wine to the Russian market and the Black Sea Energy Transmission System, a project that would connect the power grids of the three Southern Caucasus states into a regional network of hydro energy for exports to Turkey and Europe.

5) Civil society:

Civil society grassroots work along with cultural interaction between the conflict parties are important, as they eliminate prejudice and prepare the ground for cooperation at higher levels. The EU should strengthen the local civil society by ensuring their existence and freedom of operation in both Armenia and Azerbaijan. This can be achieved through the encouragement of the states to speed up their democratization process and respect for the rule of law. The EU should enforce democratization by making it a precondition for the economic and political deepening of the EU-South Caucasus relations. This requires the EU's efficient monitoring of this process.

6) Public awareness:

The EU should advertise the positive outcomes of its initiatives. It is important to convey to the public the work that has been done through the media and by organizing events engaging or supporting conflict stricken areas sponsored by the EU so that they gain public support. Once the public is turned around, civil society is interethnically linked and businesses support the opening of the enemy state's market then the governments will have to rethink their bilateral and regional relations and for electoral reasons they will try harder for conflict resolution through constructive dialogue.

7) EU-OSCE cooperation:

Both the EU and the OSCE work on agreements regarding the solution of the regional conflicts. It is important for the EU to continue its cooperation with the OSCE in order to avoid duplication of institutions and initiatives. Equally, the EU should utilize the expertise and outcomes of the programmes implemented by OSCE field operations in a way that can lead to legally binding solutions. The OSCE has two field offices and a mission, while the EU has only one representative in the region.

8) Interethnic theatre cooperation:

The existence of thematic initiatives for crisis management and prevention is also very important for introducing techniques and creating routines that may be useful in natural and man-made disasters. The work that OSCE performs on the ground is a good example for the EU to emulate. The OSCE runs environmental programmes in the South Caucasus that deal with trans-boundary threats such as forest wildfires by creating interethnic teams each taking the responsibility for specific aspects of forestry. This action could be extended to issues related to conflict resolution in the region because learning to work together at the societal level diffuses animosity between the populations and provides opportunities for dialogue.

The South Caucasus and the European Security Strategy

Gayane Novikova¹

The security system of the South Caucasus has changed significantly over the last five years. Several causes are apparent.

First, a sharp shift appeared in the period of August-September 2008, when Russia's recognition of the independence of Abkhazia and South Ossetia transformed these two non-recognized *de facto* states into *de jure* semi-recognized states. In parallel with this, tensions in the area of Nagorno-Karabakh conflict were increasing.

Second, the instability across the perimeter of the Middle East, provoked by the "Arab awakening", is directly influencing developments in the South Caucasus.

Third, Russia is undertaking serious efforts to integrate the South Caucasus (as well as some other parts of the post-Soviet area) into its global economic projects, above all into the Customs Union and Eurasian Union. However, Russia is also increasing its military presence in Abkhazia, South Ossetia, and Armenia.

Fourth, Turkey is turning more toward the Middle East. Although its involvement in South Caucasus developments is secondary among its foreign policy priorities, Turkey is increasingly concerned to maintain stability in this area.

Fifth, Iran is trying to play a more active role in the South Caucasus, offering also mediation efforts to resolve the Nagorno-Karabakh conflict. However, its influence, owing to serious domestic

¹ Dr. Gayane Novikova is funding director of the Center for Strategic Analysis, Yerevan, Armenia.

developments (which are aggravated by economic sanctions) and by deepening tensions with Azerbaijan, remains circumscribed.

Sixth, there is an apparent trend toward even greater militarization in the South Caucasus; the unresolved conflicts in this area are substantially contributing to an arms race. The supply of Russian arms to Armenia and Azerbaijan is growing, and the latter has intensified its military cooperation with Israel. The U.S. military presence in Georgia and Azerbaijan is also gradually growing.

Seventh, several internal and external factors have objectively contributed to the reduction of U.S. attention to this region. For the United States, the South Caucasus is of strategic interest in terms of its proximity to the Middle East and to Iran in particular. In this regard enhanced stability throughout the South Caucasus area is a priority. In addition, internal political developments in the three internationally recognized states in the South Caucasus have produced disappointment in U.S. political circles. Finally, the dynamics of the regional conflicts leaves little room for optimism. Thus, realizing the growing conflict potential of the South Caucasus, including the threat of a resumption of a military confrontation in the area of the Nagorno-Karabakh conflict, the United States would cooperate, at least in the mid-term perspective, only on a low intensity level with all the states in the region.

Against the above-mentioned developments, the main 'burden' created by of the South Caucasus tensions has shifted to Russia, which is positioning itself as a regional power, and to the European Union, which is currently replacing the US as the main non-regional actor in this area.

The European Union as the main external actor in the South Caucasus

This article is focused upon the EU-South Caucasus relationship, which is more complicated and multilevel than the NATO-South Caucasus relationship. However, it is worth mentioning briefly that NATO has begun to conduct a more careful and balanced policy in the South Caucasus, above all in regard to Georgia's membership. In spite of the

fact that the new Georgian government clearly announced and confirmed that membership in NATO and the EU remain priorities, the US and other NATO and EU member states are becoming less enthusiastic. Thus, it is possible to state that the period of intensive lobbying for Georgia's NATO membership is over. The North Atlantic Alliance has declared that it has no intention to be involved either in peace-managing and peace-keeping processes or in the resolution of the South Caucasus conflicts. However, the Alliance is ready to develop partner relations with all recognized states and to participate in post-conflict rehabilitation in the region. The further references to the NATO South Caucasus relations will be necessary.

Including the South Caucasus into its geopolitical and geostrategic borders, Europe is now demonstrating increasing interest in security issues on its periphery and in Caspian Sea energy resources (these are seen as alternatives to Russian sources). Moreover, in the context of developments in the South Caucasus, European institutions are linking security issues to an array of issues included under the rubric of *soft power* – that is, democratization, the rule of law, and the adaptation of the juridical systems of the regional states to European standards. All of these changes imply, for example, the observance of human rights and fundamental freedoms, the improvement of electoral systems, and support for a variety of good governance measures.

In the meantime, a significant shift has occurred, after the August 2008 war, in the approaches of the Euro-Atlantic and European institutions toward the South Caucasus. Their level of involvement depends upon and defines many factors.

Until January 2011, the situation in the south periphery of the European Union, as concerns the states included in the European Neighbourhood Program, had been seen as relatively stable. However, the “Arab awakening” indicates a revolutionary situation throughout the Arab world. Developments in North Africa and the Middle East have created a belt of instability along Europe's southern frontiers that requires a concentration of energy in this direction, occasional immediate reactions, and huge financial investments.

In September of 2011, during the Eastern Partnership conference, Stefan Füle, the European Commissioner for Enlargement and European Neighbourhood Policy, argued that “events in our Southern neighbourhood illustrate that long-term stability cannot be assured by non-democratic regimes.”² (It is also worth mentioning that it is difficult to define the three South Caucasian states involved in the Eastern Partnership program as democratic). Thus, democratization was once again stressed as a priority for EU activity in its neighbourhood.³ It is necessary to emphasize that developments in the Arab world, even in the worst-case scenario, cannot transform into the international and intra-state conflicts: rather, they will become manifest in civil wars in the Arab world's individual states, such as in Syria. Europe would then face a flow of refugees and massive humanitarian aid problems. After the period of turmoil, it would then provide limited economic support aimed at the restoration of stability.

The trends are completely different in the South Caucasus. European Union involvement in the South Caucasus is low owing to several objective reasons;

- The region is located at the periphery of the European continent;
- It remains in the sphere of Russia’s strategic interests, and this state perpetually stresses that any external interference is unacceptable (the participation of six former Soviet republics even in the Eastern Partnership program was evaluated quite negatively);
- Russia remains a major energy supplier for the European states, and the Caspian Sea resources, in particular those of Azerbaijan, are uncompetitive without the inclusion of Turkmen gas and Kazakh oil;

² Stefan Füle. Speech at the Eastern Partnership Conference “*Towards a European Community of Democracy, Prosperity and a Stronger Civil Society.*” <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/11/619&format=HTML&aged=0&language=EN&guiLanguage=en>. Accessed on April 25, 2013.

³ It was relegated to a second level of priority on only one occasion in the entire history of this organization. This took place owing to the necessity to deal with the settlement of a conflict in the Balkans in mid-90s.

- The European Union has no intention of offering EU membership to the Caucasus states even in the long-term perspective;
- NATO is hesitating to offer membership to Georgia (Armenia and Azerbaijan do not intend to apply for membership);
- And, finally, Europe at large is trying to survive a severe economic crisis, indeed, it is immersed in developments in its southern neighbourhood; hence, any increase in financial investment in the South Caucasus region is unlikely.

In sum, the EU will prefer a low level of involvement in the South Caucasus area. Its relationships in the foreseeable future with the regional countries will emphasize democratic and free market reforms. From a financial viewpoint, these areas of activity are much less expensive and require more efforts by the regional states involved than by the EU. Moreover, they are designed for a long-term perspective that allows the EU to concentrate on its own more urgent problems.

On the other hand, the instability belt around Europe is growing significantly against the background of the Arab awakening. Hence, the European Union is interested in preserving stability in its far-eastern neighbourhood, namely, in the South Caucasus. One set of EU interests is directly related to European energy security. The diversification of energy pipelines to Europe is closely linked to the bilateral relationships of the European countries with Russia and to the Russia-Azerbaijan relationship. As a whole, these energy security issues can be resolved at the level of bilateral negotiations. However, stability of the energy supply from the Caspian area mainly depends upon stability in the broader Black Sea-Caspian Sea region. Thus, energy stability depends upon the EU's second-tier interests, that is, upon resolution – or non-resolution – of the conflicts in the narrow area of the South Caucasus. For this reason, the European security system requires a prioritization of

the final resolutions of the Abkhazian, South Ossetian, and Nagorno-Karabakh conflicts.⁴

In particular, in the event of a resumption of military actions in the area of the Nagorno-Karabakh conflict on unfolding beyond the intrastate framework – Azerbaijan – would occur and lead to the direct participation of Armenia. It is obvious that the escalation of the conflict would have a devastating impact not only upon the countries involved, but upon the entire region. To some extent it will require also EU interference: the war will not be short-term. Moreover, Russia and Turkey would be involved directly.⁵

Surprisingly, to the EU these conflicts have not assumed centre stage. At first glance, the European states would seem to have no reason to speed the resolution of these regional conflicts: ⁶ first, because the possibility that they will spread beyond a limited area is unlikely; and second, because the conflicts are localized at the periphery of Europe (each of them, even in the event of a transition into an overt stage, will remain a local war). Thus, no direct threat to European security will occur. Moreover, the role of “first violin” is left to Russia by default.

Internal developments in the South Caucasus through the prism of European Security

Against the background of the above-mentioned diverse and competing interests of the main non-regional actors, very complex processes are occurring in each South Caucasus state and state entity. The situation in

⁴ Russia's recognition of the independence of Abkhazia and South Ossetia does not mean a final resolution of the conflicts; the latter have been moved into a “deeply-frozen” stage.

⁵ In one scenario, Russia's engagement in the conflict can be expected based on Article 4 of the Collective Security Treaty (CSTO). Turkey will support Azerbaijan, at least on the political, economic, and diplomatic levels.

⁶ European Parliament resolution of 20 May 2010 on the need for an EU strategy for the South Caucasus, adopted on May 20, 2010.
<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2010-0193&language=EN>. Accessed on August 15, 2012.

the South Caucasus is characterized by growing tension in a number of ways:

- The unresolved conflicts retain an explosive potential, inhibit the creation of a common economic space, and preclude the establishment of an effective security system. Moreover, in light of the current circumstances and the extant dynamics inside and beyond the region, broad democratic reforms cannot be expected.
- The direct parties to the Abkhazian, South Ossetian, and Nagorno-Karabakh conflicts are unable to offer anything constructive for conflict settlement. In the meantime, Abkhazia and South Ossetia achieved their national objective (to be recognized by some states). The parties to the Nagorno-Karabakh conflict are unable to reach a compromise solution, although Armenia and the unrecognized Nagorno-Karabakh Republic are to some extent comfortable with the status quo.
- The South Caucasus is increasingly becoming an area of competing economic, political and military interests of not only regional state entities; in addition, several actors from the external, that is, non-regional circle, are included Russia, Turkey, the U.S., the EU, and Iran. Contradictions and hostilities across these actors are growing.
- Perhaps the only common interest of all non-regional actors involves the creation of a barrier against penetration of non-conventional threats to Europe. It is interesting to note in this context the implication of these unresolved conflicts for the direct participants: by blaming the opposite party to the conflict for creating “gray” transit zones for terrorist organizations, and for smuggling and drug- and human trafficking, all appeal to the European and Trans-Atlantic organizations for assistance to combat these emerging threats.⁷ The failure to resolve these conflicts creates wide opportunities for direct

⁷ See in more details: *Non-Traditional Security Threats and Regional Cooperation in the Southern Caucasus*. Ed. by Mustafa Aydin, NATO Science for Peace and Security Series, IOS Press, Amsterdam, 2011.

interference by states and organizations concerned with a wide spectrum of regional processes.

- In the meantime, the same failure to resolve the conflicts plays a role in respect to specific mechanisms of containment and inhibits the activity of external actors in the economic and military areas. Just in these domains the confrontation of their interests is more pronounced. For Russia and Iran, a resolution of the conflicts implies the unwelcome increase of influence in the region by the U.S. and Turkey. In turn, a conflict settlement provides for the U.S. and Turkey an opportunity to transform the South Caucasus into a platform against Iran and offers a barrier to the geopolitical and geostrategic aspirations of Russia in the Middle East. In parallel, political, economic, social, and demographic⁸ trends are forcing each actor to make difficult political decisions related directly to security issues.

Georgia, after August 2008, and owing to an intensification of anti-democratic – if not authoritarian – trends on the eve of the parliamentary elections in 2012, raises worrying concerns both in Washington and Brussels. The further concentration of power in the hands of Prime Minister B. Ivanishvili (especially after the forthcoming presidential elections in October 2013), who indicates a clear interest on the one hand in a reduction of anti-Russian hysteria and on the other hand in joining the EU and NATO,⁹ influences directly the relationship in the triangle Georgia-Euro-Atlantic institutions-Russia. It reduces the tension between Russia and NATO and increases tension between Russia and the EU in regard to the integration projects initiated by each of them.¹⁰ In the meantime, both the EU and NATO are viewing the period before

⁸ The demographic trend is critical for Armenia, in particular.

⁹ Georgia considers NATO as an only guarantor of its security. However, a clear message from the NATO side has been sent: it will not confront Russia in the event of aggravation of the Georgian-Russian tension.

¹⁰ The EU Free Trade Zone agreements vs. Russia's Custom Union and Eurasian Union.

the elections as an opportunity to develop more cautious and pragmatic policies toward Georgia.¹¹

For Azerbaijan, which claims, according to all its strategic parameters, a role as a regional power, a membership in the European club is not a priority. Furthermore, the Azerbaijani leadership does not hide its lack of interest in the implementation of changes in certain areas of social life, especially those related to the rule of law and human rights. To justify minimal progress in these arenas Azerbaijan refers to the still unresolved Nagorno-Karabakh conflict. However, it is ready to cooperate with the European Union on issues related to the energy resources of the Caspian Sea. It is worth mentioning that, in Azerbaijan – EU relations, the EU has placed itself into a subordinate status because of the dependence of some European states upon Caspian energy sources on the one hand and the possible proxy role of Azerbaijan after the withdrawal of U.S. forces from Afghanistan on the other hand. Thus, the EU has no leverage to influence internal developments in Azerbaijan.

In regard to NATO membership as well there is no aspiration in Azerbaijan. Azerbaijan is developing its military capabilities and is visibly intensifying its military-technical cooperation with Israel.¹² The volume of military contracts with Israel is now higher than the volume of contracts with Azerbaijan's traditional partners, such as Ukraine and Turkey.

¹¹ See: Stefan Füle. *European Commissioner for Enlargement and European Neighbourhood Policy*. Key address at the 8th International Conference on “Georgia's European Way”.
<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/11/535&format=HTML&aged=0&language=EN&guiLanguage=en>. Accessed on June 28, 2012.
Secretary of State Hillary Clinton also touched upon the necessity for Georgia to restore its image as a “beacon of democracy” during her official trip to the South Caucasus in July, 2010.

¹² At the end of February, 2012, an agreement involving \$ 1.6 billion was signed between the Israel Aerospace Industries (IAI) and the Azerbaijani government.
<http://www.jpost.com/Defense/Israel-officials-confirm-16b-Azeri-defense-deal>. Accessed on April 25, 2013.

For Armenia, cooperation with the EU offers an opportunity to balance Russia's growing presence and to create possibilities for strategic manoeuvring. The complexity of the situation for Armenia is determined by the necessity of making a choice. On the one hand, there is Russia's open offer (accompanied by a degree of pressure) to join two organizations dominated by Russia: the Custom Union and the Eurasian Union. On the other hand, Armenia, however, is involved in negotiations with the European Union on a Free Trade Zone and other preferences, including a reduction of visa regulations for certain categories of Armenian citizens. Nonetheless, all these initiatives possess no clear political and economic content. In these circumstances both parties – Russia and the European Union – are implementing a “stick and carrot” policy and placing significant pressure on Armenia. Furthermore, Russia, as a factor in Armenian foreign and internal politics and the general expansiveness of Armenian-Russian relations, is considered by the EU as obstacle to significant intensification of relations with this South Caucasus state.

In regard to the Armenia-NATO relationship it should be acknowledged that, in the current security situation, Armenia has few choices: it should have a relationship of strategic cooperation with Russia as its main security guarantor; however, Armenia is attempting in the meantime to develop a stable partnership with NATO even without entertaining any visible aspiration for membership. In this regard there is a complete mutual understanding between Armenia and NATO.

The following points should be noted by way of summarizing the interconnectedness of developments in the broader South Caucasus:

- Euro-Atlantic organizations are unable to offer Armenia, Azerbaijan, and Georgia qualitatively new programs; they openly avoid direct involvement in the Abkhazian, South Ossetian, and Nagorno-Karabakh issues;
- Russia has consolidated its military presence in the South Caucasus and continues to enlarge its economic presence; this allows Moscow

to increase and strengthen its political position throughout the region;

- Despite the fact that Turkey is unable to play the role of a stabilizing regional power because of internal and external problems, it is still the second – after Russia – key actor in the South Caucasus. It continues to strengthen its positions, actively involving Georgia and Azerbaijan in its economic and military projects. In the Middle East Turkey is trying to overcome its contradictions with Israel and to reinstate their high-level strategic partnership. Azerbaijan has become increasingly involved in this cooperation through bilateral relations with Turkey and Israel.

What are the trends in the security dynamic of the South Caucasus in the medium-term perspective? To answer this question it is necessary to take into account the fact that the dynamics of internal processes in the state entities cannot lead to qualitative changes in the regional security system for the simple reason that each regional actor possesses only a very limited space for manoeuvring.

- The Abkhazian, South Ossetian and Nagorno-Karabakh conflicts exist at the level of internal and external threats for all state entities and, to varying degrees, serve as pivotal indicators of their security. The current military and political balance of forces and the participation of all regional actors in various mutually excluding security alliances, all constitute containment factors that prevent another war in the South Caucasus. Given this context, all actors are generally interested in preserving the status quo, and hence the impact of all unexpected developments will be minimized.
- Georgia will seek to maximize cooperation not only with NATO, the EU, and the U.S., but also with Armenia and Azerbaijan. It also will continue low-intensity contacts with Russia. At the same time, and despite Georgian ambitions, all high expectations of breakthroughs on the regional level should be scaled back: on the one hand this state's substantial economic dependence upon Azerbaijan and Turkey

narrows the framework for cooperation with Armenia. On the other hand Georgia's system-defined conflict with Russia significantly limits possibilities for the establishment of normal relations with Abkhazia and South Ossetia. On this plane it becomes evident that colliding Russian and Georgian interests will not allow Georgia to implement projects aimed to restore viable economic and political contacts with these semi-recognized state entities. Its objective will instead be to reduce confrontation with Russia. In this context processes in the North Caucasus are quite important. Cooperation against the activities of terrorist organizations in this region would improve bilateral Russian-Georgian relations – and this cooperation will have a positive impact on developments in the South Caucasus.

- The main objectives for Abkhazia are to preserve its semi-recognized independence – also from Russia – and to accelerate development of its agrarian and tourism sectors. The demographic situation is a serious challenge for Abkhazian security. Internal destabilization cannot be ruled out in the event of an intensified struggle for power.
- South Ossetia faces the danger of depopulation and the possibility of a transformation into a territory for a Russian military base.
- For Azerbaijani authorities the suppression of the Islamist opposition to a maximum extent constitutes the main problem. High rates of corruption combined with readiness to enlarge military cooperation with Israel and the United States, as well as inflamed militarist moods, are leading to an intensified wave of social protest undertaken under the banner of religious slogans.
- For Nagorno-Karabakh the most critical objective is to preserve democratic reforms and to demonstrate a substantial distinction from Azerbaijani authoritarian rule. Another task is to use properly recent advancements in support of self-determination in order to demonstrate that the NKR will not join the ranks of failed states.

- Armenia must find a “middle ground” that allows creation of the indispensable foreign policy balance on the basis of which domestic political reforms can be carried out. At the same time, Armenia will be unable to overcome the negative consequences of the global economic crisis without significant foreign assistance. Currently offered only by Russia, this assistance will be enhanced by the looming expansion of political dependence upon Russia. The consequent narrowing of the space for economic and political manoeuvring, seen in parallel with the full engagement of Armenia in the Nagorno-Karabakh conflict, foreshadows a limiting of further cooperation with the Euro-Atlantic structures and an even tighter orientation toward Russia. On the other hand, the Armenian state will not be able to carry out humanitarian and good-governance reforms without strong assistance – and pressure – from the West. Fortunately, all external actors understand the delicacy of this balance and that Armenia’s leaders, given regional conditions, must remain prudent and cautious. Hopefully, Armenia will retain a firm grip upon the levers that enable a balancing between the global powers in the mid-term perspective.

Finally, by way of a further summing up, cognizance of a few further issues should be taken:

- The current world economic crisis is a real threat to all the states and state entities of the South Caucasus: it can, by weakening social constellations, seriously challenge internal stability in each state entity of the region, even up to a critical point;
- An uncontrolled exodus of professionals is in motion and a favourable environment for the formation of a middle class, as a stable social base of each society, is absent;
- Various aspects of currently existing national security strategies are viewed as sources of direct and/or indirect threats respectively for relations between Armenia and Azerbaijan, Armenia and Turkey,

and for relations between Georgia and Russia. Of course, under existing conditions it is useless to discuss regional integration.

Moving toward each other: a cautious approach

Against the background of external developments around the South Caucasus region and inside of its each state entity, two questions should be answered. First, is the EU ready to play a more active role in the resolution of the South Caucasus conflicts? If so, then what role exactly could – or would – the EU play? Second, are all the state entities of the South Caucasus – regardless of their status – prepared to consider the EU as an institution capable of managing the conflicts?

There are no straightforward answers to these questions. Also, the EU has not yet grappled with them. In the meantime, some kind of closed circle exists: the level of stability in the non-democratic states is extremely low, yet. However, a certain level of internal stability is required if democratic transformations are to occur. The existence of unresolved conflicts always challenges internal stability; hence the state should implement some restrictions in order to prevent any internal instability. Indeed, the states in the South Caucasus are gradually becoming less democratic and a clear trend can be seen toward greater authoritarianism.

What does the EU offer? In principle, nothing new is proposed beyond "more in exchange for more." This approach implies that initiatives must come from the EU partner state, which will then determine the level of bilateral cooperation with the European Union. The EU responds to achievements or failure in certain areas and either continues the cooperation, cancels it, or limits it. Everything related to conflict resolution and EU participation in this process in the medium-term remains on the declarative level.

In the meantime, despite its stagnation amid an economic crisis and the accompanying social unrest in almost every member state, the European Union is trying to maintain and deepen its relations with Armenia, Georgia, and Azerbaijan. The main direction and focus of EU activity

remain the low-cost spheres initiated within the soft power agenda. On the one hand, these programs allow each state in the region to build its relations with the European Union in the fields most urgent for the particular recipient. However, EU financial assistance depends upon the fulfilment of preconditions and requirements. Although the EU is looking for spheres of activity where all three states of the South Caucasus can cooperate, the initiation of regional projects in the foreseeable future offers little chance of success. Above all, clashing political interests of Armenia, Georgia, and Azerbaijan remain strong.

On the other hand, even two or three years ago EU programs did not raise strong disapproval inside Russia. However, as concerns the South Caucasus, currently the political and economic interests of Russia and the EU are in open confrontation. Moreover, because the EU has chosen a passive form of cooperation – the low-level Eastern Partnership program – Russia is able to put pressure upon Armenia, Azerbaijan, and Georgia through a series of effective mechanisms. These include economic and military assistance programs and the manipulation of the Armenian, Azerbaijani, and Georgian diasporas in Russia. It has even felt emboldened to attempt implementation of change-of-power scenarios in these states.

These considerations lead to the conclusion that all external actors concerned with developments in the South Caucasus should abandon their attempts at conflict resolution. The resolution *per se* means an elimination of the essence of the conflicts, their foundational reasons, and their consequences. These goals can be reached neither in the foreseeable future nor in the midterm perspective.

Conflict management would be more productive: a gradual transformation of the conflict into a “rules of the game” system acceptable to all parties and implemented by all must occur. It is necessary to chart out the major lines of conflict interaction that will elaborate the mechanisms in a manner that will preclude any possibility of a re-escalation of the regional conflicts. The parties to the conflict must then acknowledge some common ground in their positions, and develop norms of political behaviour that include a significant reduction

of aggressive actions and statements – that is, norms that effectively limit and contain the conflict to a certain level. Against the background of active public opinion and objective economic, social and demographic factors, the political will of the leaders of the involved societies can then congeal and merge with the active participation of third parties. Only in this way can an adequate reaction and response by all parties to the conflict take place. Such a development will create the basis for the legal framework indispensable for the final resolution of conflict.

All this can be achieved relatively easily in the South Ossetian conflict. However, this legal framework will be more difficult to erect in the Abkhazian conflict and extremely difficult to construct in the Nagorno-Karabakh conflict. Currently, the main goal of the major internal and external actors of the South Caucasus is to prevent resumption of military actions throughout the region, first of all in the area of the Nagorno-Karabakh conflict. The common and coordinated efforts of Russia, the European Union, and the United States can play a positive role in respect to the management of all of these conflicts. Furthermore, it is possible, under the aegis of the European Union, to consider different ideas and fields of cooperation for the South Caucasus states. The EU can play a significant and positive role in respect to financial support and political orientation.

Unfortunately, no visible and tangible shifts in this direction are on the horizon. The regional cooperation that might serve to overcome the potential crises mentioned above is lacking owing to both objective and subjective reasons.

Motives and Incentives for Engagement – the Russian Perspective of a Eurasian Union

*Elkhan Nuriyev*¹

With the current focus on policy interactions between Russia, the US and the EU in the post-Soviet space, many wonder what future awaits the countries of the former USSR after Vladimir Putin's re-ascension to the Russian presidency in the March 2012 election. One question is whether Putin will succeed in shaping a new, distinctive strategic space with the curious name of "Eurasian Union".

Can Putin realize this project?

In his 2011 article "A New Integration Project for Eurasia: The Future in the Making," Vladimir Putin maintains that the Eurasian Union will become a focal point for further integration processes since it will be formed by the gradual merging of existing institutions, the Customs Union and the Common Economic Space.² The Eurasian Union is certainly Russia's most ambitious strategic project that is most likely to become one of the top priorities of the Putin presidency. In other words, the Kremlin wants to prove Russia's Great Power status and to make it the centre of "one of the poles in the modern world."

Clearly, the principal focus for Putin's foreign policy will be relations with the Near Abroad, as the Russians like to call the CIS countries. Although it is difficult to predict whether Putin will be capable of

¹ Dr Elkhan Nuriyev is a Counsellor and International Advisory Board Member at the Caucasus Institute for Democratic Integration in Tbilisi, Georgia. A shorter, abridged version of this article appeared in *OpenDemocracy*, March 19, 2012, London, UK, under the title "Putin's Plan for Russia's Neighbours – A Eurasian Union."

² Vladimir Putin, "A New Integration Project for Eurasia: The Future in the Making," *Izvestia*, October 4, 2011, Moscow, Russia.

completing his reintegration project in the next few years, the troubled nature of relations between Russia and the CIS countries, and among the post-Soviet states themselves, will make his task even harder.

Whether the post-Soviet states remain at the centre of international strategic affairs will also depend considerably on foreign policies emanating from the US, the EU, Turkey, Iran and China, given that global trends in areas such as energy, trade, capital investment, migration and other security issues will play a crucial role. Last but not least, there is a broader concern about how precisely Putin will create a 'new supra-national union' of sovereign states if some of the CIS leaders refuse to follow the Kremlin-established rules of the game. This key question will have a number of important strategic implications for those post-Soviet countries whose democratic transformation is still incomplete, and where fierce competition over energy resources, security interests and political futures could easily flare up again.

What might it mean for the region?

In this scenario, the next years may well see dramatic change in the CIS countries, whose perceptions of their own security would be significantly affected. Given the progressive deterioration of Russia's relations with the West, there is good reason to expect Russia to adopt a more assertive and confident policy towards its neighbours as it seeks to increase its influence in its immediate neighbourhood. The Kremlin's strategists realize that Russia needs new instruments to regain economic and political control over the post-Soviet space, whilst the lack of well thought-out and workable strategies for dealing with the CIS countries has meant little American and European presence in the region.

Evidently, the economies, societies, and populations of the CIS countries suffered serious crises of transformation after the dissolution of the Soviet Union. Their economies differ in their size and their Euro-Atlantic integration perspectives are facing vastly different challenges. Also, these countries find themselves at different levels of development despite many shared problems and pursuing their own political agendas. Different security perceptions and varying orientations of the post-Soviet

republics therefore negatively affect reintegration processes at the CIS level. Whereas the young states seek wider regional security, their national security concerns differ vastly. Russia, in turn, is exploiting the current situation for its gain. Moscow actually uses different political and economic levers to persuade the CIS nations that joining the Customs Union and Common Economic Space is beneficial both in terms of economics and politics.

Some CIS countries are nevertheless still anxious to form new security partnerships with the West as a counterbalance to Russian influence. In the South Caucasus, for example, Georgia, Azerbaijan and Armenia have all been actively lobbying for Western engagement. Despite their different attitudes toward Russia's resurgence, they continue to oppose any further encroachment of Russian influence in the area. Over the past few years Georgia and Azerbaijan have sought to build up their own armed forces, with the help of the United States and Israel. Armenia, Russia's most loyal ally in the Caucasus, agreed to hold its first-ever joint military exercises with the US in spring 2012,³ in order to improve the interoperability of their NATO-led forces deployed in Afghanistan.

However, Russia's successful foreign policy in the post-Soviet territory in recent years has also resulted from the failure of other international players, or at least the systemized weakening of their stances. The Obama administration's ineffective "reset" has seriously weakened US strategic objectives in the South Caucasus and Central Asia. Washington's failure to craft any coherent vision as to how the region fits into broader US strategy has allowed America's role to be increasingly defined through the prism of Russia. The lack of a meaningful US response to the challenge presented by the protracted conflict in Nagorno-Karabakh not only highlights the low level of US engagement in this troubled region but also renders questionable America's ability to be an effective player in the OSCE Minsk Group.

³ *Eurasia Daily Monitor*, Volume 9, Issue 42, February 29, 2012, The Jamestown Foundation, Washington, DC, USA.

Likewise, the EU lacks a visionary and principled approach in its policy toward resolving the conflict. Brussels has practically no role in the conflict settlement and therefore does not have the necessary tools to intervene in the peace process, offering only confidence-building activities. Such a situation strongly limits the influence of the EU in the region and dramatically hinders Brussels' capacity to formulate meaningful policy to deal with simmering secessionist conflicts.⁴ The resulting lack of a common and integrated strategy may lead in the near future to a withdrawal of the West from the South Caucasus and the loss of ground to Russia's more assertive foreign policy.

Therefore, Russia is seen as essentially having a monopoly over the peacemaking process between Armenia and Azerbaijan, a role which the OSCE has effectively forsaken. By orchestrating the negotiations, the Kremlin seeks to enhance Russia's "sphere of influence" and to cause Euro-Atlantic security arrangements in the region to disintegrate. The failure of the OSCE not only shows the EU member states to be effectively lacking the ability to speak in the face of the South Caucasus crisis, but also demonstrates their inability to build international support around interests in competition with Russian ones.

Iran and Russia's Southern flank

Thinking strategically of imminent dangers arising from Iran's nuclear ambitions, Russia's stance is particularly relevant.⁵ Perhaps the most difficult and time-consuming question confronting the US and Russia today is how best to proceed on Iran. Moscow and Washington have a shared interest in preventing Iran from acquiring nuclear weapons but they have divergent views on Iran. For the moment, however, Russia is especially needed as a true partner in overcoming Iranian nuclear crisis.

⁴ Elkhan Nuriyev on Nagorno-Karabakh Negotiations, *Radio Free Europe/Radio Liberty* (RFE/RL), July 14, 2011. Also see E. Nuriyev, "Nagorno-Karabakh in the Shadow of Russian Influence", *Hurriyet Daily News*, July 12, 2011, Ankara, Turkey.

⁵ For a more detailed analysis on Russia's strategic relations with Iran and Russia's stance on the Iranian nuclear program, see Elkhan Nuriyev, "Russlands rätsel hafte Iran-Politik," *Internationale Politik*, (DGAP), May-June 2012, Number 3, Berlin, Germany, pp. 60-65.

So far, Russia has been slow to collaborate with the West in pressuring Iran. Instead, Russia insists that the US and the EU use more moderate language to criticize the Islamic Republic.

On the other hand, Russia and Iran have found common ground in sharing an ambition to undermine Western hegemony in their backyard and to restrict the westward orientation of the young independent states of the post-Soviet Southern Tier. Russia and Iran also share a common perception that the US wants to keep them out of a region of which they both are a part. For this reason, Moscow and Tehran view each other as closest allies and regard the US and other Western democracies as big competitors.

Being a significant player in the geopolitical manoeuvrings in the Southern Tier, the Islamic Republic maintains traditional historical, economic, cultural, and ideological interests throughout the Caucasus and Central Asia. Iran's ability to influence the neighbouring Muslim entities via Islam is of higher importance. The ruling clerics in Tehran continue to serve as an active promoter of Islamic cultural influence in the post-Soviet Muslim societies where the rise of an Islamic consciousness has progressed since independence.

Notwithstanding the current little public support, religious extremism is constantly fed by a series of factors, including proximity to the volatile situation in both the North and South Caucasus. Yet, there is a serious risk that Islamist movements will gradually gain popularity in the respective states. Recent military actions in Afghanistan and Iraq, and the counter-terrorist operations in Russia's southern flank have added impetus to the further radicalization of Islamic tendencies in the entire region. Therefore, it appears that Russia does have a lot to be worried about Iran's rising profile and the reality of the role of the Islamic Republic in the Southern Tier means that Moscow is greatly concerned about the spread of weapons and ideas from Iranian clerics and their regional extremist groups to the Muslim parts of the post-Soviet territory.

Noticeably, Iran's relations with the post-Soviet Muslim neighbours in recent years have strongly been influenced by its complicated energy situation, its unique geography, and most notably, by its continuing conflict with the United States. Despite Tehran's well-known anti-American policy, the Islamic Republic is trying to affect the political and economic shape of the Southern Tier. For now, however, how the triangular relationship between Iran, Russia and the US evolves will likely be the most important strategic factor influencing the future direction of stability and security of both the Caucasus and Central Asia.

Future security challenges

Paradoxically, the Iranian nuclear conundrum appears to become a source of regional insecurity for Russia. Iran's possession of a nuclear weapon would change the strategic balance in the entire region and could fundamentally challenge Russia's security policy in the southern tier of the post-Soviet territory. A nuclear-ready Iran could embolden regional extremists and terrorist networks and eventually destabilize many countries in Eurasia. Such a scenario contains some serious risks for the Kremlin's security policy in Russia's southern borders and would have a number of potentially important strategic consequences for the Caucasus, Central Asia and the wider Black Sea-Caspian basin.

Clearly, the rise of a nuclear Iran will likely affect future regional situation in several important ways.

First, Iran's nationalist impulses at the margins of the post-Soviet Muslim world remain very high. Just imagine what might happen if Tehran would play a larger role in support for terrorist and insurgent groups in the Caucasus and Central Asia under a nuclear umbrella. Ethnic nationalism and separatism is still alive in the Muslim-majority regions of Russia. For instance, the ruling clerics in Tehran might expand their military support to translocal religious and political movements. In a scenario of this kind, such development would touch on the internal affairs of Russia's Muslim North Caucasus, and particularly Dagestan, Chechnya, Ingushetia and Tatarstan. It is not unlikely that these extremist groups and religious militants will play a role in

insurgency in the North Caucasus and the propensity for terrorism in predominantly Muslim-populated regions of Russia.

Another grave concern is the deployment of Iranian clerics to support radical religious movements in the South Caucasus where the destabilizing influence of the Islamic Republic is less well known. Azerbaijan has already been significantly affected by the ideology of Iranian-trained clerics since Tehran has consistently maintained strong interest in exploiting any unrest to strengthen its influence in this secular Muslim petroleum-rich country. It is no wonder that Iranian policies are making Azerbaijan's leadership feel threatened.⁶ Beyond extremist and religious movements, the strategic environment in the entire region could be also influenced by the rise of new political ideologies in the coming decades.

Second, a nuclear-armed Iran and new proliferation dynamics will inevitably affect security perceptions of neighbouring countries, including Turkey, Georgia, Azerbaijan, Kazakhstan, Uzbekistan and Turkmenistan. All of these states might feel compelled to modernize their own military doctrines and revise their respective national security concepts. As a result, a heavily militarized region and highly unstable situation would strongly worsen the prospects for peacefully resolving the so-called frozen conflicts in the Caucasus as well as undermine Russian security interests and pose new difficult long-term challenges for the Kremlin.

Third, the South Caucasus, Central Asia and the Caspian basin may re-emerge as a focus for a heated competition over energy, political and security futures. Due to the supply crises in the Middle East, the steady proliferation of new oil and gas pipeline routes around the Caspian basin, and across the Black Sea, linking the regions to energy trade around the Mediterranean is central to thinking about the future of relations with a nuclear-armed Iran. Applying their zero-sum approach, Iranian leaders believe that it is in their interest to limit the Caspian oil

⁶ For more details on this issue, see Elkhan Nuriyev, "Azerbaijan: the Geopolitical Conundrum," *OpenDemocracy*, June 14, 2012, London, UK.

and gas supply to European and Western markets. Tehran could exert more direct or indirect influence on foreign and economic policies of oil- and gas-producing countries to force their ruling elites to conclude new energy, transport and investment agreements. Under these conditions, small nations are likely to see a greater Iranian presence and the relative weight of Iran in regional affairs will increase especially in the sectors of energy trade, economic cooperation and capital investment. Azerbaijan, Turkmenistan and Kazakhstan have already been affected by this competitive atmosphere and also confronted with Iranian interference in their internal affairs, especially when local leaders have been pressed for closer cooperation with Iran. From a regional perspective, such a trend could transform Iran into a powerful geopolitical actor in the post-Soviet Southern Tier and might create the most formidable challenges for the Kremlin leaders in terms of the long-term implications of a strategic shift toward new containment of Russian influence in the entire region.

Russian policy rethink

Interestingly, a group of US experts recently stated that Iran could reach nuclear weapons capability by 2014. They looked at Iran's "critical capability" defined as the point at which Tehran will be able to produce enough weapons-grade uranium or separated plutonium to build at least one nuclear bomb before foreign detection.⁷ Perhaps a key question for future developments hinges on whether competitive relationship with Russia will eventually spur the Islamic Republic to revise regional security arrangements and play much greater role in the geopolitical affairs. Needless to say, Russia considers the prospect of a nuclear-armed Iran a threatening to her national security strategy. Given the perceived importance of durable stability in the still-unfolding Southern Tier, the necessity for Russia to rethink its Iran policy and work together

⁷ American scholars particularly emphasized that "based on the current trajectory of Iran's nuclear program, we estimate that Iran could reach this critical capability in mid-2014." For more information on this issue, see David Albright, Mark Dubowitz, Orde Kittrie, Leonard Spector and Michael Yaffe, "U.S. Nonproliferation Strategy for the Changing Middle East," ISIS Report, *The Project on U.S. Middle East Nonproliferation Strategy*, Institute for Science and International Security, January 14, 2013, Washington DC, USA, pp. 3-6.

with the US and the EU is greater than ever to tackle the Iranian nuclear issue. After all, securing long-term strategic stability in the post-Soviet Eurasian theatre is crucial to Russia's regional security building efforts.

Whether the US, the EU and Russia will succeed in coordinating their policies on Iran will depend considerably on their ability to solve the complexities of the Iranian nuclear crisis.⁸ One thing, however, is clear already now: if Moscow wishes to be better placed to respond effectively to future challenges in the rapidly changing post-Soviet Eurasia, Russian leaders should be ripe for a new strategic vision based on an understanding of the necessity of cooperative security sharing. Any effort to direct Russia's collaborative action with the West in a more effective mode requires a substantial revision of the Kremlin's policy that could make Russian behaviour more predictable and more supportive. Only through concerted efforts Russia and the West will be able to come up with a coordinated agenda, aimed at resolving the Iranian nuclear conundrum.

Even so, great power ambitions are increasingly manifested in the desire of the Russian leadership to run the geopolitical show in the CIS territory. This might even become a reality if the military option against Iran is put into operation.

What does the Putin doctrine mean for the West?

If the US and the EU do not develop a more concerted strategy towards Russia, this could lead to the emergence of new polarities and alignments in post-Soviet Eurasia, where the CIS region would be not only a privileged but, primarily, a defining sphere of action for Russia.

In the coming years Russia is most unlikely to challenge the US and the EU at a global level. What is more likely is that Russia will present a growing direct challenge to American and European interests in its own immediate neighbourhood. Future engagement in the Arab world and the

⁸ Elkhan Nuriyev, "How Iran Can Help Give a Boost to Reset," *The Moscow Times*, Issue 4810, January 26, 2012, Moscow, Russia.

Middle East could easily push the CIS region to the margins of European and American strategy, leaving Russia to act as main security arbiter.

The Kremlin may be successful in helping some CIS countries resolve local conflicts, thus increasing the stability of the entire region. Some states may decide that Russia is not necessarily their main threat, and instead view Moscow as a natural ally against domestic and external threats. This could result in a new cycle of tensions with Western democracies, and a renewal of strained relations between the West and Russia could easily contribute to the future isolation and insecurity of the CIS region.

If the US and the EU disengage from the region or if Washington and Brussels want to go their separate ways in terms of foreign and security policies – admittedly, a big ‘if’ – this will significantly increase Russia’s relative weight in post-Soviet affairs. In the end, the ruling elites in the CIS states may even actively pursue greater economic and political integration with Russia under Putin’s Eurasian Union. The most important question here is whether the wider public in post-Soviet countries where opposition to Russian domination, and a sense of grievance and injustice, remain strong, will passively accept such a scenario. Memories of the seven-decade experiment in totalitarianism that was imposed on them are bound to resurface, as all these states seek to establish themselves as viable independent and democratic nations.

Confidence-building Initiatives: An Academic Approach

Karen S. Rubinson

The American Research Institute of the South Caucasus (ARISC), an independent tax-exempt not-for-profit organization, was founded to, as the mission statement says, encourage and support “scholarly study of the South Caucasus states (Armenia, Azerbaijan, and Georgia) across all disciplines of the Humanities, Sciences, and Social Sciences. ARISC’s mission is to promote and encourage American research in the region and to foster intellectual inquiry across boundaries within the South Caucasus as well as between the South Caucasus and its neighbours. The exchange of scholars and scholarly information will be encouraged by ARISC’s support for conferences, fellowships, publications, teaching resources, and other forms of cooperation for use both in the United States and in the host countries where the Institute is located.”¹

When ARISC was founded, we chose to explicitly emphasize cross-border research since many of us already worked across the contemporary boundaries of the South Caucasus states and knew that for many academic fields a regional approach was the most productive. To illustrate two cases widely separated in time, looking at a map of the Achaemenid Empire (see Fig. 1), centred in Iran in the 6th – 4th centuries BCE, you can see that at least parts of all three contemporary states were part of that empire, so if one wishes to investigate the roles of this region in the workings of the empire, one needs to look beyond contemporary borders.

And then, in the 19th century CE, the Tiflis Governorate, part of the Russian Empire, included parts of contemporary Armenia, Azerbaijan and Georgia.² If one needs to access official records from that period, as

¹ The full mission statement can be found on ARISC’s website: www.arisc.org .

² http://en.wikipedia.org/wiki/File:Gubernias_del_Caucaso_-_Gubernia_de_Tiflis_-_Imperio_Ruso.png

one of our recent fellowship recipients did, it matters not that, for example, the question is of education of Azeri Muslims during that period – the records are in Tbilisi.

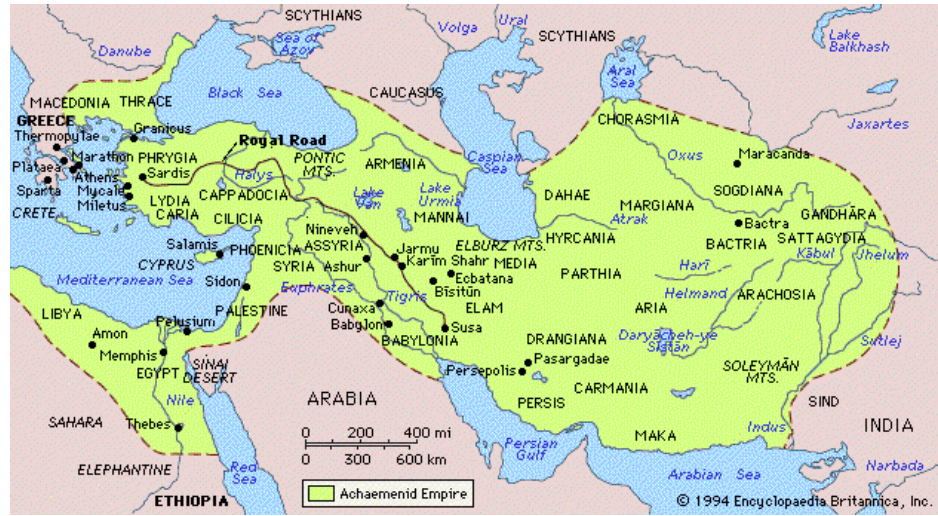


Fig. 1: Map of the Achaemenid Empire (553-330 BC)

ARISC, like other American Overseas Research Centres, is a consortium of educational institutions, together with individual members.³ Since 2006, we have developed programs to fulfil our aspirational mission statement. We have had a travel-grant fellowship program for doctoral students for the past four years. As you can see from the list of grants in Appendix B, the research fields are very diverse, from paleolithic technology, to linguistics, to contemporary politics.

A new fellowship program, initiated this year with a grant from the U.S. Department of Education, is to support research for graduate students, post-doctoral students, and faculty early in their careers that includes funds for a graduate assistant-participant from the country where the project is being carried out. The structure of this grant creates the

³ See appendix A.

opportunity to establish long-term scholarly ties as well as share cutting-edge research approaches with young in-country scholars (Appendix C).

ARISC has funded workshops in the South Caucasus, in some cases introducing recent technical methods to our colleagues, such as a workshop on animal-bone analysis in Tbilisi in 2006, and in others helping provide our colleagues with tools to access scholarly opportunities outside of their home countries, such as a research grant writing workshop in Baku in 2010. We helped support an exhibition “Holiday Moments: Photographic essays on the city of Tbilisi” in January 2010 in Tbilisi organized by an ARISC student member.⁴ ARISC is running reading groups that bring Americans and local scholars together on a regular basis to read books of general interest about South Caucasus topics or by South Caucasus authors in order to build community.

ARISC has a grant program to support the preservation of cultural heritage in Armenia that requires active participation of both American and Armenian P.I.s, as well as a capacity building component. Because of the terms of the grant that funds this program, it is limited to Armenia, but we are actively seeking funds to expand it to Azerbaijan and Georgia.

Among the activities enumerated in our mission statement, we have so far supported conferences only in a small way. One form this support takes is to sponsor sessions at professional meetings, such as one at the Society for American Archaeology last year; it included archaeologists from the U.S. and the South Caucasus reporting on recent work in all three countries. In April 2014, ARISC will hold a conference at Indiana University that explores the state of research of many fields in the South Caucasus, with an emphasis on the interconnections among the contemporary countries and the surrounding region.

That conference, supported by a grant from the U.S. Department of Education, will also yield ARISC’s first curriculum materials for study

⁴ <http://kafdagi2009.blogspot.com/2010/01/poster-for-show.html>

of the South Caucasus, bringing the region into focus for schools and departments that might otherwise not have regional expertise. After all, Jason’s Golden Fleece was in the South Caucasus, and the earliest states to adopt Christianity as state religions were here as well. Shaping this information and the outcomes of the conference for relevance and approachability, bringing the South Caucasus from the borderlands to broader relevance, is our goal.

At present, we have local representatives in all three countries who work for ARISC part-time.⁵ We do not yet have our own offices, but work together with universities, institutions, and also the Caucasus Resource Research Centre to present local lecture programs. Our representatives provide assistance to American (and often European and Canadian) scholars who are planning or investigating research in the area.

Growth of interest in doing research in the South Caucasus is reflected in the increased numbers of M.A. and Ph.D. degrees about the area in the U.S. during the last ten years (Table 1).

Country/Region	2001-2005	2006-2010	Increase in Percent
Armenia	34	42	24
Azerbaijan	28	30	7
Georgia	5	15	200
South Caucasus	7	73	943

Table 1: Increase in South Caucasus as MA or PhD topic in the United States

This reflects what I call the “post-Soviet opportunity” for American scholars. I remember standing in Iran in the 1970’s at the Araxes River looking longingly north to this region. I was fortunate to be able to cross the border and do my research, but it was generally difficult for Americans to do so at that time. The rich scholarly potential of the many

⁵ They can be reached at Armenia@ARISC.org, Azerbaijan@ARISC.org, and Georgia@ARISC.org.
The administrative office is admin@arisc.org.

relict languages in the South Caucasus excite linguists, the role that ancient cultures of the South Caucasus played in nearby countries is of interest to archaeologists, the rich histories of the region and their interconnections to Iran, for example, are all reasons that American scholars are now coming to this region to carry out research. ARISC was established in part to aid those unfamiliar with the region to navigate the possibilities of working in these countries.

Before summing up, I want to share a personal story. In 2003, I ran a workshop at Barnard College in New York about the Bronze and Iron Age ceramics of the South Caucasus and Eastern Turkey. In order to build for the future, I invited at least one student as part of each country's participants. The funders I applied to asked how I expected people from the various countries to agree to come because of contemporary politics. I told them that those who were invited were interested in archaeology, not politics, and the past did not conform to contemporary boundaries. Although it turned out that all who were invited could not come, there were groups from Armenia, Georgia and Turkey, as well as Americans and Europeans. The Turkish and Armenian male students were roommates for the ten days they were in New York.

The Turkish student, now a professor at Atatürk University in Erzurum, was invited by the Armenian student, now also finished with his Ph.D. and part of the staff of the Institute of Archaeology and Ethnology in Yerevan, to an archaeological meeting in Armenia three years ago. He was the first Turkish archaeologist to visit Yerevan in generations. And last fall, he organized an archaeological symposium in Erzurum which our Armenian, Azeri, Georgian and Iranian colleagues all attended, as well as some of some of us from Europe and the United States.

So to the question of building confidence in the South Caucasus, I would say, one answer is "slowly" and "personally." Even now, although ARISC invites colleagues from other countries to attend local workshops, because we don't have funds to support travel, only immediately local scholars have attended. But where there are opportunities to share with others a common interest, the common

interest will foster personal bonds across difficult borders. ARISC strives to build these personal bonds, not only among scholars in the South Caucasus, but also between Americans and people in this region. Fortunately, with electronic communication, once established, cooperation and information-sharing can be more easily on-going than in the days of carrying books back and forth across continents in a suitcase.

**Appendix A:
ARISC Institutional Members 2012-2013**

Brown University	University of California, Los Angeles
Cornell University	Angeles
Dartmouth College	University of Connecticut
Indiana University	University of Illinois
Institute for Aegean Prehistory (INSTAP)	University of Massachusetts Amherst
Mount Holyoke College	University of Michigan, Ann Arbor
New York University	University of Pennsylvania
Purdue University	University of Texas, Austin
Stanford University	University of Washington
University of California, Berkeley	

**Appendix B:
Graduate Student Travel Grant Fellowships**

2009-2010

Neither Empire nor Nation: Networks of Trade in the Caucasus, 1750-1925 (Megan Dean, Stanford University).

Negotiating Public Schools for Muslims among Russian Imperial Bureaucrats, Local Administrators, and Azerbaijani Elites, 1862-1890(Aimee Dobbs, Indiana University- Bloomington).

Courting the Nation Abroad: Diaspora Policies in Postcommunist Armenia, Croatia, Serbia, and Ukraine (Sarah Garding, University of California, Berkeley).

2010-2011

Cohesion, Coercion, and Compromise: Parties of Power in the South Caucasus, 1988-Present (Eli Feiman, Brown University).

The Forgotten Revolt: The 1956 Pro-Stalinist Protests in Soviet Georgia and its Cold-War Implications (Melissa Gayan, Emory University).

Documentation of Khinalug (Tamrika Khvtisiashvili, University of Utah).

2011-12

Archaeological Landscapes of Highland and Steppe Zones in Northwestern Naxçivan, Azerbaijan (Emily Hammer, Harvard University).

State Formation and Property Relations in Georgia: A Case Study of IDP Housing (Caitlin Ryan, University of Colorado Boulder).

Middle Paleolithic Lithic Technology and Behaviour in the Hrazdan River Gorge, Armenia (Beverly Schmidt, University of Connecticut).

2012-2013

The Politics of Pasture: The Political Economy of Herding in the Last Bronze Age (Hannah Chazin, University of Chicago).

Feasting and Emergent Political Complexity in the late Neolithic Ancient Near East: Evidence from Kamiltepe (Hannah Lau, UCLA).

Forests, State and Territory in the Republic of Georgia (Jesse Quinn, University of Arizona).

Appendix C:
Graduate Student, Postdoctoral, and Junior Faculty Research Fellowships (funded by the U.S. Department of Education)

2012-2013

Mapping Urbanism in the South Caucasus: The Naxçivan Archaeological Project (Dr. Emily Hammer, Visiting Assistant Professor, Institute for the Study of the Ancient World, NYU)

Ambiguous Legacies: Persian Literary Influence in Azeri Intellectual History (Kelsey Rice, Ph.D student, University of Pennsylvania)

Spaces of Diaspora Investment: Urban Transformations and Transnational Linkages in the Landscape of Yerevan (Dr. Diana Ter-Ghazaryan, Director of Geospatial Technology Certificate Program and Lecturer, Department of Geography, University of Miami).

PART II

REGIONAL COOPERATION INITIATIVES: BREAKING ISOLATION FROM WITHIN

Breaking Isolation Bilaterally: Contrasting NATO and EU Initiatives

Rauf Rajabov

Azerbaijan, Georgia and Armenia cooperate with NATO in the framework of the “Partnership for Peace”, “Individual Partnership Action Plan” (IPAP) and the “Planning and Review Process” (PARP). If Georgia's IPAP is a springboard for entry into NATO, the authorities of Azerbaijan and Armenia see their cooperation with NATO in the perspective of diversification of relations with major geopolitical actors – the USA and the EU and the Russian Federation.

Russia, on the one hand, recognizes the right of the USA, EU and NATO in active cooperation with the countries of the South Caucasus, in all matters, including military cooperation and regional security, and on the other, the Kremlin warily accepts independent moves by Georgia and Azerbaijan, aimed at building the political, economic and military partnerships with the USA, EU and NATO.

In the medium term, the Kremlin is not going to demonstrate new approaches in the Caucasus. After all, the official Moscow by President Vladimir Putin's already decided on their strategy for the post-Soviet space – the formation of the Eurasian Economic Union, with all the ensuing consequences.

Consequently, Russia's tactics in the Caucasus is to maintain the status quo in the balance of geopolitical power in the region. And the basis of Russia's geopolitical influence in the South Caucasus is Armenia. Thus, the Kremlin is de-facto supporting the Armenian position on Karabakh conflict settlement, which allows official Moscow to strengthen the close military cooperation with Armenia, both bilaterally and in the framework of the CSTO.

The Kremlin believes that the USA, EU and NATO by their Armenia policy, aim at weakening the Armenian-Russian strategic partnership of rapprochement with Azerbaijan, Turkey and Georgia, which will settle the Karabakh conflict and Turkish-Armenian relations. Therefore, Russia does not need appearance in the South Caucasus axis “Baku-Tbilisi-Yerevan and Ankara.” For Russia this configuration is equivalent to a geopolitical defeat. Consequently, Russia will continue to support Armenia and simultaneously maintain economic relations with Azerbaijan, as well as continue the recovery of economic relations with Georgia.

NATO-Azerbaijan

Currently, the relationship between Azerbaijan and NATO has improved markedly. For NATO, the transit significance of Azerbaijan grows amid upcoming ISAF withdrawal from the Islamic Republic of Afghanistan to the end of 2014. Therefore, NATO has secured a guaranteed support of Azerbaijan in the transit of military-technical goods from Azerbaijan in Afghanistan, and in the opposite direction.

The convergence of Azerbaijan with NATO is a part of the military-political and military-technical cooperation with the USA and Turkey. However, Brussels and Baku should examine the reasons for denying Azerbaijan some conditions of the 1st and 2nd phases of IPAP in reforms in the Ministry of Defence, the Interior Troops of the Ministry of Internal Affairs, the State Border Service and Ministry of National Security.

In addition, NATO and Azerbaijan combine their efforts for the organization of defence budget transparency and civil democratic control over the Armed Forces. After all the requirements of NATO standards also include the introduction of Azerbaijan mechanisms of parliamentary control over the Armed Forces, bringing documents to military law into line with NATO standards and strengthen the legislature.

In this context, there have been important structural changes in the Defence Department and in this regard, certain changes to the legislation of Azerbaijan.

So far, not one of the above areas of NATO and Azerbaijan failed to produce tangible results, including the issue of reforming the Ministry of Defence. However, these reforms have not realized the main objectives as reflected in the IPAP; the Ministry of Defence of Azerbaijan will not be separated from the General Staff, the personnel of the Ministry of Defence, the strategic planning department will not be staffed by civilians.

It should also be noted that, first, the reforms in the Armed Forces of Azerbaijan have no legal force, as the reforms are not reflected in the legislation of Azerbaijan, and secondly, most of the legislative acts regulating the activities of the Armed Forces today remain from the Soviet era and contrary to the whole process of implementation of IPAP in Azerbaijan.

In my view, the main purpose of official relations between NATO and the Azerbaijan is to initiate a real integration of Azerbaijan into the Euro-Atlantic space. The “National Security Concept of Azerbaijan” states that Baku should integrate into the Euro-Atlantic space despite the joining the “Non-Aligned Movement”, claiming neutrality against both NATO and the CSTO.

Because the integration process requires the NATO leadership Azerbaijan to make correct and informed decisions, forcing the above processes prematurely can cause damage to the national and regional interests of NATO and Azerbaijan.

NATO-Armenia

The basis of cooperation between Yerevan and Brussels is also the IPAP for 2011-2013. But, Armenia’s main priority is the integration within the CSTO. Therefore according to the Armenian vision, the South Caucasus is important in the question of responsibilities of the CSTO, and

Armenia serves as the main partner of that organization in the South Caucasus.

But how does Yerevan intend to combine CSTO membership and reform of the Armed Forces to NATO standards? After all, in the South Caucasus region, the CSTO cannot claim to be a regional factor, because it works only with Armenia, in contrast to NATO, which works with all the South Caucasus states. Moreover, the CSTO is not taken seriously, not only by NATO but also by such post-Soviet countries as Azerbaijan, Georgia, Ukraine, Uzbekistan, Turkmenistan and Moldova.

Yerevan views NATO as opponent to the CSTO, since unlike NATO, the CSTO has global organizational and material resources, a common and binding all members of the military-political bloc. NATO sees no problem in the fact that Armenia, as a CSTO member states, is also a partner of the Alliance.

The fact that NATO wants to strengthen its relations with Armenia is not in doubt. In this regard, there is a reasonable question: how long can the Armenian leadership to manoeuvre between the CSTO and NATO? Perhaps until a political settlement of the Armenian-Azerbaijani and Armenian-Turkish conflict comes about.

It should be noted that the normalization of Armenian-Turkish foreign relations concept has serious potential. Now Turkey wants drastic progress in the negotiations on the Karabakh conflict within the OSCE Minsk Group. Such dynamics in Turkey's position as dictated by the logic of the Armenian-Turkish relations (establishing relations without preconditions), new accents in Turkish foreign policy of the recent years, and to create realities in the South Caucasus after the August war in Georgia.

In addition, for the EU and NATO, Armenian-Turkish reconciliation is an important task that will ensure the realization of oil and gas and transportation projects through Armenian territory and allow Armenia to freely choose between the West and Russia.

It is symbolic that the EU and Azerbaijan firmly declared the “South Corridor” project which will help the convergence of Baku with the Euro-Atlantic geopolitical space, with all the consequences for the region of South Caucasus. Thus, Azerbaijan has shown readiness to provide its territory for the transit of Turkmen gas, which is important in the context of Transcaspian pipeline.

However, the Armenian-Turkish dialogue has the following important aspect: the opening of the Armenian-Turkish border and the normalization of Armenian-Turkish relations in the medium term will lead to a reorientation of Armenia to the West, and the creation of conditions for trilateral regional cooperation. It is in the context of a simultaneous European and Euro-Atlantic Integration of Azerbaijan, Armenia and Georgia sees the resolution of regional conflicts in the South Caucasus, where the role of the state borders will be significantly weakened, and it will be possible to compromise on regional conflicts. Therefore, in the Armenian-Turkish rapprochement lies the interest of NATO, the EU and Georgia, as well as the priorities of the pro-Western elites, Azerbaijan and Armenia.

EU-South Caucasus

The “Eastern Partnership” is not the key to resolve conflicts in the South Caucasus. However, in my view, the stalled negotiations on the political settlement of the Karabakh conflict under the auspices of the OSCE Minsk Group, means that the “Eastern Partnership” is the only platform in which the parties to the conflict of Azerbaijan and Armenia can engage in dialogue to find a peaceful resolution of the Karabakh conflict. In other words, the above dialogue in the framework of “Eastern Partnership” is a kind of opportunity to increase the confidence-building measures, conflict transformation, and creation of negotiators or mediators from the independent civil society representatives of the two nations.

Therefore, political and economic elites of the two countries must recognize their responsibility to the productive functioning of the three baskets of the “Eastern Partnership” (security, economic and

humanitarian baskets). Otherwise, the participation of the two countries in the "Eastern Partnership" is limited only by their formal presence.

In view of the above factors, the importance of the "Eastern Partnership" is doubled, as it can and should become the very possibility that minimizes the loss of life in the area of the cease-fire, and most importantly, increase pragmatism. My opponents can say that the dialogue is today within the Minsk process. But as far as the so-called dialogue, can we call the process *dialogue*? Rather, there is no dialogue between the parties involved in the conflict, and the search by the mediators' of areas of agreement, in which the parties can communicate, do not in fact exist. The cultivation of this methodology is not justified.

Recommendations

1. I believe that the dialogue should be conducted on the sides of a viable platform, which can be a playground of the "Eastern Partnership". The "Eastern Partnership" is balanced in that it consists of the three baskets above, through which the debate on the most painful points can lead to finding the solution to the conflict.
2. The relationship between civil society representatives of the two nations should be no opportunistic in nature in order to achieve immediate success. Pragmatism should prevail, which will build a long-term relationship between the two countries. Today it is time for the two people to delegate to independent civil society the search for mutually acceptable solutions that would bring the two countries to sign an interim agreement on the peaceful resolution of the Karabakh conflict.
3. Considering the prospects for European integration of Azerbaijan, Armenia and Georgia should be based not only on the capacity of countries of the South Caucasus energy and transport capacity prevailing in today's geopolitical environment, but also from the real vision of the problems that will face the European community in the coming decades. And most importantly to take into account the

degree of preparedness of the countries of the South Caucasus to participate in their resolution.

4. The process of participation of Azerbaijan, Armenia and Georgia in the “Eastern partnership” does not imply membership in the EU. It provides for the development of fundamental social and economic cooperation between the EU and countries of the Programme. But, it would be useful if the citizens of the participating countries of the “Eastern Partnership” to visit the EU. However, easing the visa regime is difficult not only for the EU. Azerbaijan, Armenia and Georgia, in turn, need to strengthen their borders to prevent unwanted migrants, who can benefit from such an advantage in the region of South Caucasus.
5. NATO is advised to provide the necessary assistance to Azerbaijan and Georgia to strengthen their military and technical capabilities, which will allow Azerbaijan and Georgia to fully control their air and naval space, and increase their ability to monitor land borders with Russia and Iran.

Breaking Isolation by Breaking Linkage Politics

Stepan Grigoryan

The situation in South Caucasus is currently rather complicated.

The negotiations aimed at the solution of the Nagorno-Karabakh conflict within the framework of the OSCE are frozen. The presidents of Armenia and Azerbaijan have not met for a year which means that the level of meetings between Armenia and Azerbaijan is lowered to that of ministers of foreign affairs. The situation is tense not only at the contact line of Karabakh self-defence forces and Azerbaijani Army but also on the Armenian-Azerbaijan border.

Armenia held presidential elections on February 18, whereas Azerbaijan is going to hold its presidential elections at the end of 2013, thus it is clear that it would be very naïve of us to expect a breakthrough in the resolution of the Karabakh conflict. It is obvious that the presidents of both sides will not take unacceptable steps and especially make concessions in the resolution of the conflict in the context of elections.

The high level of distrust between the conflicting parties is a great problem. As to the trust of the parties toward each other, the situation got even more hopeless after Ramil Safarov's case. Here I would like to note that the Azerbaijani president not only pardon Ramil Safarov but also proclaimed him a hero of Azerbaijan, gave him the rank of a Major, gave him salary as well as vacation for the 8 years spent in jail.¹

The interpretation of the history connected with the Khojalu events in 1992 makes a heavy impression. Of course all of us should worry for the

¹ Ramil Safarov is the Azerbaijani officer convicted by a Hungarian court of the murder of an Armenian officer after a dispute during a PfP exercise in Hungary, in 2004. Safarov was serving a life sentence and had been released on the condition that he would continue to serve his time in Azerbaijan (Editors' note).

peaceful citizens who died, but in that very Azerbaijan there is no consensus on that point. But despite this Azerbaijan leads a big scale campaign for promoting the recognition of “genocide” in Khojalu. Of course it does not create any excitement/enthusiasm either in Armenia or in Nagorno-Karabakh. Unfortunately, representatives of both the Armenian and Azerbaijani diasporas have also started to take an active part in these quarrels between Armenia and Azerbaijan. This has even brought to a number of cases when they have used violence on each other in various European capitals.

The process of Armenian-Turkish rapprochement is also frozen. Turkey has not ratified Armenian-Turkish protocols, signed in 2009, tying the question to the process of the Karabakh problem. Turkey keeps closed its border with Armenia and has a rather peculiar understanding of the process of the Karabakh question: it demands the liberation of territories around Nagorno-Karabakh. Meanwhile, the question is one of the six important steps fixed by the Madrid principles that were developed within the framework of the OSCE. Of course this kind of one-sided, pro-Azerbaijani position of Turkey does not encourage the development of cooperation in the region and in the involvement of Armenia in the regional projects. Moreover, this position reduces Turkey’s role in regional matters.

As it is known, because the Karabakh conflict is still unresolved, Azerbaijan is against Armenia’s involvement in regional energy transport projects. As a matter of fact Armenia is isolated from the South Caucasus ‘horizontal’ projects being implemented in the region, such as the Baku-Ceyhan oil pipeline, the Baku-Tbilisi-Erzurum gas pipeline as well as the Baku-Tbilisi-Kars railroad.

What was mentioned above was a part of my speech that refers to the problem. Now I want to say some words on the new initiatives.

In November 2012 Turkey appeared with the initiative of involving Armenia in its regional transport projects that connect Europe and Asia (here Turkey means railway and automobile transportation corridors in the first place). That project, proposed by the Turkish side, must be

realized in peaceful times, particularly after Armenia liberates the regions that border with Nagorno-Karabakh. The interesting thing is that the proposals of establishing transport corridors were addressed to the Minsk group of the OSCE, not directly to Armenia. Of course, this initiative deserves attention by itself. But questions arise considering the fact that the level of trust in the region is not high;

- This kind of initiatives and cooperation are also laid in Armenian-Turkish protocols. Why does not Turkey ratify them, which will automatically bring to the involvement of Armenia into transport and energy projects?
- In case Turkey ratifies the Armenian-Turkish protocols, Armenia and its interests will be protected from the legal point of view and then it can take its own steps not being afraid to be cheated. Otherwise, it may turn out as if they demand serious concessions from us (liberation of the territories that act like guarantors of security for Nagorno-Karabakh Armenians) but whatever they give in return can easily be withdrawn. After opening the border with Armenia, Turkey can close it any time, under various pretexts.
- Why does Turkey tie the Turkish-Armenian relations with the Armenian-Azerbaijani relations so tightly? It is obvious that this makes the situation in the region even more difficult. These difficult problems should be separated from each other. Perhaps, in that case an opportunity will appear in the solution of the regional conflicts as well as in the involvement of Armenia in the regional projects.
- It should also be noted that there is an opinion in Armenia that Turkish initiatives just serve to delay the recognition of the Armenian Genocide in 1915, before its 100th anniversary.

Some hopes for the change of situation in the region comes from the new government of Georgia, which has initiatives to improve relations with Russia. Here Armenia also has certain expectations. For instance, the new Georgian government has offered an initiative of opening the

Abkhaz railroad that will make the transfer of goods between Armenia and Russia easier, to Armenia in regional transport networks. However, this problem can be solved only after the normalization of the Georgian-Russian relations and after the solution of the Abkhaz conflict. That may take a long time.

There can also be some positive decisions on the background of a number of problems. So, it is really good that starting from April 2013, the flight Yerevan-Van (Turkey) will be opened.

Besides, I would like to also remind that Iran-Armenia gas pipeline came into force in 2009 which is very important for Yerevan.

As a conclusion I would also like to say that in such a situation when the level of distrust in the region is exclusively high, as we think, we need to take measures of building trust.

Active measures should be taken addressed to building trust. For example, we should withdraw snipers from the contact line of Azerbaijani army and defence forces of Karabakh. Turkey could open the Armenian-Turkey border without any preconditions, which will greatly change the situation in the region of South Caucasus. The EU, on its side, could start the process of involving citizens from Nagorno-Karabakh in various humanitarian, scientific and cultural projects that are intended within the framework of the EU Eastern Partnership project.

Experts from the South Caucasian countries as well as representatives from civil sector (NGOs on the first place) can play a great role in raising confidence measures. Their contacts and cooperation in different fields (such as culture, education, science, etc...) could greatly help the mitigation of the climate of mistrust and hatred that exist now. This task is currently being carried out, however, we need to expand it and make it more active.

Cooperation Perspectives and Challenges across de facto Borders

Bakur Kvashilava

There are many dimensions and ways one can analyze and examine the state of affairs in Georgia's conflicting regions. I believe the simplest way is the better. We can safely start examining the situation since the 2003 Rose Revolution when the new reformist government of Georgia replaced the old Soviet style bureaucrats led by E. Shevardnadze. I believe it will be useful if we divide the period from 2003 to today into three segments for analysis. The first period starts from 2003 until the outbreak of the 2008 war with Russia, the second encompasses the post-war period up to October 2012 when Saakashvili's United National Movement (UNM) lost the parliamentary elections and the first democratic transfer of power occurred in Georgia where the Georgian Dream Coalition (GD) assumed power. The third period is unfolding from this event onwards to today.

Each of the periods has its own logic. I will briefly describe each one of them. The new government lead by Mikheil Saakashvili set out to make sweeping reforms from the very time it took power in 2003. The state was made more efficient and powerful, its budget increased, the size of the shadow economy dwindled, corruption decreased and economy started to grow at high rates reflecting dramatically increased foreign investments flowing into the country. In the beginning of the 2004 the central government regained effective control of the Adjara Autonomous Republic whose authoritarian leader Aslan Abashidze backed by Russian troops stationed there long defied the control of Tbilisi. He fled and the UNM proclaimed the beginning of the unification of the country.

Later the government made active steps to score the same type of victory in the Tskhinvali Region, but unsuccessfully. Before the advent of the new government the situation in the Tskhinvali Region remained static.

The main political issues were left unresolved and an uneasy peace settled since the mid-90s. The tripartite peacekeeping forces comprised of Russians, Georgians and Ossetians were charged with keeping the status quo. Tskhinvali was controlled by the de facto Ossetian authorities and was surrounded by Georgian villages effectively controlled by the Georgian Government. The OSCE Mission in Georgia was a major political intermediary between the parties enjoying a presence in Tskhinvali and administering numerous small to medium scale projects through civil society organizations in the region besides the official negotiation framework.

Quite a significant number of projects were joint endeavours of the Georgian and Ossetian communities. The level of people-to-people contact was high and both communities regularly engaged in business and trade transactions. The Ergneti Bazaar located right in the middle of the Georgian and Ossetian military posts grew to become the locus of these relations. At the same time, the bazaar has been the major source of smuggling and drug trafficking. The cars stolen in the East of Georgia easily found their way to Russia through Tskhinvali. These were the reasons why the Government of Georgia decided to close down the Ergneti and crack down on illegal traffic.

This move later on has been looked on as somewhat disruptive of the growing relations between the communities, but it is important to appreciate the quite compelling reasons for doing so. At the same time, the dialogue between the parties intensified with Georgia's Prime-Minister Zurab Zhvania taking the most active part. There were signs by the end of the year 2004 that a long-term agreement could be reached between the parties. Unfortunately, the untimely death of Zurab Zhvania in February, 2005 – in circumstances which are still debated – effectively closed this window of opportunity. Later on, the central government developed alternative ideas for reintegrating the region into Georgia's effective control.

An alternative local government was established – the Provisional Administration of South Ossetia – comprised of former allies of the separatist regime. This government was placed in the village of Kurta

just outside Tskhinvali and was headed by Dimitri Sanakoev a former de facto Prime Minister of South Ossetia. Quite a significant amount of government finances as well as investments were directed to the region controlled by the Georgian central government so that the local population might see the difference between the corrupt de facto Ossetian regime and the efficient, modern, Western, and democratic central government in Tbilisi. That they probably did see. It did not turn out to be much help when Russia started to intervene more forcefully.

At the same time, the situation remained tense in Abkhazia. Despite numerous UN resolutions no peaceful return of the IDPs took place while the Georgian population continued to live in the border district of Gali (almost 95% ethnically Georgian district at the outset of the conflict in 1992) at their own risk; marauding, theft, burning of homes, kidnappings, and occasional deaths were the order of the day. Meanwhile, Russian military planes regularly violated Georgian airspace and later denied it. The central government imposed direct control over the Kodori Gorge held by Georgian militias and rebuilt the region just like in Tskhinvali region as described above. This settlement was bombed by *unidentified*, presumably, Russian helicopters, and planes shortly thereafter. In 2006 the Russian Government issued a decree that effectively opened Abkhazia and the Tskhinvali Region for Russian businesses, and started the rehabilitation of the railroad connection to Abkhazia using a Russian engineering troop regiment for the purpose. Meanwhile, the residents of Abkhazia and the Tskhinvali region were offered Russian passports making most of them Russian citizens.

Georgia's NATO aspirations and her prospects to join the Alliance seemed too real to Moscow, especially after 2005, when the President of the US George W. Bush called the country the *Beacon of Liberty* at a rally in Tbilisi. The denial of a Membership Action Plan to Georgian at the 2008 Bucharest Summit, however, made Moscow bolder, and there was widespread fear in Georgia and among her Western allies that Russia might be planning an escalation in Abkhazia.

The escalation did happen, but not in Abkhazia. After continuous shelling of Georgian villages in the beginning of August 2008 and

Russian Peacekeeping Forces commander's statement that his forces were no longer able to contain Ossetian militias, the Georgian Army stepped in. This resulted in full-fledged war between Russia and Georgia where the Georgian Army was defeated in a few days, and Russians stopped just short of occupying Tbilisi, under political pressure applied by Georgian allies in the West, especially, Americans.

The end of the war brought about a very different context for the relations between the societies across the zones of conflict. First, Russian troops found permanent military bases on the territory of breakaway republics where approximately 7-10 thousand Russian troops are currently stationed. Second, Russia officially recognized Abkhazia and *South Ossetia* as sovereign states and called on the world to follow her lead. Very few heeded the call, but the very fact changed the situation on the ground dramatically. Third, Georgian forces were defeated and it became apparent that Georgia had no chances of regaining control over these territories through military means. In these circumstances, the Abkhaz and *South Ossetian* leaders became less willing to negotiate and their position rigidified.

As a result, people-to-people contacts suffered and new traumas following the war further limited the chances for reconciliation. The Georgian Government responded by devising a new state strategy – Engagement through Cooperation, which emphasized cultural, economic, humanitarian and societal cooperation across borders. This effort was later translated into Action Plan for Engagement, while the Law on Occupied Territories and Modalities for Conducting Activities in the Occupied Territories of Georgia provided the necessary legal framework. The strategy was developed after a series of meetings organized by the Office of the State Minister of Georgia for Reintegration where the representatives of various government agencies and of the civil society participated. I had the honour to be one of them. The strategy itself received positive appraisals from the international community and much was hoped to be accomplished through it.

The Law on Occupied Territories in its turn was modified according to the Venice Commission recommendations. Thus, it seemed a new era of

community rapprochement was at hand. It was not to be so, however, as de-facto authorities, no doubt advised by their Russian partners, downplayed the importance of these initiatives as too little and too late. Instead they demanded that Georgia sign bilateral treaty with them on the non-use of force. That was not going to happen as Georgia denied their status as independent states. The state strategy is certainly a document that can be used for promoting community outreach across borders possible as it envisions various areas of joint cooperation among the civil society groups, but so far the prospect for achieving such cooperation remain limited.

The new government of Georgia led by the billionaire turned politician Bidzina Ivanishvili who came to power in October 2012 seems to be optimistic and several ideas were proposed that would dramatically change the Georgian position. First, the Government is considering renaming the main body responsible for conflict resolution taking into account complaints from the de-facto authorities. Thus, *Reintegration* will be replaced by a more neutral term. Second, the Government is also actively discussing the possibility of recognizing the de-facto authorities as parties in the conflict resolution process. Third, the opening of railroads from Russia to Armenia that would cross the territory of Abkhazia has also been considered. Along with decreasing anti-Russian rhetoric the Ivanishvili Government believes that in time it will be possible to make ways for rapprochement.

These three different contexts are very distinct and real for me as an observer and sometimes as a participant in the process of rebuilding the trust among the communities. As a local staff of the OSCE Mission to Georgia I have visited the Tskhinvali region several times between 2004 and 2006. Despite the irreconcilable political positions I found that the animosity between Georgians and Ossetians was disappearing at an extraordinary rate. I was able to freely walk in the streets accompanied by local hosts, and converse in Georgian (a feat not possible in Abkhazia). On one occasion I even bought a Russian book in the local bookstore in Georgian currency. Some of the people there even exchanged some words in Georgian. The locals talked about the Georgian peasants leaving nearby selling their groceries in the

Tskhinvali Bazaar as an everyday matter. I personally feel that we were very close to finding common ground. The 2008 war left about 20 thousand Georgians internally displaced, their homes burned to the ground in the first few weeks after the active part of war ended. These wrongs will be difficult to mend and will require many years.

Now it is more difficult to get in touch with *South Ossetian* communities than with Abkhaz civil society. It gives me hope, however, that despite adverse political context the relations between the communities do not stop. I am proud that my student is one of the young leaders who try to make difference. Although I cannot divulge either the name of the NGO she is working with or specific activities they are engaged in, I can tell you that they are able to bring several dozen young Abkhaz residents to Georgia every few months where they experience what it means to leave in a freer country where people to their surprise welcome them. She told me the story of a fourteen year-old boy who refused to dispose of a bag with Georgian script on it. Other participants and Georgian hosts begged him to leave the bag as the de-facto authorities are not very tolerant of anything that comes from Georgia, but he refused saying he was not afraid. I would like to end on this note as it gives me hope. It gives me hope that the young generation who has not seen the war and intercommunity strife might be the building block of renewed relations and cooperation.

PART III

GOING FORWARD: GENERATING INCENTIVES AND MOTIVES FOR COOPERATION

The Impact of International Mediation on the Armenian-Azerbaijani Conflict: Azerbaijan's Standpoint

Fidan Karimli

The post-Cold War era has been marked by ethnic conflicts, the legacy of years of benign neglect by communist regimes, and unresolved ethnic tensions. The longing of contending parties to resolve their conflicts on the battlefield led to many fatalities, thus creating hurting stalemates. The Armenian-Azerbaijani conflict has been “the first and arguably the most violent conflict” (Mooradian & Druckman, 1999, p. 709) since the collapse of the Soviet Union. Six attempts of mediation by the leaders of Iran, Kazakhstan, Russia, and an intervention by the Conference on Security and Cooperation in Europe (CSCE) failed to persuade the disputant parties to seek a solution around negotiating tables (Mooradian & Druckman, 1999). Hence, this research will explore the conflict between Armenia and Azerbaijan, focusing upon the impact of the OSCE Minsk Group in the resolution of the conflict. The paper will also argue that the Minsk Group has not produced any sufficient results that would change the status of the conflict yet.

The Armenian-Azerbaijani conflict has started even before the dissolution of the Soviet Union. In order not to antagonize relations with Mustafa Kemal Atatürk – the leader of the Nationalist Army of Turkey, Vladimir Lenin and Joseph Stalin promised to assign the disputed territory of Nagorno-Karabakh under the jurisdiction of Azerbaijan. Angered by this act, the Republic of Armenia showed its resistance to become a member of the USSR. After negotiations, the conflict was frozen but not thoroughly vanished from the minds of both Armenians and Azerbaijanis. Subsequently, with Gorbachev's *glasnost* policy, the conflict over the unforgotten disputed territory rose again. The atrocities and massacres of February 1988 that took place in the capitals of both conflicting states, made it even more challenging for the conflict to be solved via peaceful means. After the collapse of the USSR and the

emergence of the two independent states, the situation deteriorated even more. Starting from 1991, with different interests involved in the dispute, leaders of neighbouring and post-Soviet states took initiatives to mediate the conflict. Later, the OSCE established the Minsk Group with three co-chairs to further continue with the mediation process.

However, before evaluating the effectiveness of those mediations, one has to analyze the term of international mediation with its different approaches, used in the academic literature. This concept has developed over time in order to settle the disputes and resolve conflicts. Scholars' explanations of mediators' behaviours, techniques, and approaches vary to a great extent. Particularly in the field of international relations, the concept has been employed and examined by Jacob Bercovitch (Wall, Stark, & Standifer, 2001). In Bercovitch and Houston's theory, mediation is defined as a process of conflict management, related to but distinct from the parties' own efforts, whereby the disputing parties or their representative seek the assistance, or accept an offer of help from an individual, group, state or organization to change, affect or influence their perceptions or behaviour, without resorting to physical force, or invoking the authority of the law (Bercovitch and Houston, 2001, p. 171).

While some scholars seek to identify the choice of mediation strategies and approaches, others seek to determine the factors that influence the mediation outcome and mediator behaviour. In their contingency model, Bercovitch and Houston argue that pre-existing conditions such as the intensity of conflict and the nature of the issue, determine mediator behaviour and the choice of a strategy. They claim that mediation is a "context-driven process" (Bercovitch & Houston, 2000, p. 197) and therefore mediators' activities cannot be seen as fully independent decisions. In the Armenian-Azerbaijani conflict, the context has hindered previous mediation attempts because of the elite change in both governments, which led to certain policy changes, and also because of the internal military divisions that motivated the extreme compatriots to fight on battlefields again (Mooradian & Druckman, 1999).

Recent literature on mediation lacks empirical findings on the conditions favouring mediation success. Mediation is considered to be successful and effective when there is full or partial resolution or a ceasefire is agreed on (Kleiboer, 1996). Bercovitch gains empirical support for his hypothesis in that, if the number of fatalities grows during a conflict, the mediation success decreases. The three main features of a dispute that influence the mediation outcome are conflict ripeness, the level of conflict intensity, and the nature of issue(s) in the conflict (Kleiboer, 1996). Analysts argue that the balance of power has a considerable impact on mediation outcome. The majority of scholars (Young, 1967; Zartman, 1981; Kriesberg, 1982; Touval, 1982) find that power disparity will result in the reluctance of the stronger contending party to accept the role of mediator or make any compromises during the negotiation process. According to Bercovitch, Anagnoson, and Wille, the more powerful party may use the mediator as a tool to ease submission. Organski and Wright, however, argue that the disparity of power may hinder the mediation overall, since it incites rivalry and leads to aggression and hostility (Kleiboer, 1996).

While applying the expectancy theory, Wall, Stark, and Standifer posit that the contending parties seek for a third party intervention when they know that the probability of higher payoffs is more likely with mediation. This assumption explains that the disputant parties view mediation as a zero-sum game. Identifying the determinants of mediation approaches, the scholars argue that mediators tend to evade costly and non-feasible techniques (Wall, Stark, & Standifer, 2001). Their force-field theory emphasizes the importance of a conflict's intensity, and therefore claims that the higher the tension between the disputant parties, the less effective the mediation approaches are. In the Armenian-Azerbaijani case, five out of six mediation attempts occurred before major losses and military deteriorations from both sides. Therefore, mediators failed to bring the two contending parties to the negotiating table (Mooradian & Druckman, 1999). However, in 1992-1993 when the conflict reached its peak and both sides suffered fatalities and damages, the disputants sought for the third party intervention (Mooradian & Druckman, 1999).

The Armenian-Azerbaijani conflict gave the OSCE an opportunity to establish itself as an important actor in the negotiation process. As a consequence, at the Budapest summit of December 1994, the OSCE appointed co-chairs from France, Russia, and the United States to lead the Minsk Group. Nevertheless, barring crucial parties from negotiations and the deficiency of advanced mediation techniques still hinder the resolution of conflict (Mooradian & Druckman, 1999). The mediation process led by the Minsk Group began with the signing of ceasefire that is in force up to date. Unfortunately, the achievements of the Minsk Group did not go further than that. Both contending parties are still doomed by the unsuccessful negotiations that led nowhere but to the loss of lives on the border.

The Karabakh Armenians and the Republic of Armenia are still striving for “a complete package” (Mooradian & Druckman, 1999, p. 711), which would change the political status of Nagorno-Karabakh. Azerbaijan, on the other side, is still attempting to maintain peace by trying to resolve the conflict incrementally. Indubitably, Azerbaijan refuses to accept any changes in Nagorno-Karabakh’s political status. The President of Azerbaijan Ilham Aliyev, following his predecessor’s (Haydar Aliyev) policies rejects contact with the Karabakh Armenians, which in turn complicates the conflict even further (Azerbaijan International News Agency – Assa-IRADA).

Analyzing the impact of the Minsk Group mediation, it is important to be able to differentiate between the Minsk Group’s official purpose and what it has actually done so far to improve the negotiation process substantively. According to the objectives set out at the Budapest summit, Minsk Process is only considered successful if the following points are completely fulfilled:

- An appropriate framework for conflict resolution in the way of assuring the negotiation process supported by the Minsk Group;
- Conclusion by the Parties of an agreement on the cessation of the armed conflict in order to permit the convening of the Minsk Conference;

- Eventual deployment of OSCE multinational peacekeeping forces (OSCE, 2012).

However, according to the Director of the Caucasus Institute in Yerevan, Alexander Iskandaryan, the Minsk Group's interests differ from the aforementioned set of objectives. Currently, the Minsk Group is more concerned in keeping the negotiation process alive, preserving the status quo, and internationalizing the conflict (A. Iskandaryan, personal communication, November 8, 2012). Press releases, statements of the three co-chairs after each meeting with the authorities in Baku, Yerevan, and Stepanakert confirm Iskandaryan's view. For instance, the statements of the co-chairs for the 2012 meetings do not include anything more than the simple desire of the disputant parties to continue the negotiations in a peaceful way (OSCE, 2012). Therefore, it hardly alters the process of the decision-making. That is, neither of the contending parties has changed its stance on the issue since the ceasefire has been signed in 1994. The conflict is still there, and the negotiations do continue at the same pace. One can observe that the mediation process by the Minsk Group remains closer towards its own interests, rather than the objectives set out at the Summit.

The conflict also brings into question the mediation techniques employed by the Minsk Group, and to what extent those techniques are being successful in resolving the dispute. Scholars' findings maintain that dispute severity influences the choice of mediation techniques employed by peacemakers (Wall & Druckman, 2003). They also argue that, in theatre, the intensity of conflict leads peacekeepers to choose several techniques with high costs. Wall and Druckman claim that rank also influences the practice of mediation, concluding that officers used mediation more frequently than non-commissioned officers in Bosnia (Wall & Druckman, 2003). Their contribution to the mediation literature examines the effect of three factors (conflict severity, time pressure, rank) on the choice of mediation techniques.

In the Armenian-Azerbaijani conflict timing had both positive and negative implications. In six attempts of mediation from 1990 until 1995, when mediators intervened before the conflict dramatically

escalated, they failed to achieve success. However, when third-party intervention occurred in the aftermath of an impasse, the ceasefire was signed in 1994 (Mooradian & Druckman, 1999). The time pressure had a notable impact on the achievement of a ceasefire in the conflict over Nagorno-Karabakh. However, since the Minsk Group temporarily froze the conflict, the mediation process, taking place after the ceasefire, still has not produced successful results.

Another complicating factor of the Minsk Group's failure is the uncertain fate of refugees and internally displaced persons (IDP), as well as their deprivation of basic human rights. According to the Internal Displacement Monitoring Centre, there are about 600,000 internally displaced people within the borders of Azerbaijan. Some of them were able to integrate within the community. Others, resisting integration, are still hoping to return back to their homes, while the rest are still struggling to find shelter to survive. The situation undoubtedly creates numerous problems within the country, both angering the local population in the capital Baku, and challenging the authorities to come up with a solution benefitting all the layers of population.

When analyzing the international response to the current situation of IDPs and refugees in Azerbaijan, I have concluded that the OSCE as an international organization does not play a crucial role in assisting the conflicting parties to resolve the problem. After 20 years, IDPs are still struggling to exercise their basic rights of shelter, education, and simply life. Some argue that since the OSCE is a security organization, its main objective is to maintain peace in the conflicting region. Hence, it has not addressed the status of the internally displaced persons and the violation of their human rights. Nevertheless, the Armenian-Azerbaijani conflict is such a complex issue that it involves many different aspects, such as ethnic tensions, self-determination, refugees, human rights violations, and they are all interdependent between each other. Therefore, equal attention needs to be paid to each of those aspects in order to achieve a substantial result.

Last but not least, research in international mediation lacks consensus on whether mediation assists to provide and maintain peace. Beardsley

argues that mediation has different short- and long-term effects on conflict. His findings show that mediation tends to have a positive influence on conflict when focused on short-term outcomes. Mediation, however, can hinder the long-term peace (Beardsley, 2008). Beardsley argues that mediation secures peace, enhances formal agreements, and allows identifying alternatives mutually preferable to both contending parties. Although mediation's impact and role are important, he claims that it might create artificial incentives that would not be helpful for disputants (Beardsley, 2008). In the case of the Armenian-Azerbaijani conflict, the Minsk Group had more short-term results rather than long-term. It did achieve to convince the disputant parties to agree on ceasefire and freeze the conflict. However, as it is stated above, for more than 15 years the Minsk Group mediation process did not shift its direction towards resolving the dispute.

Given all the arguments above, the impact of the Minsk Group mediation on the Armenian-Azerbaijani conflict over Nagorno-Karabakh still remains to be ineffective. The ceasefire that has been signed in 1994 only froze the conflict. Both contending parties still lose lives on the borders, and almost 600,000 internally displaced persons are still fighting for their basic needs. Despite more than 15 years of mediation, the conflicting parties do not want to alter their stance on the issue. The OSCE Minsk Group mediation process has not produced any results that would help the conflict change its status.

References

Beardsley, K. (2008). Agreement without Peace? International Mediation and Time Inconsistency Problems. *American Journal of Political Science*, 52(4), 723-740.

Bercovitch, J. (2003). Managing Internationalized Ethnic Conflict: Evaluation The Role And Relevance of Mediation. *World Affairs*, 166(1), 56-68.

Bercovitch, J., & Houston, A. (2000). Why Do They Do It like This? An Analysis of the Factors Influencing Mediation Behaviour in International Conflicts. *The Journal of Conflict Resolution*, 44(2), 170-202.

Internally Displaced Monitoring Centre. (2011, December 31). Azerbaijan: After some 20 years, IDPs still face barriers to self-reliance. Retrieved from <http://www.internaldisplacement.org>

Kleiboer, M. (1996). Understanding Success and Failure of International Mediation. *The Journal of Conflict Resolution*, 40(2), 360-389.

Mooradian, M., & Druckman, D. (1999). Hurting Stalemate or Mediation? The Conflict over Nagorno-Karabakh, 1990-95. *Journal of Peace Research*, 36(6), 709-727.

Organization for Security and Co-operation in Europe (2012). Minsk Group: Background and Objectives. Retrieved from <http://www.osce.org/mg/66872>

Wall Jr., J. A., & Druckman, D. (2003). Mediation in Peacekeeping Missions. *The Journal of Conflict Resolution*, 47(5), 693-705.

Wall Jr., J, Stark, J. B., & Standifer, R. L. (2001). A Current Review and Theory Development. *The Journal of Conflict Resolution*, 45(3), 370-391.

The Impact of International Mediation of the Armenia-Azerbaijan Conflict: Armenia's Standpoint

Diana Asatryan

The collapse of the Soviet Union resulted in a number of disputes over “national identities, state borders and then political and economic stability within almost all independent states of former Soviet territories (Baser, 2013).” The reason for this “messy dissolution” was the suppressive regime established by the Soviet Union and its negligence to overcome the grievances and disputes of its constituent republics. The longest post-Soviet era dispute, the conflict between Armenia and Azerbaijan over Nagorno-Karabakh, has endured for over 20 years now. Started in 1988, the war reached a ceasefire in May of 1994, through the mediation of the Organization for Security and Co-operation's (OSCE) Minsk Group (Ali, 2011). The signing of the Bishkek protocol “paved the way for the OSCE to technically start the [mediation] mission.” Nonetheless, today one observes the conflict to be at the same phase as in 1994: an unresolved “frozen” dispute, with over 30 annual casualties on the Line of Contact (Dietzen, 2012). This paper will examine the Minsk Group's failure in accomplishing its mission of conflict resolution in the dispute over the de facto region of Nagorno-Karabakh. Furthermore, it will present Armenia's approach towards the efforts conducted by the mediating party.

The roots of the dispute lay far before the collapse of the Union. After the end of WWI, Georgia, Armenia and Azerbaijan proclaimed their independence (Baser, 2013). In 1920, the three states went under Soviet control, together with all the border disputes. At the time, the Nagorno-Karabakh Autonomous Oblast (NKAO) had authority over its internal affairs, but still was under Azerbaijani rule. For years, complaints from Karabakh-Armenians, the majority of NKAO population, were ignored, resulting in escalation of internal hostilities.

In 1985, when Gorbachev came to power and implemented his famous “glasnost”, the Soviet nations acquired limited freedom for self-determination. Karabakh and ArSSR (Armenian Soviet Socialist Republic) Armenians used this opportunity and in 1988, signed a petition, demanding transfer of Nagorno-Karabakh to the ArSSR. The complaints they presented to Moscow through the petition were “that their region [Karabakh] was starved of resources by Baku and that they [Karabakh Armenians] were denied proper cultural rights”. In February, the Parliament of Karabakh voted on uniting NKAO with ArSSR, but the Soviet Union never agreed to it. Nevertheless, the tensions escalated and bloodshed seemed inevitable. Azerbaijanis started emigrating from Nagorno-Karabakh, due to internal disputes with local Armenians. In February 1992, right after the collapse of the Soviet Union, hostilities turned into a full-scale war, marked by the seizure of Khojaly region by the Armenian forces. The following military attacks led to excessive refugee flows to Azerbaijan. In the same year Nagorno-Karabakh appealed to the United Nations for recognition of its independent state, but no country to this day has recognized it.

Prior to the Minsk Group mediation of 1994, six other mediation attempts were made to resolve the conflict (Ali, 2011). The first attempt was in September 1991. It was initiated by Russia’s president Boris Yeltsin and Kazakhstan’s President Nursultan Nazarbayev. Unfortunately, “this duo never got on their feet to fill the leadership vacuum”. In February 1992, Iran, hoping to “bolster” its status of a regional power, initiated the second mediation attempt. However, international organizations did not support Iran’s involvement in the dispute.

The third attempt of peace settlement was also the first instance of the Minsk Group’s involvement (through Conference on Security and Cooperation in Europe later reformed as OSCE). Created in March 1994, the CSCE’s efforts resulted mainly in “talks-of-no-result”, thus failed to produce any notable results. President Nazarbayev stepped in to negotiate again in August 1992. This time the ambiguity of the warring parties disappointed the president, leading to the fourth collapse of the mediation attempts. The fifth mediation initiative came from Turkey.

The latter emphasized the importance of Russian-Turkish collaboration in resolving the conflict. However, the Armenian government resisted Turkey's inclusion in the conflict. Lastly, the sixth negotiation attempt was initiated by Russia through the OSCE, and it lasted from November to December of 1994. This negotiation did not reduce the actors' mutual enmity.

The mediation efforts carried out in the period between 1991 and 1994 failed, but the warring parties eventually achieved a ceasefire. The question here is, whether signing of Bishkek protocol was due to the third party mediation. In other words, did the Minsk Group play a crucial role in establishing peace in 1994? The theory of ripeness, developed by William Zartman, suggests otherwise. The theory implies that conflicting parties tend to seek alternatives to hostilities, when they realize their military exhaustion or "when alternative, usually unilateral means of achieving a satisfactory result are blocked and the parties feel that they are in an uncomfortable and costly predicament" (Zartman, 2001). At "the ripe moment" the parties tend to accept offers and negotiations, even if those were "in the air" for a long time. The perception of Mutual Hurting Stalemate (MHS) by the conflicting parties is imperative for achieving the ripe moment. As soon as the two sides feel deadlocked in a conflict, which does not lead to a victory in the near future and hurts both actors, they seek alternative solutions and exits.

When applied to the Nagorno-Karabakh conflict, the theory of ripeness illustrates that the ceasefire was reached due to the parties' realization of the Mutual Hurting Stalemate (Ali, 2011). The hostilities that started in 1988 gradually escalated into large-scale operations and reached their peak from during the period of 1993 to 1994. Frequent counter offensives started with the capture of Kelabajar, Agdam, Fizuli and other regions by Armenians, which resulted in emigration of local Azerbaijanis. In contrast, Azerbaijani forces attacked and forced the Armenian army to retreat soon after.

Although disputed, the number of casualties recorded in the period was 6000 to 7000 men from both sides. At this point, the supply of military

resources to both parties was scarce and highly unstable and the rate of casualties was rising. Thus, the actors reached the point of deadlock in the conflict and recognized the Mutual Hurting Stalemate. The main reason of failure of the six mediation attempts was not the lack of a strong mediator; it was the timing and the unwillingness of the sides to realize MHS. Similarly, the ceasefire signed in 1994 was not the Minsk Group's success, but rather the military exhaustion of the both actors.

Shortly after the signing of Bishkek protocol, the Minsk Group set out specific objectives for the settlement of the Armenian-Azerbaijani conflict (see Karimli's text in this volume). One of the reasons that the Nagorno-Karabakh conflict is not resolved after 20 years is that the above mentioned framework for the Minsk Process implies negative peace, rather than a positive one (Nuriyev, 2013).

Negative peace suggests "preventing, stopping, or not permitting a renewal of hostilities in the conflict zone", but does not involve a complete settlement of the dispute. Whereas, positive peace implies "eliminating the internal and structural reasons and conditions arousing a violent conflict, toward the curtailment of which negative peace processes are aimed". As Dr. Elkhan Nuriyev mentioned in his article *The OSCE Minsk Group in Crisis: A New Look at the Nagorno-Karabakh Impasse*, "since its foundation, the Minsk Group became a platform on which political games are performed which do not have any direct relation to Nagorno-Karabakh". Despite its unique status in international mediation, the Minsk Group appears dependent on principal powers, thus unable to satisfy the demands of warring parties, but rather fulfil the interests of the involved states. Analysis of the history of the conflict illustrates that the principal powers, including Russia, the US and France, were successful in pursuing their geopolitical interests and national priorities, while appearing as mediators in the Nagorno-Karabakh conflict. Nuriyev states that by participating in the negotiations, the US hoped to spread its political and economic influence in the region, while Russia's aim was to maintain its dominance.

Furthermore, France, with supported of the European Union, wanted to prove that European intervention was required in order to solve internal disputes of the region.

When one looks back at the history of the dispute, the only progress made towards the settlement of the conflict was brokered by a group of principal powers. Years of peace talks, led by the OSCE, failed to produce any results until it came to the interests of either of those powers. For instance, the signing of the Bishkek protocol in 1994 was initiated by Russia and can be considered the only success throughout the conflict. The Moscow declaration, signed in 2008, 14 years later, was again brokered by Russia. According to Nuriyev: “The managed instability conception is the key element to their [OSCE’s] strategies: strengthening their political and economic positions, rather than stability is their main goal.” In other words, the principal powers are the ones deciding the future of the peace process. Hence, the incompatible interests of those powers creates an environment where resolving the conflict seems impossible.

A more recent proposal by the Minsk Group, formulated in 2009, is the Madrid Principles. The OSCE had been trying to convince the heads of both states to agree and sign on to the Principles for over 4 years now (Dietzen (MP), 2012). According to the co-chairs of the Group, the signing of this document will lead to peace in the region. However, the warring parties disagree. The six Madrid Principles are:

1. Return of the territories surrounding Nagorno-Karabakh to Azerbaijani control;
2. An interim status for Nagorno-Karabakh providing guarantees for security and self- governance;
3. A corridor linking Armenia to Nagorno-Karabakh;
4. Future determination of the final legal status of Nagorno-Karabakh through a legally binding expression of will;

5. The right of all internally displaced persons and refugees to return to their former places of residence;
6. International security guarantees that would include a peacekeeping operation.

The Madrid Principles failed to represent the interests of the warring parties: the Armenian side argues that the Principles are unfair, as Armenia will be “giving up land but only receiving a promise in return” concerning the legal status of Karabakh. Also, these Principles do not account for the emotional attachment that both nations have for the disputed lands. Moreover, the Madrid Principles avoid the key issue of the dispute: the actual future status of Nagorno-Karabakh, which, in the Madrid Principles is mentioned vaguely as a subject to “future determination”.

Given the weak performance of the OSCE in mediating the conflict, why do the representatives of the Group and the disputant parties maintain the original format of the conflict resolution? In recent years Azerbaijan has strongly advocated the Group’s dissolution or the change of its members/format. For instance, in June of 2010 Azerbaijani Member of Parliament Musa Guliyev commented on an article that appeared in Armenian media that “...since its inception, the OSCE Minsk Group has not made any decisive step for Armenia’s recognition as an occupier. So, I have no faith in this organization. I think that this format should be either redesigned or it should dissolve itself.” (History of Truth, 2010)

Similarly, Azerbaijani president Ilham Aliyev announced in 2012 that Azerbaijan is purchasing weaponry in order to resolve the dispute in a timely manner and “with few casualties”, in case the peace talks do not reach to a conclusion soon (Dietzen, 2012). Earlier, in November 2009, Aliyev said that the government would be spending billions on new military equipment to strengthen the Army. He added that Azerbaijani people have “the full right to liberate [their] land by military means”.

On the other hand, Armenia supports OSCE efforts of resolving the conflict (Orer, 2013). Armenia’s Foreign Affairs Minister, Edward

Nalbandyan, mentioned during an informal meeting at the level of Eastern Partnership Ministers that Armenia “welcomes EU full support regarding efforts of OSCE Minsk Group co-chairs”.

The bilateral relationship of Armenia and Russia concerns Azerbaijan. The latter believes that Russia, the most active member of the Minsk Group, strongly supports Armenia in the conflict (Gonca, 2010). Thus, the conflict does not reach a full settlement because Russia’s interests lay mainly in maintaining its dominant status in the region, rather than resolving the internal issues. According to an article in *Journal of Turkish Weekly (Third Party Mediation in Nagorno-Karabakh: Part of the Cure or Part of the Disease)*, “Russia is a paradoxical actor within this conflict. In some situations it seemed to act as a secondary party backing Armenia, but in others it became an active third party willing to solve the conflict peacefully.” Additionally, Armenia is more reluctant to taking up drastic measures, including resolving the conflict through military means. One of the reasons for this strategy is the fact that Azerbaijan’s defence spending rose to \$3.47 billion in 2012, which is greater than Armenia’s entire state budget (Dietzen, 2012). Hence, Armenia cannot rely on its military as much as its opponent. Nevertheless, the threats from the Azerbaijani side regarding a possible attack do not stay unanswered: Armenia showcased new additions to its military during the Independence Day parade in 2012.

Even though the attitudes towards the Minsk Group diverge, one thing remains clear: the Minsk Process cannot be considered successful. Unless the warring parties are ready for the full settlement of the conflict and the mediators come about with a more effective peace proposal, there will be no settlement. That is, unless Armenia and Azerbaijan reach “ripeness”, and the OSCE changes its strategy from maintaining negative peace to establishing a positive one, the conflict will endure. The shortcomings of the Minsk group in creating the needed environment for peace play a crucial role in the failure of the peace talks. As Nuriyev put it: “...Nagorno-Karabakh ... sheds light on the convulsions of the world order at the turn of the millennium. The OSCE has not yet become and is very far from becoming a voice of the

international democratic public of the most industrially developed part of the world.”

References

Ali, Orkhan: *Unripe for Peace over Nagorno-Karabakh?* Caucasus Edition: Journal of Conflict Resolution. October, 2011

Baser, Bahar: *Third Party Mediation in Nagorno-Karabakh: Part of the Cure or Part of the Disease.* The Journal of Turkish Weekly. February, 2013

Dietzen, Mark: *Targeting Peace: Snipers Threaten Compromise over Nagorno-Karabakh.* Centre for Strategic & International Studies. February, 2012

Dietzen, Mark (MP): *A New Look at Old Principles: Making the Madrid Document Work.* Yale Macmillan Centre. 2012

Gonca, Isa B.: *What are Armenian's Claims and Azerbaijan's Position over Nagorno-Karabakh and Peace Efforts?* Academia.edu. 2011

HistoryofTruth.com: *Azerbaijani MP: OSCE Minsk Group Should Dissolve.* June, 2010

Nuriyev, Elkhan: *OSCE Minsk Group in Crisis: A New Look at Nagorno-Karabakh Impasse.* International Strategic Research Organization. February, 2013

Orer, Armenian European Magazine “Days”: *Armenia Welcomes EU Full Support Refer to OSCE Minsk Group Efforts: Edward Nalbandyan.* February, 2013

Organization for Security and Co-operation in Europe, Minsk Group: *Background and Objectives.*

Zartman, William: *The Timing of Peace Initiatives: Hurting Stalemates and Ripe Moments.* School of Advanced International Studies, Johns Hopkins University. September, 2001

Russo-Georgian Rapprochement: A Light at the End of the Tunnel

Boris Kuznetsov

The August 2008 war that opposed Russia to Georgia marked the end of the post-Soviet era in Russia's foreign policy, during which Moscow was focused on restoring its status and proving that it remained a great power. After August 2008, it began working on a new approach in which the collapse of the former superpower is not a point of departure. This is a very difficult process because it requires building a new identity projected into the future and not inspired by the past. The undertaking affects all aspects of the Russian polity, but in terms of foreign policy it means awareness of the country's capabilities and limitations, a focus on more practical goals, and the concrete balance of interests.

The Eurasian Union, for example, is, contrary to many views, not the realization of imperial ambitions or an attempt to restore the Soviet Union, but a calculated economic project inspired more by the European integration model than older Russian or Soviet aspirations. The ultimate goal is not to re-unify all former Soviet states, but to attract some of them who are commercially interested. Georgia unintentionally contributed to this transformation of Russia; however it did not benefit much itself.

Russian–Georgian relations had always been fragile and almost ground to a halt after the five-day war. True, there have been some signs of improvement: the two countries have restored regular flights and are discussing reopening the Russian market to Georgian goods. Most importantly, they struck a compromise that allowed Russia to join the World Trade Organization (WTO). However, these signs of improvement do not change the overall situation: Russia and Georgia remain at odds over Moscow's recognition of Abkhazia and South

Ossetia as independent states and that will not change in the foreseeable future.

Georgian and Russian foreign policy visions contradict each other and leave no chance for developing a partnership. Georgia achieved consolidation of international support around the non-recognition of the independence of Abkhazia and South Ossetia. At the same time, Georgia needs to reach a certain level of normalization with Russia, including reopening cross-border trade, liberalizing the movement of people and re-establishing people-to-people contacts. Public opinion in Georgia supports normalization with Russia. Approximately one million Georgian citizens live in Russia, putting additional pressure on Georgia's authorities to establish better relations.

The first and most obvious choice is to find a way to limit the hostile rhetoric in the media of both countries – and that is the course that Russia has chosen. Since 2010, Moscow placed both positive and negative stories on Georgia in the media. The Georgian leadership received an opportunity to express its views via some Russia's liberal mass-media (*Vlast* magazine, *Kommersant*, *Dozhd'* TV and *RenTV*) but official mass-media keep silent on Georgia, a behaviour that should be considered as a positive indicator that relations are improving.

The changing political situation in Georgia in October 2012 brought the Georgian Dream coalition to power. The new government of Bidzina Ivanishvili has announced that one of its priorities is revising policy towards Russia. Despite understandable difficulties that the new Georgian government has faced, a window of opportunity now exists for normalizing relations with Russia. To make this process irreversible, both sides must painstakingly analyze and take stock of the conflict's consequences.

Undoubtedly, some resources for improving bilateral relations are still available. Contacts between the societies of the both countries remain and the political enmity has not affected the relations between their peoples. The view from both sides is that this ongoing mutual alienation is abnormal.

An important resource of the new Georgian government in its relations with Russia is that the both states should not share any negative prior history. Mikhail Saakashvili as a personality was an obstacle to the normalization of Russo-Georgian relations in that he has earned himself a reputation in Moscow as someone who does not keep his word. Moreover, any positive changes relative to Russia were of no benefit to him. He is good at quarrelling with Moscow and thus a poor peacemaker. Rapprochement with Russia would highlight those political actors on the domestic political scene in Georgia who should be more capable at reconciling with Moscow than Saakashvili. For its part, Russia is in no rush to make any friendly steps to Georgia prior to the elections, as Russia understood that in reality such gestures would only strengthen Saakashvili.

The growth of trade and economic relations with Russia would be a triple win for Georgian Dream. First, it would allow Georgian products to return to Russia's market. Those trends would support agriculture and a number of sectors in the food processing industry. Consequently, renewed trade with Russia would lead to an overall improvement in the country's economic situation and foster domestic economic growth. Second, Russia could be a source of funding for those sectors of the Georgian economy that traditionally have suffered from lack of investments. Russian investments could be accompanied by guarantees that transformed goods could be brought to Russian markets. Moreover, following such investments, it would accelerate the rise of interest groups wanting to maintain and increase trade cooperation with Georgia. Third, the position of groups within the Georgian business environment, which is interested in cooperation with Russia, would be strengthened. In the past, the weakness of such groups was one of the factors contributing to unstable Russo-Georgian relations. In addition, facilitating Russia's visa regime with Georgia will create access to Russia's labour market. In the short term, accession to Russia's labour market will partly soften Georgia's unemployment situation. The growing interest of Russian travellers to Georgia as a tourist destination would also contribute to developing bilateral relations. Thus, trade and tourist diplomacy could become an additional channel for political dialogue between the two countries, alongside the official Geneva talks.

We need also to enhance academic and cultural contacts. The lack of research and knowledge in Russia about Georgia and in Georgia about Russia is also a significant problem. The visa regime and insufficiency of funding for research activities creates a restrictive barrier for production of high quality analysis of the neighbour's policies and facilitates the dissemination of misinformation about the other country. Certainly, academic and research exchange programmes will increase and enrich the practical knowledge about the economic and political situation in Georgia and Russia.

We still have a long thorny way to re-build broken mutual confidence and trust as well as to expand open-minded dialogue. The changing world presents many challenges that make the common interests of Russia and Georgia more significant than what separates them.

Cold Cooperation: Opening the Way to Negotiation

*Pierre Jolicoeur*¹

“Cold cooperation” is a concept whose meaning is close to the widely studied concepts of “second-track diplomacy”, “cooperation in conflict” as well as “forced co-operation”. In this case, the concept aims specifically at identifying ways the parties can move beyond a stalemate. The concept is designed to explain the process of establishing a peace process. The basic idea of this concept implies the possibility of an unstated, unacknowledged willingness to cooperate with the adversary in order to go beyond a Mutually Hurting Stalemate (see the text by Asatryan in this volume).

Such a willingness to cooperate may well exist in some leaders’ minds, but for various reasons it may be kept silent. Spoilers, such as pressure groups of displaced persons or refugees, sponsor States, Diasporas, and radicals and extremists of all sorts may strongly oppose such an approach. To these actors, the opposing side is labelled as hostile. Any forms of collaboration are categorically excluded. Nevertheless a leader may come to the conclusion that conflicts that are stuck in a stalemate for decades can be extremely costly to a country’s economy and development. In this perspective, “Waiting for Godot” is no longer an option. “Cold cooperation” is a broader concept which includes unmediated and spontaneous initiatives as well as “forced cooperation”, which assumes that the protagonists are forced to cooperate together by a third party intervention or by pressure from the international community.

Cold cooperation’s particularity is that it involves the interests of adversaries that come under threat from objective factors – not from each other. This does not always mean that the protagonists have

¹ The author would like to thank Alan Whitehorn and John Young for their useful comments on a first draft of this paper.

identified a common interest, or a common threat that supersedes their mutual animosity. Rather it requires identifying features of bilateral relations that need to be loosened so that each of the two protagonists can be free to pursue their own interests independently of one another. It does not involve resolving a stalemate immediately, but it does contribute to making it less “hurting”.

Cold cooperation can be a tool allowing tired belligerents to cooperate with their adversaries in secondary areas that have no direct link with what is at stake in the primary conflict. In the medium term, these opponents may feel obliged to develop formal links with the opponent, but still in a context perceived as cool rather than warm. This is where the international community can be involved. In the case we present here, organizations such as *NATO's Euro-Atlantic Disaster Response Coordination Centre (EADRCC)*, or other organizations that have a capacity to enforce a form of cooperation between the belligerents can develop a substantial conflict appeasement role, for example, when objective factors compel opponents to develop working relationships in the organization of emergency services in case of a natural disaster or in the development of early warning systems for disaster prevention. In the case of an oil spill, the protagonists would necessarily be obliged to develop some degree of cooperation, information sharing and coordination if only to address the consequences of a disaster that crosses international boundaries. Even if these efforts remain on a small scale, they might still contribute to establishing trust between groups or countries that are not natural partners. If the first experience is positive, cooperation eventually spills over to other fields of activity.

Cooperation: a key factor of conflict resolution

Why did the Middle East conflict of October 1973 set the stage for the Camp David accords whereas the Middle East conflicts of 1948 and 1967 did not? Why did the Cyprus conflict of 1974, as well as the many diplomatic initiatives that followed, fail to bring about a successful negotiated outcome? Why was diplomacy able to solve some Southern Africa conflicts (in Rhodesia/Zimbabwe or in South Africa), but not Somalia's internal division? Why do India and Pakistan appear unable to

settle the differences that are prompting each of these countries to develop a capacity to build nuclear weapons? What continues to feed the violence between different ethnic and religious communities in Iraq?

The answer to these and similar questions lies in a single word: incentive for cooperation – or lack thereof. Cooperation is central to international affairs even in conflicting relationships. What is meant by cooperation is the existence of the prerequisites for diplomatic progress, that is, circumstances conducive for negotiated progress or even conflict resolution. Such prerequisites can be classified in three categories: (1) the nature of the dispute; (2) the nature of the parties and their ongoing relationship; and (3) conflict management characteristics, or process factors. Some studies indicate that from the first two categories, dispute intensity, dispute complexity, the underlying issues, the relative power of the parties, the alignment of the parties, and the parties' previous relations all impact on negotiation outcomes.² In the third category, the timing, site, initiator, and rank of the negotiators all emerge as significant factors.³

Cooperation: a concept neglected in conflict analysis

The importance of cooperation is obvious. As an analytical tool it helps to explain why agreements can be reached in certain cases but not in others. As a prescriptive tool it might be even more important, for it can help policymakers to identify conflicts amenable to negotiation, or, in the case of long-lasting stalemates, reveal factors requiring change and attention before diplomacy can become effective. Despite its significance, cooperation is often ignored by analysts and policymakers alike. It has received some useful attention⁴, but a good deal of what

² Richard Jackson, "Successful Negotiation in International Violent Conflict", *Journal of Peace Research*, Vol. 37, No. 3 (2000), pp. 323-343.

³ See William I. Zartman, *Ripe for Resolution: Conflict and Intervention in Africa*, New York: Oxford University Press, 1985; Louis Kriesberg, *Timing the De-Escalation of International Conflicts*, New York: Syracuse University Press, 1991, p.256.

⁴ Joseph S. Nye Jr., and David A. Welch, *Understanding Global Conflict and Cooperation: An Introduction to Theory and History*, Pearson, 2012 (9th Edition).

now constitutes mainstream writing on negotiation deals almost exclusively with technical considerations.⁵ The role of mediators and other third parties and the various approaches available to them are a common subject of study⁶, as well as the risks of bluffing or lying.⁷ The same applies to the notions of non-distributive (mutually profitable) outcomes, where all parties to a dispute derive equal benefit, as opposed to a distributive outcome, where benefits are unequally distributed. In the classic zero-sum case, one party benefits at the expense of the other.

There is also some valuable writing about particular styles of negotiations linked to specific cultural backgrounds⁸. Generating cooperative solutions in protracted conflicts requires that the parties differentiate distributive from non-distributive outcomes. Often, a party may reject a mutually-beneficial solution merely to deny the opponent a corresponding advantage. The effects of cultural differences on international negotiation are widely acknowledged. Cohen, for instance, notes that cultural factors can complicate, prolong, and frustrate negotiations.⁹ There is substantial empirical evidence that negotiating tendencies differ by culture.¹⁰

⁵ David Churchman, *Negotiation: Process, Tactics, Theory*, Washington: University Press of America, 2004, p.102; Rogers D. Fisher, and William Ury, *Getting to Yes, Negotiating Agreement Without Giving In*, New York: Penguin Books, 1991 (1981).

⁶ Jacob Bercovitch, *Social Conflicts and Third Parties: Strategies of Conflict Resolution*, Boulder: Westview Press, 1984.

⁷ Peter Reilly, "Was Machiavelli Right? Lying in Negotiation and the Art of Defensive Self-Help", *Ohio State Journal on Dispute Resolution*, Vol. 24, No. 3, 2009, pp. 481-533; Roger J. Volkema, Denise Fleck, and Agnes Hofmeister-Toth, "Ethicality in Negotiation: An Analysis of Attitudes, Intentions, and Outcomes", *International Negotiation*, Vol. 9, No. 2, 2004, pp. 315-339.

⁸ Cheryl Rivers, and Anne Louise Lytle, "Lying, Cheating Foreigners! Negotiation Ethics across Cultures", *International Negotiation*, Vol. 12, No. 1, 2007, pp. 1-28.

⁹ R. Cohen, *Negotiating across Cultures*. Washington, DC: United States Institute of Peace, 1997.

¹⁰ See Adair, W.L., Brett, J.M., and T. Okumura, "Negotiation Behavior When Cultures Collide: The United States and Japan", *Journal of Applied Psychology*, Vol. 80, No. 3, 2001, pp. 371-85; J.L. Graham, A. T. Mintu, and W. Rodgers, "Explorations of Negotiation Behaviors in Ten Foreign Cultures Using a Model Developed in the United States", *Management Science*, Vol. 40, No. 1, 1994, pp. 72-95.

A second focus of literature on international disputes is that of conflict resolution. There is a vast literature on plans that could solve – at least in part – the problems of the Middle East, Cyprus, or South Caucasus and other conflict zones. What tends to be common to this body of literature is its emphasis on suggesting formulas that if adopted by the relevant parties would go a long way toward eliminating the ground for disagreement.

Despite these valuable intellectual contributions, a large number of disputes continue to resist all mediation and resolution efforts. This is not because of the incapacity of the parties' representatives or because experts involved are unable to produce fair outcomes that would benefit all parties and improve the current state of affairs. To the contrary, advice on how to solve the problems of the Caucasus or Iraq or any other conflicting areas is available and worthy of attention; there are simply other factors at work that must be taken into account.

In summary, contemporary writing on peace processes suffers from focussing too much on the negotiations themselves, on their form and content, while neglecting the larger conditions permitting these negotiations to take place. In practice therefore, diplomacy has tended to focus on the method of interaction rather than on creating incentives for cooperation. That is, negotiations focus too much on how to divide the existing pie – the material benefits such as territory, population or resources – as opposed to making the pie bigger for everyone. This requires subject matter expertise that complements diplomatic ability. Except for those situations where one party is sufficiently strong to impose its preferences on others, it is cooperation more than anything else that determines whether or not negotiations aiming at resolving regional or local conflicts will have a positive outcome.

Cooperation without trust

Because it is assumed that cooperation is impossible or inapplicable to protracted conflicts (like in the South Caucasus), the complexity and intensity of conflicts tend to increase with time, because the issues remain unresolved, and tensions fester. As a result, at the elite and grass roots level, as well as at the mediator level (such as with the Minsk Group), there is a habit of mind that forms that prevents parties from considering cooperative initiatives. What brings two adversaries to start cooperating? The usual answer is trust, but sometimes, it is *need*. Typically, where there's trust, one can easily cooperate with another. In modern conflict situations, trust is nonexistent. However, this absence of trust does not necessarily mean an absence of cooperation. There are plenty of examples of conflicting parties condemned to cooperate in order to move beyond a stalemate or to reach goals in other matters. This cooperation is not necessarily warm and enthusiastic, but it still is cooperation. That is what I call "cold cooperation".

Scholars have widely acknowledged that trust can lead to cooperative behaviour among individuals, groups, organizations, and States.¹¹ It is also recognized that cooperation can also exist without any pre-existing trust. In the words of Axelrod, cooperation can exist "without friendship or foresight."¹² Referring to that seminal work, Cook, Hardin, and Levi further discuss such theories in their book *Cooperation without Trust?* published in 2007.¹³ In that book, the authors give multiple examples illustrating how parties use mechanisms other than trust to make cooperation work. Concerns about one's reputation, for example, could keep a person in a small community from breaching agreements. State

¹¹ Gareth R. Jones and Jennifer M. George, "The Experience and Evolution of Trust: Implications for Cooperation and Teamwork", *The Academy of Management Review*, Vol. 23, No. 3 (1998), pp. 531-546; Aaron M. Hoffman, James N. Rosenau, Russell Stone (Eds), *Building Trust: Overcoming Suspicion in International Conflict*, State University of New York Press, 2005, p.213.

¹² Robert Axelrod, *The Evolution of Cooperation: Revised Edition*, New York: Basic Book, 2006 (1984), 264 p.

¹³ Karen S. Cook, Russell Hardin, and Margaret Levi, *Cooperation Without Trust?*, Russell Sage Foundation Publications, 2007, p.253.

enforcement of contracts ensures that business partners need not trust one another in order to establish successful trade relations. Similarly, monitoring worker behaviour permits an employer to vest an employee with a wide range of responsibilities without necessarily trusting that person. In fact, the authors argue that a lack of trust – or even outright distrust – may in many circumstances be more beneficial for the purpose of creating cooperation. Lack of trust motivates people to reduce risks and establish institutions that promote cooperation.

How cold cooperation can help overcome a stalemate

Some conflicts may cause heavy casualties, flows of refugees, and important losses in resources. The so-called “frozen conflicts” of the South Caucasus fit that type of intractable conflicts. Even though the crucial phase of these conflicts is over, the status quo prohibits the affected areas and populations from recovering and developing their prosperity. It is obvious that some actors are reluctant to find a way out of the conflict, this is the typical “spoiler” problem¹⁴, but it is fair to say that the majority of the population is suffering from the persistence of the status quo. According to a study by researchers of Stanford University there are three categories of barriers preventing a conflict resolution:

- Tactical and strategic barriers; these come from the parties’ efforts to maximize short or long term gains.
- Psychological barriers; which come from differences in social identity, needs, fears, interpretation, values, and perceptions of one another.

¹⁴ Some spoilers might be external to the conflict per se. Others are internal. These might be actors who benefit from the conflict either financially or by gaining political power or influence. See Stephen J. Stedman, “Spoiler Problems in Peace Processes”, *International Security*, Vol. 22, No. 2 (1997), pp. 5-53. Available at <http://iis-db.stanford.edu/pubs/20634/Spoiler_Problems_in_Peace_Processes.pdf>.

- Organizational, institutional and structural barriers; these can disrupt the transfer of information, and prevent leaders from reaching decisions that are in the interests of the parties in dispute.¹⁵

Cold cooperation acts directly on barriers of the second and third type. By making opponents work together, it contributes to overcome psychological barriers; by implementing information sharing and confidence building measures, it helps to break down organizational barriers.

Of course, every dispute has the potential to degenerate into a major conflict, but at the same time it also contains the potential to develop imaginative solutions, provided the parties involved seek what is called a “win-win solution” and are prepared to learn to negotiate in a non-competitive and less adversarial manner, by invoking the conflict’s latent potential for cooperation. By working together as “joint problem solvers” seeking joint solutions and not working against one another, the participants can “enlarge the pie” to be divided. This can be achieved either by direct negotiation between the parties, or with the help of an impartial third party acting as a mediator.

One technique that stimulates such cooperation is thus to engage in joint projects with people from the other side, provided of course that central authorities do not discourage such exchanges. If opponents can be brought together in some cooperative efforts, they tend to dissipate their negative stereotypes of the other, begin to depend on each other, and start building normal, positive relationships which might later be extended to issues more closely related to the conflict.¹⁶ Examples of such projects include rebuilding war-damaged houses, infrastructure, or roads, or developing joint educational efforts.¹⁷ The advantage of such projects is that people can interact without necessarily having to address

¹⁵ Kenneth Arrow, Robert H. Mnookin, Lee Ross, and Amos Tversky, *Barriers to Conflict Resolution*, London: W. W. Norton, 1995, p. 368.

¹⁶ Stephen Ryan, *Ethnic Conflict and International Relations*, Dartmouth: Dartmouth Publishing, 1995, pp. 129-152.

¹⁷ Dylan Matthews, *War Prevention Works: 50 Stories of People Resolving Conflict*, Oxford: Oxford Research Group, 2001.

the most difficult aspects of their conflict – what they still may not feel comfortable doing. Yet they can begin the process of building trust and understanding through personal interaction with people from the other side, while they focus on external problems shared by both groups. Once they successfully work and solve problems together, they find themselves in a better position to begin to work together in a cooperative way to solve conflict related issues related to the conflict too.¹⁸

Operationalizing cold cooperation: Armenia and Azerbaijan

Cold cooperation requires focusing on incentives for cooperation. These can be material or psychological. Sometimes, they are not evident to either of the parties, and so the involvement of third parties and mediators in making these interests manifest is required. What follows is a typical operationalization of cold cooperation based on the interests of Armenia and Azerbaijan defined by the analysts (what could also be done by the mediators in the Minsk Group). For our case study, the starting point is at the confluence of interests, image and image as interest.

1. Interests

Take for example Azerbaijan's economy; almost exclusively based on the extraction and transit of natural resources (oil and gas), those resources are finite, and expected to start dwindling by 2014. If the country wishes to maintain growth (which has already started to slow down, according to IMF and World Bank data), and stave off domestic unrest, there will need to be economic diversification or more likely, further exploration and the deployment of new methods to extract more yield from oil and gas fields.

¹⁸ For examples of this approach applied in Bosnia, see “Rebuilding Communities Devastated by War”, *Peace Watch*, Vol. 11, No. 6, pp. 1, 8-9; Bruce Hemmer, Paula Garb, Marlett Phillips, and John L. Graham, “Putting the ‘Up’ in Bottom-up Peacebuilding: Broadening the Concept of Peace Negotiations”, *International Negotiation*, Vol. 11, No. 1, 2006, pp. 129-162.

In the latter solution, the method of “fracking” – using water to access richer mineral and hydrocarbon deposits – may be employed. It is officially acknowledged that this method causes “mild” earthquakes. To mitigate against unwanted effects, the EU and certain authorities are currently working on legislation to determine how much “fracking” is tolerable. Otherwise, how much is permissible is open to debate, and this is a debate that the Azerbaijani government has no interest in entertaining. It all boils down to this; economic growth depends on access to cheap and plentiful energy resources – not only for Azerbaijan, but for its client countries as well. So we have a clear connection between interest and need, between a single nation and a wider region; Azerbaijan, in this scenario, “needs” fracking.

Armenia, for its part, is extremely vulnerable to land tremors as was demonstrated in 1988. This contingency also extends far beyond the South Caucasus, and affects Turkey as well, which is also vulnerable, if one recalls the 1999 earthquake there. The costs associated with a catastrophe like the one that Armenia had to endure in 1988 are prohibitive. While in 1988, she could count on the support of the Soviet Union, of which she was a federated republic; this is no longer the case, as she is now fully independent. Again, evidence from the IMF and the World Bank points to ever increasing economic hardship. Quite literally, Armenia cannot afford the consequences of an earthquake. Her need is to mitigate and develop the means to respond and recover from them. The burden that an earthquake would represent on the Armenian government would likely trigger massive unrest in a population that is already under stress from poverty and lack of economic outlet.

2. *Image*

Without establishing too direct a link between oil and gas exploration in Azerbaijan and earthquakes in Armenia and Turkey, it is evident that Armenia cannot demand that Azerbaijan modify its practices, and no one can expect Azerbaijan to comply if Armenia did make such a request – even if relations *were* peaceful between the two countries.

But what would Azerbaijan's policy be if there was a major earthquake in Armenia? Would it offer help or sit back? Considering the level of catastrophe of 1988 in the region, the level of assistance required would almost certainly involve the use of the armed forces in support of the civil powers. Here, NATO's EADRCC can help shape a doctrine of cooperative intervention and bring the parties to the table to discuss this issue of mutual interest. Because it is not only Azerbaijan's extractive privileges that are at stake, or the political stability of Armenia, but *both countries' image relative to the international community, and towards one another*. The same logic operates between Turkey and Armenia and to greater extent still, between Russia and the whole region. Opening discussions on the use of force for peaceful purposes within a context of conflict provides for the creation of bilateral emergency management solutions that are of crucial importance to the interest of both countries. Emergency management here is a field of activity which the constituents of both countries can relate to as in their own best interest. Therefore, it evacuates the potential for the "hawks" in the respective communities to manifest any outrage at their respective government's "overtures" to the other side.

3. *Image as interest*

If such a scenario were to take place under EADRCC/NATO or EU auspices, exercises could then take place with a view to create an operational capability in the region. The use of such a capability could then be publicised positively, and the image of the "other" would then begin to change. More importantly, the image of both Armenia and Azerbaijan would find itself significantly improved internationally if they were to jointly come to the aid of a third country (say, Turkey or Russia in the case of an earthquake, or Ukraine in the case of a maritime oil spill, for example).

Before characterizing this example as unrealistic, let's not forget that the original motivation – the incentive – for cooperation had to do with economic growth and political stability. We have not addressed the underlying issues. This means that while the two countries remain in actual frozen conflict, cooperation could still emerge while a

“moratorium” on discussing the divisive issues is still in force. Even without trust, there is a cooperative conduit emerging.

Conclusion

Of course the idea of “cold cooperation” is not entirely new. It is connected to a series of related concepts, all based on the idea of a cooperation without any pre-existing trust. Nevertheless, it offers a promising approach to revive the paralysed peace processes of long lasting conflicts. This concept seems particularly relevant in the context of the “frozen conflicts” in the Caucasus region.

The biggest challenge is convincing parties that whatever one “gives” is not “lost” to them, that is, that non-distributive outcomes, such as the one we have alluded to above, is recognized as such. What harm can there be to Armenia if, in “exchange” for her (tacit) consent to Azerbaijan’s fracking, she benefits from greater disaster recovery capabilities – especially since such capabilities would be generated through NATO?

The governments of Armenia and Azerbaijan will be able to meet public demand for growth only if the region of the South Caucasus becomes integrated economically – either with the EU, and/or with Russia. For both, this will be the key to economic diversification, and ultimate prosperity. Getting there requires solving the issue of Nagorno-Karabakh. But this being impossible in the current climate of relations, the opportunity for cooperation could start with emergency management and disaster recovery. This would be all the more welcome since neither the EU, NATO, Russia nor are the countries themselves willing to accommodate any more “seasons” like the Arab “Springs” in the South Caucasus.

A Pragmatic Review of Nagorno-Karabakh Conflict Resolution: Could Economic Incentives Help Break the Current Stalemate?

George Niculescu

Following up to a seminar on “The Unresolved Conflicts in the South Caucasus: Implications for European and Eurasian Integration”, the European Geopolitical Forum-EGF researched, during the first half of 2012, the utility of economic incentives for Nagorno-Karabakh conflict resolution. A research paper on this topic was published, in October 2012, by Dr. Marat Terterov, Director of the EGF, and by myself on the EGF website.¹

This research started from the assumption that a “political settlement”, in its own right, will be hardly sufficient to resolve this conflict. Economic, social and psychological elements will have to be factored into the equation of the final “Grand Bargain”. Of these, economic incentives may be the most appealing given the region’s state of development and the mutual desire of both the political and civil societies in all of the South Caucasus to see the region move forward.

There seems to be little immediate “light at the end of the tunnel” in relation to a peaceful settlement of the conflict over Nagorno-Karabakh. To the contrary, experts spoke of the risk of return to all out hostilities, citing factors such as failure of peace talks between the two countries hosted by the Russian Federation to achieve a breakthrough, Armenia’s continued reluctance to surrender land gains made at Azerbaijan’s expense during the war, and concerns that Azerbaijan may have little choice but to turn to force in order to regain territory lost to Armenia. Further, both the bilateral Azerbaijani-Armenian negotiation process and the wider relationship between the two countries are now governed by a

¹ The original EGF research paper may be found at http://gpf-europe.com/upload/iblock/99c/egf_nk_paper_october_10_2012_formatted.pdf

severe lack of trust. In such an environment any mutually acceptable confidence building measures and steps towards conflict resolution are extremely difficult to develop.

Two key questions have been underlying the research concept on this topic:

First and foremost, one Caucasus scholar spoke of “a deep history of pragmatism in the Caucasus which is there, just below the surface, if you care to look for it.”² Could such pragmatism be brought to the forefront if, for example, both the political elites and mainstream populations of both Armenia and Azerbaijan could be persuaded that after a further 20 years they would achieve wide-scale economic development, experience significant wealth and prosperity at the expense of surrendering mutual plans of belligerence? The answer to this question is more likely to be yes, since all parties to the Karabakh conflict often talk of peace as the precursor to a wealthy, economically integrated and dynamic South Caucasus region. However, today, the Karabakh conflict is essentially a political conflict, where Armenians argue the right to self-determination and call for recognition of status, while Azerbaijanis would not accept anything less than the return of their territory.

Second; would there be added value for Armenia, Azerbaijan and the international community to start talking about “jumping over the fire”? That is about the vision of a prosperous, integrated South Caucasus region governed by free trade and open borders. Europe, after all, has passed through a similar transformation in recent decades. Why should Armenia and Azerbaijan, as two states embracing European-style modernization and nation building, not share the experience and benefits of the European transformation in this day and age? Moreover, talking about “jumping over the fire” is consistent with an EU Council decision adopted in early 2012, which expressed readiness “to provide enhanced support for confidence building measures, in support of and in full complementarity with the Minsk Group” and which invited the High

² Thomas de Waal, “The Lightness of History in the Caucasus”, 2010, extracted from www.opendemocracy.net.

Representative and the (European) Commission “to develop, in close consultation with the OSCE, post-conflict scenarios for Nagorno-Karabakh as a basis for future EU engagement.”³

The EGF research tested the idea of whether economic incentives could help break the current deadlock between Armenia and Azerbaijan over Nagorno-Karabakh. More specifically, we submitted a questionnaire to local and international experts basically asking whether an approach towards conflict resolution where Armenia would return some land to Azerbaijan in return for the latter providing access to regional energy and infrastructure projects could contribute towards breaking the current stalemate. We didn't mean the Nagorno-Karabakh itself, but rather the seven districts of Azerbaijan which Armenian forces took during the Karabakh war in the 1990s, and over which Yerevan has maintained control since that time, referring them as a buffer, or security zone.

The findings of the research highlighted that economic incentives, particularly those which may facilitate access to regional (energy and infrastructure) projects cannot, on their own, substitute a political settlement to the conflict, including its territorial dimensions. However, economic incentives have the potential to contribute towards conflict resolution as an element of a broader deal between the parties. They could play a key role in confidence building by creating an atmosphere of tolerance and enabling mutual trust which could eventually move the sides towards political compromise.

Evidence supporting this position included comments of participating experts suggesting that economic incentives could break the current economic isolation of Nagorno-Karabakh and Armenia. They would create openings for shared economic benefits stemming from trilateral cooperation (Georgia-Armenia-Azerbaijan) which might forge trust and strengthen regional identity throughout the South Caucasus.

³ Conclusions of the Council of the European Union on the South Caucasus, 27 February 2012, from <http://register.consilium.europa.eu/pdf/en/12/st06/st06932.en12.pdf>

Economic incentives could help open a more direct and therefore more economically efficient set of transport routes for Azerbaijani oil and gas bound for European markets, while further diversifying Azerbaijan's energy export routes. This would offer the Nagorno-Karabakh enclave a broader range of economic options and opportunities, which could help diminish the current siege mentality of the Nagorno-Karabakh authorities and population.

The resulting energy and infrastructure interdependence would resonate among conflicting parties and local stakeholders, which would make economic interests, and would soften their intransigence. In principle, economic incentives may help create common economic interests in joint infrastructure projects, which could serve as “mutual security guarantees” within the framework of the peace process;

Finally, economic incentives would create a stronger basis for the economic and humanitarian rehabilitation of the seven Armenian-controlled districts around Nagorno-Karabakh;

On the other hand, the research also demonstrated that there are also more cautious views about the role of economic incentives in Nagorno-Karabakh conflict resolution to be considered.

Economic incentives would not lessen Armenia’s position in calling on the international community to recognize the independence of Nagorno-Karabakh, since economic gains would offer too little against major security losses.

Furthermore, Armenian “hard liners” would never accept a territorial compromise as they would see any attempt at doing so as nothing less than “national treason”, or as selling out the Armenian national interest/security to “business interests” cultivated within (Caucasus) regional and international circles. Also, one must remember that “Nether-Karabakh” (which is the term reportedly used within Armenia to describe the seven districts around Nagorno-Karabakh), is the only place where the 400,000 Armenian refugees from the territory of the former Soviet Azerbaijan could settle safely;

Notwithstanding Russia's tacit opposition to economic incentives, there is the feeling that it is too late to integrate economically based on cross-border oil and gas pipeline projects which may have run across Armenian (and Karabakh) territory, transporting Caspian oil and gas to European markets. They would simply not be justifiable from a financial perspective in the current supply-demand environment for hydrocarbons. Moscow would perceive economic interests as being against its regional economic and political interests, particularly in relation to its gas deliveries to Armenia, which could be supplanted by less expensive Azeri gas in the event of improved relations between Yerevan and Baku.

The EGF research showed an interest from the Armenian side to engage in regional energy and infrastructure projects in the South Caucasus, including those with the participation of Azerbaijan. It also showed, however, that Armenia remains nevertheless strongly reluctant to factor in any sense of participation in such projects if this were to be based on the conditionality of either returning land (to Azerbaijan) or any other form of compromise which would endanger Armenian and Nagorno-Karabakh security. Further, Azerbaijani and several international participants in the research also made it clear that without having a strong agreement on peaceful resolution to the conflict in place, it is highly unlikely that Baku would ever consent to the inclusion of Armenia into any regional projects in which Azerbaijan participated.

However, a number of experts supported the idea of using economic incentives in the shape of Armenian participation in regional (energy and infrastructure) pilot projects as a confidence building measure, which should be well synchronized with – and thus mutually reinforcing – the current negotiations ongoing within the Minsk Group. For example, it was suggested the establishment of a Regional Development Agency (RDA), which should be in charge of preparing and implementing such regional projects, including the reconstruction and development of energy and transport infrastructure, as well as telecommunications networks. The RDA could focus, as a first priority, on developing integrated regional transport corridor projects, including railways and highways covering Turkey, Azerbaijan, Armenia and

Russia. The RDA could also involve, as appropriate, countries from beyond the region, as well as international organizations.

A number of energy and communications infrastructure projects originating in, or transiting through Azerbaijan, could potentially become open to Armenian participation. The main examples of such projects below as they were identified by our research are:

- The Baku-Nakhichevan-Yerevan-Gyumry-Kars and The Baku-Ijevan-Yerevan-Nakhichevan railways;
- The former-Soviet railway route: Baku-Armenia-Nakhichevan-Turkey;
- The Moscow-Baku-Yerevan railway;
- The Aghdam-Karabakh-Sisian (Armenia)-Nakhichevan-Turkey highway;
- The transport ring around the Black Sea;
- Trans-Caspian transport infrastructure;
- North-South and East-West South Caucasus transport corridors;
- The regional electricity grid covering Armenia-Nagorno-Karabakh-Azerbaijan-Turkey;
- The Aghdam - Khankendi(Stepanakert) – Shusha – Lachin – Goris – Sisian – Nakhichevan - Turkey gas pipeline.

The research has also identified a number of obstacles hindering possible Armenian *participation* in regional infrastructure projects, which included:

- The existence of minefields and unexploded ammunitions along the line of contact separating the parties;
- The unknown technical state of rail and road infrastructures, which have not been in service for many years;
- The absence of common technical standards and of appropriate frameworks for dialogue between technical experts;
- Domestic politics in Yerevan;
- The influence which oligarchs-cum-politicians currently exercise over the Armenian economy;
- The influence of the Armenian diaspora which, on the one hand, might be interested to invest in such projects, whilst on the other, might view them as a negative factor and one capable of undermining “the Armenian cause”;
- Russia’s geopolitical interests in the region. Moscow may have a vested interest in preserving the present-day status quo over Nagorno-Karabakh as a means of maintaining its leverage over both Armenia and Azerbaijan;
- Baku’s perception of Armenia as little more than “a continuation of the Russian political and economic sphere (of influence) in the South Caucasus”.

In conclusion, the research acknowledged that “discussions around economic issues” should nevertheless take place. To that end, starting a comprehensive dialogue among interested businesses and experts from the conflicting parties (together with international actors) on post-conflict scenarios involving joint regional energy and infrastructure projects would be a step in the right direction. Possible topics for the agenda of such a dialogue could include:

- Joint Armenian and Azerbaijani rehabilitation of war-weary infrastructure in both Nagorno-Karabakh and the occupied districts. A technical basis for such discussions already exists in terms of a private study produced by Azerbaijani and international experts.⁴ Armenian participation by way of commentary on this study could be invited in possible working group format and would constitute a substantial confidence building measure helping build trust between the parties.
- Joint priority-setting, joint management, sources of funding, interoperability of technical standards and other challenges (not directly related to the Nagorno-Karabakh conflict) to planning and implementing regional infrastructure projects.
- Making best use of regional infrastructure projects to help the process of resettlement of IDPs and refugee communities of both Armenian and Azerbaijani ethnicity.

Many of the interviewed experts believed that the commencement of such dialogue should not, necessarily, be dependent on adoption of the Minsk Group Madrid Principles. Indeed, such initiatives could form a useful, additional instrument capable of complementing Minsk Group endeavours. Developing additional tools where post-conflict scenarios could effectively be modelled would itself provide a framework within which conflict transformation approaches could take place.

Clearly, there is much influence which international stakeholders could bring to this process – providing new frameworks for dialogue, guaranteeing security and political aspects of economic pilot projects and associated confidence building measures, and compelling both sides to take a more flexible and constructive approach towards the conflict. The EU, in particular, can bring the powerful message of “focusing creative energies on fostering regional economic cooperation, rather than

⁴ Nazim Muzaffarli, and Eldar Ismailov, “Basic Principles for the Rehabilitation of Azerbaijan’s Post-Conflict Territories”, Institute of Strategic Studies of the Caucasus, CA&CC Press AB, Stockholm, 2010.

striving to maintain an unacceptable status quo or threatening the use of force”. Bringing in experience of “conflict dissuasion” and fostering economic cooperation from the previously war-torn Balkans, where the EU continues to play a quintessential role, would also not go astray.

Threat perceptions could begin to change on both sides if joint working groups, Armenian and Azerbaijani, would begin to tackle such studies together, albeit it would be most likely that they would have to meet under wider international sponsorship.

One interviewed expert described the economic incentives approach as a key element of a new vision for peace in the South Caucasus reinforced by comprehensive, integrated and sustainable cooperation, which would ultimately enable free movement of people, goods, services and capital at the regional level, lead to economic integration and the opening of all closed borders. Could Armenia and Azerbaijan work together in rehabilitating the seven districts of Azerbaijan around Nagorno-Karabakh and oversee their integration into the wider regional economy of the South Caucasus? Who should take charge of implementing the work and under which auspices should it be developed? Perhaps, a Regional Development Agency working to create relevant institutions for a “South Caucasus Confederation of States and Entities” – an economically integrated region governed by free trade and open borders? Finding answers to those questions may be the subject of further independent research.

Arab Lessons for Azerbaijan: Breaking the Vicious Circle of Impossibility?

Rashad Shirinov

Since 2003 Azerbaijan has experienced a slow retreat into dictatorial rule with government having increasingly deteriorating records of fundamental rights and freedoms. Freedom of assembly has been practically banned. Politicians, journalists, bloggers, youth activists face trial, intimidation and repression. This is explained by the particular character of the political economy based largely on oil. Oil has produced large revenues to the ruling elite simultaneously creating vulnerabilities. The regime in Azerbaijan is now interested in its survival and protection more than before, since there are many actors who have share in the oil wealth, be it directly or indirectly.

Azerbaijan has been the only country so far in the former Soviet Union area, where Arab revolutions have had a significant impact on the willingness of pro-democracy forces to mobilize against the government. It can probably be explained by the particular sense of compassion with Arab nations who share similar characteristics of societal dimension and political economy.

Revolutions in the Arab world and following actions of Azerbaijani opposition forces have paved the way to violent crackdown in the country. The government also used “fight against corruption” campaigns as a preventive tool in order to alleviate potential expression of public discontent.

Many observers commented on the events in Azerbaijan. The widespread view is that “it is not time yet, but it will definitely come one day”. Of course, if the government doesn’t change its mind regarding political reforms, which is believed to be highly improbably.

A little bit of background

When the Soviet Union collapsed all Soviet republics stepped on the path of nation building and democracy. After few years only a handful of them, Latvia, Lithuania and Estonia, (certainly not without strong support from Europe and USA) truly managed to make a breakthrough and shed authoritarianism. Almost everywhere else – Ukraine, Moldova, Caucasus and Central Asia – to a greater or lesser extent, the initial pro-independence, pro-democracy governments were replaced by (semi) authoritarian governments consolidated around a single leader (usually a former Soviet *apparatchik*). These leaders established Communist Party-type political parties and claimed they had total support from the population. Sometimes this was true since the initial failure of democratic reforms in those countries made people sceptical about change and made them to think about a leader with “iron hand”, who would restore stability and peace.

In Azerbaijan, the second government after independence (1992-1993), which was formed by the Azerbaijani Popular Front failed to manage the political and security crisis – the challenge, allegedly supported also from outside. Former Communist leader Heydar Aliyev, who ruled the Azerbaijani Soviet Socialist Republic during 1969-1982 returned to “rescue the country from chaos and instability” as official media has portrayed the comeback. Heydar Aliyev has established a system which has been continuing unchangingly since 1993.

Throughout this period of almost two decades there were ups and downs in the system, but it stood all the pressures and attempts to be overthrown or replaced peacefully by any other force. Election times were normally more critical times when the system felt threatened but consolidated itself and suppressed any attempts directed against it. Years of 1995, 1998, 2000, 2003, 2005 were more critical in that sense. But especially before and after colour revolutions (2003 and 2005) the political situation experienced an escalation. In both cases the ruling elite re-consolidated its power with bigger strength and the forces of opposition were marginalized and demoralized.

Generally, Azerbaijani political situation (more before than now) is susceptible to impacts from whatever happens in its neighbourhood. Peaceful revolutions in Georgia and Ukraine have had a tremendous impact on the consciousness of people and political forces in Azerbaijan. The Azerbaijani opposition's colour during the 2005 Parliamentary elections was orange, like that of Ukrainian opposition. Also there is an embedded belief among Azerbaijani people about the impossibility of any sort of political change without outside support. The success of peaceful revolutions in Georgia and Ukraine and its failure in Azerbaijan is recognized mostly as function of strong and tangible external support (first of all from US and Europe). Another reason is that Azerbaijan is a Muslim nation and democracy and Islam are not compatible. In that regard, Arab uprising has created in Azerbaijan significant hesitations and hopes. Many would question now the traditional approaches to the "Muslim mentality" and its incongruity with democracy and human rights. Many now also agree that change is to be expected – it is just the matter of time.

Who is playing?

Before moving to the reactions of the various actors it would be useful to look at relative weight of those actors and their position within political structure of Azerbaijan. It seems like we can characterize the Azerbaijani political environment as highly polarized. On one side there is a strong, consolidated government with a huge bureaucratic apparatus and mobilized security forces; on the other side opposition forces, civil society groups, and youth organizations that are mostly fragmented and marginalized.

The ruling elite (*government* seems to be an inadequate term as there are influential actors outside the government that participate in decision-making) of Azerbaijan has been consolidating its grip on power especially after Ilham Aliyev's coming to power in 2003 and the influx of oil money. The ruling elite seem quite monolithic and homogenous. The system can be called oligarchic with the president playing a little bit a role of an arbiter and little of the "first among equals". The authorities

have exclusive monopoly on natural resources and they also dominate in the other areas of the economy.

As for the opposition, it has been fragmented to the considerable extent. However, recently there is some movement towards unity among major opposition parties. On 28 December 2010 the Citizens' Movement for Democracy-Public Chamber (*Ictimai Palata*) was established. It is a union of major parties: Musavat, Azerbaijani Popular Front (APFP) and the Azerbaijani National Independence Party (AMIP), and some other civil society organizations. Public Chamber is a continuation of the idea of Popular Front- Musavat unity, something that has been problematic for many years allegedly due to irreconcilable differences of the leaders of these two major opposition parties. Unity was achieved first in the run up to Parliamentary elections in November 2010. During these elections the authorities did not "allow" real opposition candidates to win any seat in the parliament. Immediately after the elections both parties started consultations to set up a new body.

Youth groups started to get mobilized in mid 2000s and became particularly articulate after the advancement of on-line social networks (Yahoogroups, Facebook). Most of the youth did not identify themselves with either government or opposition. Later on, the protest potential of youth has dragged it into the space of opposition in spirit, again without party affiliation.

Perceptions and reactions to Arab uprisings

Government

It seems that the government of Azerbaijan has seen an indirect threat to its regime although it would not admit it. The first tangible reaction was the so called "fight against corruption" (*korrupsiya ilə mübarizə*) that the government declared. However, government spokespersons deny any sort of linkage between the Arab revolutions and the re-energized fight against corruption. Mubariz Gurbanli, MP from the ruling party, said that anti-corruption activities were not linked to the situation in Arab countries. "When at the meeting with the Cabinet of Ministers the

president touched upon the issue of corruption, in Arab countries everything was calm”, he said. However, Russian language daily *Zerkalo* reports that protests in Tunisia, Egypt, Jordan and Algeria started already in December 2010-early January 2011, whereas the president of Azerbaijan met the Cabinet on January 15, 2011.¹

One of the very first reactions came from the Minister of Interior, who instructed traffic police to treat people nicely and don't pull cars without any reason. The minister strongly criticized the work of State Traffic Police and instructed the chief of this service to fight irregularities.² Nevertheless, the authorities tried to portray it not as something new but the continuation of initially launched anticorruption policies. In order to “feed the beast” several low and mid-level civil servants faced criminal charges. Preventive anti-corruption measures were supposed to mitigate the impact of Tunisian and Egyptian uprisings on the consciousness of Azerbaijani people. However, these actions have been criticized for lacking genuine political intent behind them and many people see them as just “cosmetic” and superficial. The idea of “fighting against corruption” was never accepted seriously by the people as many would question the transparency of the very people who lead this “fight”. For instance, the Anti-corruption Committee is a body which is composed largely of high level government officials, whose own integrity has come under question.

One thing is certain; the authorities have started to think about softening the potential tension within society. It seems like the government is well aware of the latent dissent among population, particularly due to the widespread corruption. A prominent op-ed writer and analyst Rauf Mirkadyrov claims that if asked earlier government officials would declare that corruption exists everywhere, including most advanced

¹ E. Velyev, “Listen to the lessons of Tunisia and Egypt”, *Zerkalo*, 23 February 2011(in Russian)

<http://www.zerkalo.az/2011-02-23/politics/17227-Liviya-Kaddafi-bunt>

² Ramil Usubov fired nine police officers. *Unikal*, 25.02.11

<http://unikal.org/index.php?mod=news&act=view&nid=36012>

countries with strong traditions of democracy and rule of law, whereas now the authorities announced they launched a total war on corruption.³

When it comes to rhetoric, almost all government officials who have spoken on the issue ruled out any slightest possibility that similar things might happen in Azerbaijan. Ruling elite representatives argue that Azerbaijan and Arab countries differ greatly – from economic and psycho-social perspectives. “Voices that claim these sort of protests might happen in Azerbaijan are not based neither on facts nor on logic”, said Mubariz Gurbanli, MP from ruling YAP party.⁴

Opposition

The Arab revolutions have rejuvenated Azerbaijani opposition from more than five years of passivity that has been explained mostly by the impossibility of exercising freedom of assembly and being under constant pressure and persecution from authorities. Immediately after President Ben Ali left office in Tunisia, opposition leaders started to make preparations for the street protests. Chairman of Azerbaijani Popular Front Party, Ali Kerimli, said that events in the Arab world proved again that there is no alternative to democracy and that dictatorships will not end up well;

Many people were thinking that Arab world would be the last safe haven for authoritarianism. Our head of state had good relations with them because president was thinking about Arab countries as a model for Azerbaijan. Now all of the people who thought of those countries as a model should be disappointed.

³ Rauf Myrkadirov, “When content doesn’t match the form”, *Zerkalo* 22 February 2011 (in Russian)
<http://www.zerkalo.az/2011-02-22/politics/17190-aliqasanov-baxtiyaraliyev-korrupsiya>

⁴ E. Velyev, “Listen to the lessons of Tunisia and Egypt”, *Zerkalo*, 23 February 2011 (in Russian)
<http://www.zerkalo.az/2011-02-23/politics/17227-Liviya-Kaddafi-bunt>

Another prominent Azerbaijani opposition leader, Chairman of Musavat Party Isa Gambar said the myths that dictators created about themselves started to fall apart: “This process will not be limited to Middle East and Arab countries. It will stretch to post-Soviet space, South Caucasus and Belarus...and nothing will be able to stop democracy and freedom.”⁵

Pro-opposition political analyst, Zardusht Alizade, who has always been very critical of Aliyev’s government mentions that dictatorial regimes fall in the same trap of disregarding problems and being arrogant: “When government was ousted in Tunisia, in Egypt they said that it could never happen there, since Egyptian government follows right policies and provides social justice in the country. But the following events proved the opposite.”

Alizade also believes that the wave of revolutions will expand to CIS area and if the government of Azerbaijan doesn’t assess the situation properly and fails to conduct necessary reforms its collapse would be inevitable.”⁶

For the first time opposition has started to use actively and widely virtual social networks to attract people to demonstrations. There is a growing tendency to use online networks to build up the protests, something that was inspired by the Egyptian revolution.

On March 12, April 2 and April 17 of 2011 Public Chamber has staged an unprecedented protest – the first in almost 5 years. The authorities heavily cracked down on protesters and more than 200 people were detained. Several criminal charges of violating public order were laid against high profile public figures such as Arif Hajili, Tural Abbasli, and Mahammad Majidli. It was for the first time since 2003 that a high ranking political party member (Arif Hajili is Deputy Chairman of Musavat Party) was indicted.

⁵ Ilkar Resul, “How the events happening in Arab countries are perceived in Azerbaijan” *Radio Free Europe*, 28 January 2011, <http://www.azadliq.org/content/article/2290420.html?s=1> in Azeri language

⁶ Ibid.

Youth

Youth groups and various individual young people have started discussions in social networks right after Tunisia events. Some active young people saw it as opportunity to instil revolution in Azerbaijan. A group of young people set up a web page on Facebook called “March 11 – Great People’s Day”, calling on people to demonstrate throughout the entire country. This initiative faced strong displeasure and resistance on the side of the authorities. Some youth activists were detained preventively. Official and government controlled television started a campaign to discredit pro-revolution youth.

It seems that during these events the positions of Azerbaijani independent youth groups and of opposition coincided. Some young people joined protests and supported leaders of political parties. An interesting tendency is that increasingly, youth groups have started to see opposition as partners in the common struggle for freedom. Although there has always been a lot of scepticism among young people regarding political parties and the quality of their composition, now situation is changing. This is not to say that youth groups unanimously and wholeheartedly support the opposition. Rather, young people develop sympathy for politicians and political activists who have spent years in struggle.

The level of the apprehension of the government rose higher. The prosecution started more criminal investigations. Youth activists Jabbar Savalan and Bakhtiyar Hajiyevev have been arrested and sentenced to several years in jail. Elnur Majidli, the creator of the “11 March” Facebook event, who resides in France, was accused of planning a forceful overthrow of the government. Already several other youth leaders were invited to prosecutor’s office and were questioned concerning Elnur Majidli’s case. Another party youth activist, Tural Abbasli from Musavat Party has been accused of violating public order and sentenced to two months of pre-trial detention.

EU reaction

It is important to highlight the prompt EU reaction on the ground and in Brussels, also because what EU member states did was unprecedented. On April 8, 2011 a delegation of about 20 European diplomats, including chiefs of missions of the EU, the OSCE, the Council of Europe, as well as the ambassadors of European countries and the deputy US ambassador met leaders of Public Chamber Ali Karimli, Isa Gambar and Yusif Bagirzade. The meeting was closed to the media and signalled Western concern over the political situation in Azerbaijan. Moreover, European Parliament issued two statements and one resolution regarding the human rights and fundamental freedoms situation in Azerbaijan.⁷ The government of Azerbaijan criticized those documents as being biased, ungrounded and superficial.⁸

The EU's increased attention to the situation in Azerbaijan can be explained by the heightened level of insecurity along its borders with Middle East and North Africa, including the cases of mass immigration into EU zone as a result of violence in Libya, Egypt and Syria. Evidently, European interests in oil and gas transit also played a role.

Election year 2013

2013 could be a year of change. Two spontaneous protest actions at the Bina Trade Centre and in the city of Ismayilli (180 km to the northwest of Baku) have shown that social unrest can be spontaneous. Another large protest action in Baku on January 12, to protest against soldier deaths in non-combatant conditions (accidents, suicides, diseases, army hazing etc.) has brought together people from different age groups and social backgrounds. On January 26, two days after the civil unrest in Ismayilli, young people staged a protest in Baku demanding to stop the

⁷ Two statements were adopted on March 17 and April 7. The European Parliament Resolution was adopted on May 13, 2011.

⁸ Official Baku protests: EU diplomat is invited to MFA. *Deyerler* online newspaper, 12 April 2011
<http://deyerler.org/86005-resmi-baki-avropa-birliyi-ine-etiraz-etdi-avropali-diplomat-xin-e-cagirildi.html>

alleged ill-treatment and persecution of rioters in Ismayilli. All organized and unorganized protest actions in January have proved one new tendency: it seems that citizens' tolerance of business-as-usual practices is nearing its limits. Moreover, much like in Tunisia and Egypt, the risk that apparently small-scale events might trigger large-scale action seems to be replicated in Azerbaijan.

12 January – Death of Jeyhun Qubadov

The media presentation of the death of soldier Jeyhun Qubadov was very visible and visually effective. There were clear marks of ill-treatment on dead soldier's face and it was circulated in the social media. Ministry of Defence officials said he slipped and had those injuries came from falling down a hill. It was not convincing, to say the least. Mobilization of people requires a clear motivator, and this case provided one.

Some observers say one of the reasons January 12 has become a successful event is the fact that the number of social media (Facebook and Twitter) users in Azerbaijan has reached 1 million persons, which is a two-fold increase from 2011. Now it is not only young people who join Facebook and socialize, but also middle-aged people and pensioners who use social media to socialize politically. In that respect social media has become an indispensable tool for people in a country where media is controlled heavily by authorities, public assembly is banned and public association faces huge administrative obstacles.

Another important question is why authorities allowed for the 12 January protest to happen? January 12 was an unprecedented action as since 2005 protesters were never really permitted to take to the heart of the city, the Fountain Square. It appears that this time there was a realization of the problem on the side of the authorities. Political parties did not organize that protest, which is probably a reason why the government was more tolerant towards demonstrators, as they saw the protest "apolitical". Protesters did not call for the resignation of the government in general but targeted the Ministry of Defence.

The Bina Trade Centre

The protest in Bina Trade Centre was electrified by the increase of fees for shop-keepers and later the protest turned into violent clashes between shop-keepers and riot police. The uniqueness of that the protest was that it was held by a particular social group of people – shop-owners, who spend most of their time dealing with their business, away from political and civil society. When it comes to the reaction of the authorities, although they were tolerant towards the 12 January protest participants, the situation with Bina was different. Several demonstrators were criminally prosecuted.

Ismayilli

A car accident and the following beating of a local taxi driver allegedly by a relative of a local governor resulted in violent civil unrest in the city. People set fire to one hotel and another house that belonged to the governor. The people of Ismayilli were saying that they were fed up with local governor's illegalities and that the governor should be replaced.

This is an important moment here, since protesters did not ask about changing the system, but changing the person. They never really asked, for instance, to have governors elected by people and not appointed by the president. Some protesters were nevertheless chanting that the government in Azerbaijan must change. The government sent in internal troops and special teams to Ismayilli to restore order. Police used tear gas, arrested and beat up protesters.

When we look into potential sources of popular discontent in Ismayilli it seems that they are social and economic rather than anything else. Ismayilli is one of the least economically-developed regions of Azerbaijan, the unemployment rate is high, and capital investment is low, whereas neighbouring Gabala is developing rapidly as a tourism centre with recently built five-star hotels and an airport.

The political problem is that governors in Azerbaijan are appointed by the president and not selected by people. In a country where tribalism is

still the case, local people normally dislike outside rule (this tendency is lower than in 90-s and early 2000s, but still it is a sensitive issue, when local governors do not represent people). Another political problem is that, in fact, the country is being administered by a particular arrangement, where a region (or group of regions) is attached to a particular minister (or another influential bureaucrat). According to this informal division, Ismayilli, for instance, is under the management of the Minister of Social Welfare Fizuli Alekperov. Hence his brother Nizami Alekperov is the governor (Head of Executive Power) of Ismayilli. This division has created differences between regions in terms of socio-economic development, as some ministers “take a good care” of their regions, and others do not.

However, perhaps the most surprising development was the arrest of two prominent opposition politicians in connection with the Ismayilli events. Tofiq Yagublu, Deputy Chairman of Musavat Party and Ilgar Mammadov, Chairman of REAL Movement were charged with inciting public disorder in Ismayilli, where they the day *after* unrest started. When people expected that president would be punishing authorities in Ismayilli for lawless behaviour, the government decided to punish the opposition for nebulous reasons.

Domestic politics in the run-up to elections

The prosecution began a criminal investigation into corruption at the Azerbaijani Cinema Union, which is led by prominent Oscar-winning Azerbaijani movie director Rustam Ibrahimbeyov. Ibrahimbeyov, who is becoming a well-respected leader of the civil opposition, has been very critical of the government and he is the main founder of Intellectuals Forum, which aims to achieve big political changes in Azerbaijan. Ibrahimbeyov is also the member of the Union of Azerbaijani Organizations in Russia, also known as “Billionaires Union”. This is the union joining together the most powerful Russian oligarchs of Azerbaijani origin. It is not excluded that the Union might also nominate someone or support an already nominated candidate for the October elections in Azerbaijan. The Musavat Party and REAL Citizens

Movement have already nominated their candidates for Presidential Elections in October.

This is so called overt struggle for power, because there is another layer of the power struggle, which is not very observable and public opinion around it is formed largely on rumours. This is the internal struggle of various power groups within the regime. The tension can be summarized as Pashayevs (family of Mehriban Aliyeva, first lady) versus Ramiz Mehdiyev, a powerful “*éminence grise*” of late president Heydar Aliyev’s. There is some sort of political crisis inside the regime as Ilham Aliyev (even if the amended constitution removed term limits) is not legally entitled for a third term, as the law does not have retroactive effect. Therefore, the regime might need to produce a new candidate and this is quite a challenge.

Overall, 2013 promises to be an exciting year, many in Azerbaijan already look forward to the end of year and the major question is: “Will the regime finally change this year or not?”

Conclusion

Is it possible that Arab wave comes to Azerbaijan? This has been the question in the back of everyone’s minds starting from late 2010. The government believes not, while opposition assumes it is inevitable. Young people are active but also cautious.

Demonstrations in downtown Baku held in March and April 2011 and generally throughout the country in 2013 have shown that there is a potential for protests but the forces that would trigger that protest are not big enough to galvanize widespread unrest. Moreover, interior forces have had effective control of the situation in downtown and security forces were quick enough to arrest people as soon as they arrive to the protest scene.

One thing is certain: in contrast to any other former Soviet republic, the Arab revolts have had an impact on Azerbaijan. It is still to be seen whether this will grow into something substantial but the mere fact that

Azerbaijan is the only former Soviet country affected by the Arab uprising should be analyzed deeper. This might be the function of religious and psycho-social similarities between Arab and Azerbaijani polities. At the same time Central Asia in its entirety is populated by Muslim people but this did not affect them.

Another explanation might be the relevant tradition of democracy in Azerbaijan and the identification of the situation with Arab countries. Arab revolutions have made the positions of Azerbaijani pro-democracy forces stronger and weakened the arguments of the ruling elite that democracy takes hundreds of years to get established or referring to the notion of incompatibility of Azerbaijani consciousness and norms of global democracy. The authorities definitely had weaker hand in the ideological competition in this case.

Finally, Arab revolutions have had tremendous effect on the consciousness of ordinary people and restored the hopes into the possibility of bigger political change in Azerbaijan. The biggest question again would be: when might this happen? With the situation as it is now, one can think, this is the issue of time, since Azerbaijani ruling elite goes similar path of restraint and controls of the society as many other Arab countries where revolutions have taken place recently.

Another factor that could aggravate the situation might be the absence of genuine institutions that would have popular legitimacy (like the Army in Egypt) and that could act to prevent bloodshed in case crisis. With no such institution at hand it would be extremely challenging to address the issue of polarization and inter-group violence.

PART IV

POLICY RECOMMENDATIONS

Epilogue

Frederic Labarre

One of the crucial objectives of the Study Group “Regional Stability in the South Caucasus” is taking a holistic view of the South Caucasus to enable the three countries to perceive and present their interests as an integrated strategic partner. There remain critical obstacles to the emergence of this vision, but several participants have shown that concepts were already being put forward. There are reasons to be hopeful.

The RSSC SG prides itself in being forward looking, albeit with the highly interesting exception presented by Dr. Rubinson, from ARISC. It reminds us that the region, when it was united, was a power to be reckoned with. That day is long gone, but the evocative image remains of an empire embracing part of what is now Russia, and extending westward to touch the confines of what we call Western Europe today.

With unity comes capability. This message is not lost on today’s major powers either; Russia is much maligned for its role in the South Caucasus, and how it shapes the security situation in the region. For many commentators, Russia’s role and presence (politically and militarily) is not only far from constructive, but it is also damaging for the unity of the wider region. There is an important caveat to underscore with the proposition, by Russia, of a Eurasian Union, and of the way that Russia hopes to bring this union about. For now, we have to wait and see how this project develops. Any union will need the consent of the South Caucasus countries, which will require Russia to use persuasion by charm more than by force. We can perhaps anticipate Georgia’s reaction to the idea, but such a project may require a novel approach at resolving the Nagorno-Karabakh conflict, if Azerbaijan is expected to provide a bridge from Central Asia.

For the moment, the project of a Eurasian Union qualifies how Russia seeks stability on its Southern flank; the events of the Boston international marathon remind us of the far-reaching consequences of Islamic radicalism, and of neglect of the Caucasian trouble spots. In fact, this and the endless Arab revolutions threaten to weaken Moscow as much as its regional allies in the South Caucasus. The desire for stability (cum unity?) may be sought on Moscow's terms, but it is an agenda item that can no longer be neglected.

The seventh RSSC SG workshop has informed us of what really weighs on the mind of the civil society actors; prosperity through commercial and cultural access. This has been made plain by George Niculescu's text. However, the examination of the principal international actors' soft security measures reveals the limitation of multilateralism. The participants, as in the 6th workshop, were somewhat critical of the OSCE's Minsk Group role and the ineffectiveness of mediation over Nagorno-Karabakh.

Yet, the Study Group views favourably how the participants were keen and enthusiastic in discussing this most intractable of issues. Participant's opinions of the OSCE did not vary greatly, but they were unanimous in saying that the Minsk Group's terms of references should be reviewed to include monitoring and mediating about the spate of sniping activity at the Nagorno-Karabakh contact line. This could be an initial step of mutual confidence-building which requires courage to take, but would be seen favourably by the international community. Failing that, international mediation through the Geneva talks and the Minsk Group remains a necessary – if ineffective in the peace-monger's view – mechanism for the time being.

But there is another way to look at this lack of mediating efficiency; it seems, judging by the participants' exchanges on Nagorno-Karabakh, that the international actors are somehow not conducive to new ideas on the issue. That is, mediators and protagonists' exchanges seem framed in process and language that does not encourage creative thought.

If, as we have hinted in the foreword of this volume, the RSSC SG is a microcosm of the South Caucasus (albeit an academic one), can we say that discussions entertained in Tbilisi could be more directly addressed in the eighth workshop of the RSSC SG?

The Austrian Ministry of Defence and Sports and the co-chair to the RSSC SG have come to the conclusion that the programme of exploration of difficult issues in the South Caucasus could afford to be accelerated. This is possible thanks to the professionalism of the Study Group participants, and their own enthusiasm to tackle difficult issues. In addition, the constructive and creative attitude displayed in Reichenau and Tbilisi by the workshop participants has been impressive.

The combination of topics and solutions discussed in the sixth and seventh workshops, as well as the quality of the scholarship that the RSSC SG has been able to assemble has inspired confidence in dealing with the thorny issues surrounding breakaway regions in Georgia and the Nagorno-Karabakh conflict directly, and involving participants from Abkhazia, South Ossetia, and Nagorno-Karabakh, in addition to are habitual roster of experts.

So far, our policy recommendations have been widely transmitted and well-received. This would be the medium and method of choice to bring forward new views about regional conflict resolution. We hope to explore alternative governance models. The seeds of this discussion had been planted already during the sixth workshop, with talks of “joint sovereignty”. They have been nurtured during the seventh workshop, when the concept of Eurasian Union was raised, and, partly, when the concept of “cold cooperation” was presented. This is, as we have argued, a novel governance model *for the region*, and only one solution of many.

We need to seek the advice of the entities and actors concerned to elicit more solutions and shape better policy recommendations. Alternative governance models will be the topic of the eighth RSSC SG workshop.

The aim of this workshop will be the following:

- a) Present ideas of alternative governance to stimulate thinking from the region's participants, and provide a way out of the many impasses in which the protagonists find themselves in.
- b) Seek the views of the regional participants on such ideas through interactive discussions.
- c) Allow regional participants to present and expand upon their grievances in a non-political atmosphere.

Ultimately, the RSSC SG will be able to transmit applicable and relevant policy recommendations not only to the PFP Consortium, Euro-Atlantic and partner capitals, but also to the principal actors (recognised or not) of the South Caucasus directly.

Until now, our workshops have exceeded expectations in terms of quality of process and output. Perhaps that with an open and constructive discussion about novel governance models, we will plant the seed of a political solution to intractable conflicts that could meet the needs of the constituencies that suffer the most from the conflict (usually civilians) and gain support from the deciding actors within and outside the region. At the very least we will have a plan that emanates from the South Caucasus, with South Caucasus interests in mind.

Policy Recommendations

Current events in the South Caucasus

The local arms race between Armenia and Azerbaijan is preventing the respective governments from addressing critical social issues. For the moment, the Azerbaijani economy still enjoys the windfall of oil and gas revenue, but this situation cannot endure as reserves will begin to dwindle. There is virtually no contact between the two countries besides meeting of their presidents under Russian auspices or in the framework of different conflict workshops (some of them however years ago). The recent Armenian Parliamentary elections have not produced appreciable change; however, opposition is steadily mounting, and new political actors seem undeterred even by threats.

The recent election of 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. Ivanishvili's control of parliament is partial; his Georgian Dream coalition has won 85 of 150 available seats; Presidential elections are due in October 2013. Saakashvili's political fortunes have been severely reversed since the election of Ivanishvili, who has undertaken a massive anti-corruption drive. The new government faces still difficulties, is confronted with a volatile situation and must be thus pragmatic: improving Russia-Georgia relations as well as relations with breakaway entities while at the same time maintaining a Euro-Atlantic agenda. In this latter objective, the government has elected an approach that emphasises process as opposed to status.

The government seeks to "be as close as possible" to NATO and EU membership, but there is the acknowledgement that if membership is not offered, at least the process of reform will have been beneficial to Georgian society. The renaming of the Georgian "Ministry of Reintegration" to that of "Reconciliation" is a concrete step in the framework of the newfound pragmatism (law still to be signed by President Saakashvili). This may re-open the door to the possibility of

new relations between Tbilisi and its breakaway entities (especially Abkhazia). If not, then new concepts of relations will have to be entertained, which respect Georgia's territorial integrity, and ensure Abkhaz development and safety. There is little likelihood that additional countries will recognize Abkhaz and South Ossetian independence, which will mean that their citizens will remain in legal limbo. As this will generate pressure on the regions' leadership, there may be an opportunity developing for solving the issue of separatism constructively. The idea of a new concept of "shared sovereignty" could very well emerge in future discussions between Tbilisi and its breakaway entities.

Taking stock of EU and NATO confidence building initiatives

When taking stock of the soft-security activities of the EU and NATO, the RSSC Study Group found that there was lack of public awareness of available programs and activities of both organizations. This is of central importance: the greater the awareness, the greater is the trust in the institutions. There is a need to raise awareness especially of the European Peacebuilding Liaison Office. EU Special Representative Ambassador Lefort is the figurehead of all EU efforts, and works bilaterally without getting too deeply involved in the domestic politics of the countries.

The EU has affected a significant rapprochement in the region, mainly through Georgia, and a Deep and Comprehensive Free Trade Agreement (DCFTA), which expresses a sense of "belonging" of Georgia to the European space, and strong connections that have a security bearing. As a new institution, the European Peacebuilding Liaison Office constitutes a platform of European NGOs, networks of NGOs and think tanks which are committed to peacebuilding and the prevention of violent conflict. The EU is seen as a united and unifying institutional actor, but the test case for its credibility as stabilizing influence rests with the South Caucasus region.

There is a moderate regional desire to get closer to the Euro-Atlantic structures, even if membership is not clearly possible or desired. Visa

liberalization can be seen as a critical component to break the isolation of the South Caucasus. This is an issue that is held in common with the South East European experience, and it is a demand that is well known to EU and NATO authorities. The EU's Eastern Partnership Programme could ease visa requirements for South Caucasus residents. This suggestion supports the notion of enhancing educational and cultural exchanges between the South Caucasus and Euro-Atlantic states, and also within the South Caucasus itself.

In this regard, the activity of some organizations in the region imply that the development of a common history curriculum or policies oriented towards mutual cultural property protection could contribute to rehabilitating mutual favourable images of the societies involved in the conflicts. In that last regard, the work of some organizations in the region argue that the development of a common history curriculum or policies oriented towards mutual cultural property protection would contribute to rehabilitate the image of the communities of the region towards one another.

On the whole, the EU's and NATO's soft security initiatives are being applauded, even where there are no hard security guarantees through NATO. IPAP and PARP, despite offering limited tools, represent the political weight of the Alliance in the region by the potential for security guarantees. Far more effective and useful are the efforts at public diplomacy deployed by the Alliance. With NATO, public diplomacy is the most effective soft-security tool.

Regional cooperation initiatives: breaking isolation from within

Renewed attention was given to the work of the Minsk Group, arguing that there was a cruel need to review and expand its mandate. The escalation of the "sniper war" which is not included in the 1994 cease-fire agreement, threatens to destabilize the situation, and is a topic that should be within the OSCE's purview of the Minsk Group. The activities of the Minsk Group seemed limited to periodical meetings, interspersed with occasional press releases or communiqués. Although it is widely acknowledged that diplomacy requires tranquillity and privacy to be

effective, openness may invite distracting media attention. Greater transparency on the part of the Minsk Group and the OSCE was desired.

The necessity exists to widen commercial transit networks, especially for oil and gas. The Minsk Group could entertain the connection of Armenia to the wider network of oil and gas transit in the region, though Armenia seems to be incorporated into the Iranian energy system to a great extent.

Breaking isolation in the Abkhaz and South Ossetian cases requires a legislative review of the Georgian law on occupied territories, which makes it difficult for constituents of the breakaway entities to interact overtly with the rest of Georgia. The predominant theme is the necessity to widen the Minsk Group's mandate and make its activities more transparent. Incentives with enhancing educational activities, which incorporate an access to Europe, are a matter of individual choice, not only national integration with European norms.

Going forward: generating incentives and motives for cooperation

The Georgian-Russian relations have improved considerably since the October 2012 in Georgia, reflected in the positive media attention of Georgia in the Russian press. Two potential areas of closer cooperation between Georgia and Russia are tourism and educational exchanges.

These might be later on followed by intensified exchanges in trade, media and cultural programmes.

Areas of common security interests such as emergency management cooperation can act as levers towards positive spill-over effects, producing incentives for cooperation in the medium term. Common economic challenges, such as opening the region of Nagorno-Karabakh for transit of oil (see above) and railways could also stimulate dialogue.

Renewed emphasis on the importance of supporting civil society in the region was stressed, including the delegation of independent civil society search for mutually acceptable solutions. This prospect applies especially to the Nagorno-Karabakh conflict; however, civil society in

Azerbaijan might as yet be unable to consider such a role for itself. In this context, the EU will focus on the Deep and Comprehensive Free Trade Agreement as an incentive for cooperation, an initiative that followed the general public will.

In the security realm, ideas pertaining to hard-security initiatives, but focusing on mutual threats and risks of an objective nature (as opposed to the security dilemmas at work in the region) have been put forward. Contact could be encouraged on security-relevant topics that affect the whole region's significance for other actors. For example, in the domain of emergency management, discussions could take place in a spirit of "cold cooperation" over the need to militate against natural disasters.

These are initiatives that could take place under the aegis of NATO Euro-Atlantic Disaster Response Coordination Committee (EADRCC). Not only does it give the Alliance a positive role in the region that is not offensive to Russia, but it also puts it in the position of honest broker on several security-relevant issues, while at the same time addressing interests that are mutual to all three countries.

Summary of recommendations

1. Focus on strengthening civil society initiatives

It is preferable to generate change from the grass roots than from the elite level. This does not mean however, that official channels of communication, say, between the OSCE and the respective regional actors, or institutional processes, such as PARP and IPAP for NATO, should be abandoned. Nor does it mean, and the RSSC Study Group insists on this, that civil society support should aim at regime change or interference in national affairs.

The EU and NATO are urged to multiply opportunities for regional grass roots and sub-governmental involvement in cultural protection and education. The aim of such initiatives would be to improve the public image of communities in conflict and break the cycle of prejudice. On the other hand, the point of "mutual cultural protection", which could

take the form of exchanges between communities, would be to demonstrate the respective governments' good faith when it comes to minority relations or relaxation of tensions.

2. Strengthen EU and NATO soft-security through awareness-raising of soft-security initiatives

While the case for increasing OSCE/Minsk Group transparency has been made above, the significant successes of the EU and NATO programmes should be publicised more fully in the region.

The RSSC Study Group recommends that NATO increase funding and attention for public diplomacy initiatives in order to increase its already high level of effectiveness, and welcomes the addition of voluntary national contribution (VNC) positions at the NATO Liaison Office in Tbilisi. In particular, opportunities for funding through the NATO Science for Peace programme should be publicised more in the region. An interesting idea to explore could be how to make IPAP reforms consistent with CSTO (not NATO) membership.

The results of such an enquiry could spell the beginning of rapprochement between NATO and the CSTO, as well as NATO and Russia. More importantly, making IPAP reforms consistent with CSTO membership, albeit laborious, could also provide for wider defence transformation in the region and beyond.

From the EU side, one can only applaud the creation of a European Peacebuilding Liaison Office, but its work and impact need to be made manifest in the region. The EU approach should demonstrate greater reliance on empathy.

For example, mediation should take place in acknowledgement of the security concerns of the parties, even if at the same time the EU insists on non-recognition of breakaway entities.

3. Focus on process, not status

NATO and the EU are attractive to the region, but for any integration (however defined) to take place, there needs to be a convergence of values. To realise this aim a number of methods have been put forward by the participants:

- a. The countries in conflict should de-link issues; EU and NATO would be well-advised to provide incentives for this approach. Starting a comprehensive dialogue on post-conflict scenarios involving joint regional energy and infrastructure projects among interested businesses and experts would be a step in the right direction. Economic incentives could better work in case the EU undertook a bolder role in conflict management building upon a new vision for peace in the South Caucasus reinforced by comprehensive, integrated and sustainable cooperation enabling free movement of people, goods, services and capital at the regional level, which would ultimately lead to economic integration and the opening of all closed borders. For example, the EU may bring the powerful message of focusing creative energies on fostering regional economic cooperation, rather than striving to maintain an unacceptable status quo or threatening the use of force.
- b. Commit to conditionality. When engaging with the countries in the region, EU and NATO should make clear that there is something to lose in non-cooperation.
- c. Develop a balanced approach in regard to youth in the entire region. Youth in the South Caucasus are flexible and open to new ideas as are youth all over the world. However, youth in the South Caucasus are still influenced by indirect memories about the conflict and the enemy images existing in each society involved in the conflicts.

It is important to overcome the image of the enemy in regard to the “other” party to the conflict. It is necessary to create frameworks for their involvement, communication, and cooperation in different inter-

and intraregional programs. These programs could provide greater understanding and instil empathy across these groups.

- d. Engage in “cold cooperation”. Opportunities for positive spill-over effects in the security realm can be triggered by each country identifying areas of common interest. EU and NATO involvement could be secured to permit cooperation on those areas, breaking the cycle of mistrust.

List of Authors and Editors

ASATRYAN Diana, De Facto Bi-Weekly, Yerevan/Armenia

FELBERBAUER Ernst M., Research Management and Cooperation,
National Defence Academy, Vienna/Austria

GRIGORYAN, Stepan, Analytical Centre on Globalisation and Regional
Cooperation, Yerevan/Armenia

GÜRER Heidemaria, Austrian Ministry for European and International
Affairs, Vienna/Austria

JOLICOEUR Pierre, Royal Military College of Canada,
Kingston/Canada

KARIMLI, Fidan, De Facto Bi-Weekly, Baku/Azerbaijan

KUZNETSOV Boris, Center for International and Regional Policy, St.
Petersburg/Russia

KVASHILAVA, Bakur, Georgian Institute of Public Administration,
Tbilisi/Georgia

LABARRE Frederic, RSSC Chair, Ottawa/Canada

MANDALENAKIS, Elena, McGill University, Montreal/Canada

NOVIKOVA, Gayane, Spectrum, Yerevan/Armenia

NURIYEV, Elkhan, Caucasus Institute for Democracy Integration,
Tbilisi/Georgia

PANJIKIDZE, Maia, Foreign Minister of Georgia, Tbilisi/Georgia

RAJABOV, Rauf, 3rd View, Baku/Azerbaijan

RUBINSON Karen, American Research Institute on the South Caucasus,
New York/USA

SHIRINOV Rashad, Independent Researcher, Baku/Azerbaijan