

## Why Tensions in the South Caucasus Remain Unresolved

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Although the South Caucasus has been overshadowed by events in the Middle East and Ukraine, the region continues to be strategically important, especially for Russia and the EU. The ethno-political conflicts in Abkhazia, South Ossetia, and Nagorno-Karabagh (NK), as well as the spread of Islamist views, have direct bearing on Russia's internal security.<sup>2</sup> The EU has been seeking to diversify energy supplies by promoting South Caucasian transport routes and it monitors security conditions across the Black Sea region as part of its Eastern Neighborhood program. Armenia, Georgia, and Azerbaijan often benefit from being a perpetual strategic bridge between Europe and Asia but they also face constant external and internal pressures, not least of which is to fully orient toward one political-economic bloc or the other. Decades after the fall of the USSR, a range of territorial conflicts still need resolution and regional cooperation is elusive. The pressures Armenia, Azerbaijan, and Georgia face could be alleviated, security and stability improved, and conflicts in the region pacified (even solved) if Russia and the West had a more cooperative approach toward the region.

### **A Festering Issue: Nagorno-Karabakh**

The outbreak of fighting between Armenians and Azerbaijanis in the NK conflict zone in early April 2016 ushered in a new period of uncertainty and confrontation in the South Caucasus. This challenge to the status quo was not wholly unexpected. There has been an uptick in violent incidents along the line of contact as well as at the internationally recognized Armenia-Azerbaijan border. Ceasefire violations have steadily increased, culminating in the 2016 flare-ups, the worst since the ceasefire era of May 1994. Violence may recur at any time. The conflict zone has no peacekeepers and the ceasefire has so far only held because of a balance of forces, which may change in the future. Both Yerevan and Baku still stick to their maximum demands in order to resolve the conflict, while the

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<sup>2</sup> Russia is partly a "Caucasian" country; the aggregate territory of Russia's North Caucasian republics is larger than the three independent South Caucasian states.

three OSCE Minsk Group co-chairs mediating the conflict—France, Russia, and the United States—lack the unity to coerce the parties into making concessions.

### **A Region in Need of Peacemakers**

The Donbas and Greater Caucasus region is the most dangerous and unpredictable hotbed in the former Soviet Union. The area accounts for six of nine armed conflicts and half of all of the de facto (limited recognition) states of the post-Soviet space.<sup>3</sup> It was in the Caucasus that the precedent of recognizing former autonomies within Soviet republics as independent states began in August 2008 when Abkhazia and Ossetia sought independence. Furthermore, the Caucasus is the only part of the former USSR where neighboring states have no diplomatic relations with each other (Armenia and Azerbaijan, Russia and Georgia, and Armenia and Turkey). Armenia's borders with Turkey and Azerbaijan are closed. The inauguration of the regional Baku-Tbilisi-Kars railway, currently under construction, will only increase Armenia's isolation. Since the dissolution of the USSR, all parties in the region have not demonstrated the willingness to find compromises, enhance regional cooperation, or ensure an effective model of security for their common area. They have preferred to address external partners—to obtain foreign policy and economic resources—rather than each other.

### **Caught Between Europe and Eurasia**

The three South Caucasus states face intense competition between European and Eurasian integration projects.

#### *Georgia*

The Georgian authorities (Georgian Dream party) adhered to the strategic approaches of Mikheil Saakashvili's government, namely the continuation and reinforcement of integrating with the EU and NATO. The Georgian Dream launched in 2013 and signed in 2014 the EU-Georgia Association Agreement. It also obtained a visa-free regime in 2016 for Georgians to travel to the EU Schengen zone. These tasks seemed almost unattainable during Saakashvili's rule. Tbilisi maintained a course that was seemingly ruled out following the Five-Day War with Russia in August 2008. It forged cooperation with NATO (despite the low chance of Georgia joining the Alliance) and developed bilateral military-political ties with the United States (above and beyond NATO projects). The Georgian Dream administration used different tactics than did the Saakashvili administration. Its strategic objective of joining NATO and the EU was perceived through the prism of "normalization" rather than through that of a head-on confrontation with Russia and the "rekindling" of two ethnic political conflicts.

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<sup>3</sup> They are Georgia-Ossetia, Georgia-Abkhazia, Nagorno Karabakh, the Civil War in Georgia in 1991-1993, and two conflicts in Russia's North Caucasus: Ossetia-Ingushetia and Chechnya.

Accordingly, Tbilisi's strategic vector still pertains to a consensus shared by all of Georgia's leading political forces no matter whether they support the ruling party or the opposition. At the same time, in recent years, there has been growing Euroskepticism in the country. There are several reasons for this. First, the fostering of cooperation with NATO and the EU does not assist Georgia in solving its issues of territorial integrity. Despite its confrontation with Moscow, the West is not interested in having another face-off front with Russia (for its part, Russia has reinforced its military-political presence in Abkhazia and South Ossetia). Second, not only does the popularity of Eurasian integration exist in Georgian society, it is burgeoning. For example, Georgia's Alliance of Patriots party, which exploited issues of Islamophobia and reconciliation with Russia, overcame the five-percent entrance barrier during the parliamentary elections of 2016.

### *Armenia*

In comparison with its neighbors, Armenia has the highest degree of integration with Russia. It is Moscow's priority partner in the South Caucasus. Armenia is the sole country in the region to be a member of the Collective Security Treaty Organization (CSTO), which is unofficially called the "Eurasian NATO." In January 2015, Yerevan officially joined the Eurasian Economic Union (EEU). Moscow plays an extremely important role in the NK peace process as a peace broker co-chairing the OSCE Minsk Group and as a regular organizer of bilateral consultations between Yerevan and Baku.

Simultaneously, however, Yerevan strives to keep a high degree of partnership with the West. First, Armenia seeks to prevent Azerbaijan's monopoly on the interpretation of the NK conflict. Second, Armenia has a vested interest in cooperation with Washington and Paris because they serve as co-chairs of the OSCE Minsk Group. Third, Yerevan hopes to use the Armenian diaspora's influential resources for the promotion of its objectives such as recognition of the Armenian Genocide, support for self-determination in NK, and international declarations about Azerbaijan and Turkey. Fourth, Yerevan wants economic rapprochement with the EU; notably, it was ready to sign the economic section of the EU Association Agreement (the political segment would contradict Moscow's interests).

At the same time, neither the United States nor the EU is ready to offer Armenia anything more in the security realm than what Russia provides it. CSTO membership allows Armenia to rely on military help from Russia (for example if there is an incursion into Armenian territory). Armenia has access to Russian weapons at privileged, Russian domestic prices. The United States and the EU do not have alternative initiatives for the settlement of the NK conflict from the jointly formulated approach with Russia. These factors shrink Yerevan's room for maneuver and give it practically no alternatives to Russia as an ally, especially given that Turkey has NATO membership and the second largest armed forces in the Alliance.

## *Azerbaijan*

Multi-vectorism is a distinct feature of Azerbaijan's foreign policy. While Armenia is a member of the CSTO and EEU, and Georgia is a partner of the United States, NATO, and the EU, Azerbaijan has not positioned itself at either "extreme." Azerbaijan's foreign policy multi-vectorism is a clear-cut example of this type of approach among post-Soviet countries.

In September 2014, Baku celebrated the 20th anniversary of the so-called Contract of the Century (an agreement between Azerbaijan and twelve Western petroleum majors). The jumbo deal became one of the largest commercial contracts of the past two decades and, in many regards, remains the foundation of Azerbaijan's external trade and foreign policy. Baku managed to adjust its strategy when Europe (and the United States) felt insecure about Russia's monopoly on energy flows to Europe. For Baku, the advantages of cooperation with the West are evident. First, it minimizes Western criticism of Azerbaijan's domestic politics (human rights violations and authoritarian tendencies). Second, Azerbaijan seeks a counterweight to Moscow and the Armenian lobby in the United States and Europe by securing support from Western politicians. Azerbaijan's contribution to the EU-led Eastern Partnership should also be taken into consideration, even though Baku does not seek EU membership.

Azerbaijan, unlike Georgia, does not aim to join NATO. At present, it is a member of the non-alignment movement and is extremely cautious about Western policies that seek to democratize the Caucasus and the broader Middle East. Democracy does not bode well for the Aliyev political monopoly and Baku is wary about situations such as the U.S. intervention in Iraq (and potential entanglements with neighboring Iran). As a result, Azerbaijan maintains cooperation with Russia. It values trans-border cooperation with Russia on combating terrorism (they share a border at Dagestan). Both have a common approach toward the status of the Caspian Sea. Baku's active purchases of Russian arms are, in essence, solid financial compensation to Moscow for Azerbaijan's pro-Western policy elements. They also indicate that Russia is not Azerbaijan's potential adversary in the NK conflict, despite Russian security guarantees to Armenia (both at the bilateral level and within the CSTO). Unlike the West, Moscow does not criticize Azerbaijan's domestic political standards. Russia's approach is an important factor for the Baku elite's international legitimization.

Azerbaijan is an example of savvy maneuvering between the West and Russia. It did not seek to join either of the rival integration projects—neither an association with the EU nor accession to the EEU. It supports one side or the other when it deems it useful or necessary and its diplomats are well versed in refraining from crossing any "red lines."

## Conclusion

The three South Caucasian states exemplify post-Soviet geopolitical conflicts. Armenia, Azerbaijan, and Georgia have shown no sincere willingness to promote regional common ground or to reconcile and find compromise on security and economic developments. They value external partners more than their own neighbors. But even toward their external partners of choice, they all prefer to hedge their bets and stave off making an eternal choice about an integration union. Pro-Western Georgia is interested in normalization with Russia though it seeks to unify with the West. Pro-Russian Armenia sees the EU as a key vector in its foreign policy diversification but stays close to Russia. Azerbaijan has excelled at being a post-Soviet “swing state.” Certainly one way for each to overcome their orientation challenges would be the commencement of reconciliation between Russia and the West. This would be the most important prerequisite for the South Caucasus to gain regional stability.



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