

# CONNECTIONS

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## **Return to Babel: The Race to Integration in the Southern Caucasus**

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When talking or writing about the (Southern) Caucasus, I usually like to start by illustrating the diversity of its three countries when it comes to their cultural, linguistic, historical, economic and religious composition. This is due to the heavy migration in the region and the century-long influence of surrounding regional powers and to the fact that it is located in a strategic triangle between Iran, Russia and Turkey, with additional geopolitical interest coming from the European Union and the United States. There is a significant background of existing conflicts to take into account. For those who know the region this may seem redundant; however, for “newcomers” it is a good start in describing the (Southern) Caucasian Babel.

I will begin by explaining the most significant features that lead me to believe that the Southern Caucasus is a modern-day Babel. With new developments in the context of the European Union (EU) I will demonstrate that these features are present in and inherent to the region.

### ***Original features of Babel:***

- *Nations:* Three states with different titular nations and minorities
- *Languages:* From Indo-Germanic (e.g. Armenian, Ossetian) to different Caucasian ones (e.g. Georgian, Abkhaz), Turkic (e.g. Azerbaijani) and Russian as a long-time lingua franca
- *Scripts:* From Latin (e.g. Azerbaijani variant) to Armenian, Georgian and Cyrillic (e.g. Ossetian variant)
- *Religions:* Armenian apostolic, Georgian Orthodox, Islam (Shia, Sunni), Russian Orthodox, etc.
- *Boundaries:* After the collapse of the Soviet Union there were three independent states, three autonomous republics and two autonomous regions. Autonomous units were often disconnected from the “motherland” (e.g. Nagorny-Karabakh, Nakhchivan Autonomous Republic) and nationalities were divided along borders (e.g. South and North Ossetia) – which were arbitrary Soviet border drawings.

This “Babylonian spirit” is reflected to an even higher degree in the Northern Caucasus (comprising seven autonomous republics: Dagestan, Chechnya, Ingushetia, North-Ossetia, Kabardino-Balkaria, Karachay-Cherkessia and Adygea). These are populated

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by different ethnicities (approximately 30), which are primarily but not exclusively Muslim and have different points of view concerning their relationship with the central Russian government. This was perhaps also one of the reasons for the demise of the Soviet Union, among others: the conflict of nationality in the Southern Caucasus (Nagorno-Karabakh), followed by others (e.g. Abkhazia, South Ossetia), reinforced the split in the region.

### **Today's Babel:**

Since the aforementioned "original features of Babel" were not confronted and changed, the development of the region continued in dissonance after the collapse of the Soviet Union.

1. *Foreign presence.* Russian troops are still present in Armenia (Gyumri), Abkhazia and South Ossetia.
2. *International peace efforts/presence.* The OSCE, stationed in Armenia and Azerbaijan, had to stop work in South Ossetia (Georgia) after the 2008 Georgian-Russian War. The OSCE Minsk Group was established for the settlement of the Nagorno-Karabakh conflict. The UN peacekeeping presence in Abkhazia (Georgia) had to cease after the 2008 Georgian-Russian War. The European Union Monitoring Mission (EUMM) has been present along the border with Abkhazia and South Ossetia since the Georgian-Russian War in 2008. The Geneva Peace Talks try to solve the Abkhaz and South Ossetian question (Participants are Abkhazia, EU, Georgia, OSCE, Russia, South Ossetia, UN, USA).
3. *Economy.* Azerbaijan is the clear winner here. Due to its substantial gas and oil reserves, Azerbaijan has developed into the richest country in the region, investing in huge infrastructure projects and the military, among other things. However, huge parts of the population in rural areas remain very vulnerable and poor, thus contributing to an ever-growing income gap. Due to its wealth of natural resources, Azerbaijan plays a significant role in energy supply, also for the European Union.

Armenia can be found at the other end of this spectrum, having no natural resources and the border with Turkey still being closed, which has negative effects on the Armenian economy.

Georgia is somewhere in the middle, leaning more towards the Armenian situation – no resources, territorial disputes, but strategically important as a transit corridor for energy and the only coastal country in the region.

4. *Foreign relations.* The three countries of the region are all members of the EU Eastern Partnership program, alongside Belarus, Moldova and Ukraine. Created in 2008, it is the most ambitious cooperation offer the European Union has made to the countries of the region so far, and initially offered equal advantages, rights and opportunities to all participating states. The goal was to sign an EU Association Agreement comprising political and trade components.

From the outset, Azerbaijan was not interested in concluding a simple Association Agreement, but saw itself as becoming increasingly important to the EU, compared to the other five members of the EU Eastern Partnership program. With 42% of its foreign trade going to the EU, Azerbaijan saw its potential for energy trade – for example with TANAP, the Trans-Anatolian Gas Pipeline. The country also hoped for more EU support in the Nagorno-Karabakh conflict and therefore suggested a Strategic EU Partnership like the one the EU had been negotiating with Russia. For the time being, the EU and Azerbaijan are negotiating a Strategic Modernization Partnership, as Azerbaijan is also interested in cooperation to promote education, culture, arts and science, as well as energy. A Visa Liberalization and Readmission Agreement with the EU have already been signed.

Russian advances towards Azerbaijan to convince it to join the Customs Union/Eurasian Union have failed so far. Russia's offer to liberate some occupied Azerbaijani territories adjacent to Nagorno-Karabakh apparently did not satisfy Azerbaijan's stance in the Nagorno-Karabakh conflict. So it seems that Azerbaijan oscillates between the EU and the Customs Union/Eurasian Union primarily because of the unresolved Nagorno-Karabakh conflict. While Russia is needed to resolve the conflict, the EU is the most important trade partner. However, of all the countries in the region, Azerbaijan seems furthest away from European standards of human rights and democracy.

Analyzing the integration efforts in the region, Georgia seems to follow an opposite path to that of Azerbaijan. Georgia is the only country in the Southern Caucasus that already ratified the EU Association Agreement on July 18, 2014, making it not only the EU frontrunner in the region, but also, together with Moldova and Ukraine, among the six EU Eastern Partners, and an EU Visa Liberalization Action Plan is in the course of being implemented. Georgia is perhaps the country that has been hit hardest by territorial and ethnic conflicts in the region. After the 2008 Georgian-Russian War, Russia recognized both Abkhazia and South Ossetia as independent countries, whereby recent Russian suggestions for deeper cooperation with both entities could be interpreted as Russian moves towards annexation. However all recent Georgian governments unanimously gave clear preference to an EU orientation and not Customs Union/Eurasian Economic Union. Also, the only country of the region to do so, Georgia ceased its CIS membership and broke diplomatic relations with Russia. The outspoken policies of the present government that show greater interest in pragmatic (economic) collaboration with Russia do not break with Georgia's stance, but are rather a pure expression of neighborly necessity. Though the Georgian-Russian economic ties show trends of growing importance, the Georgian-Russian War of 2008 also brought about a rather successful reorientation of the Georgian economy towards other (European) markets (trade with Russia at ca. 4% compared with ca. 22% with the EU; only ca. 10% of Georgia's energy originates in Russia; remittances of Georgian workers in Russia constitute only approx. 4% of its GDP).

Georgia is not only the frontrunner when it comes to EU relations or democratic development, but also in terms of its NATO aspirations. Georgia is the most outspoken of all the three countries in the region and clearly aspires towards NATO membership as

soon as possible, although neither NATO nor EU membership are options at the time being.

On both fronts, Armenia can be found on the other end of the spectrum. Armenia had been engaged in preparations of its EU Association Agreement by the middle of 2013, scheduled to be signed on the occasion of the EU Eastern Partnership Summit in Vilnius on November 28, 2013. However, Armenia was to become the first country of the EU Eastern Partnership members that was obliged to abstain from signing the EU Association Agreement. Russian pressure linked to the economic and security situation in Nagorno-Karabakh made the signing impossible. These first EU Eastern Partnership shock waves were to be followed by the Ukrainian crisis, which is still felt today. According to Armenia, it would have been impossible to sign the Deep and Comprehensive Free Trade Agreement (DCFTA), part of the EU Association Agreement, though the EU is Armenia's first trading partner with a 27% trade volume. Remittances from Armenian workers in Russia contribute substantially to the Armenian budget, namely 16% of GDP, while 80% of the Armenian pipeline system and national gas company are owned by Russia's Gazprom. Armenia, nevertheless, showed interest in signing the political component of the EU Association Agreement, stressing democratic development and human rights. In the summer and fall of 2013 this was not seen as appropriate and feasible by EU institutions and EU Member States. As Armenia opted out of the EU Association Agreement, it opted to become the first South Caucasian member of the Russia-led Customs Union/Eurasian Economic Union, joining it after Belarus and Kazakhstan (Nagorno-Karabakh was not officially a member of this integration format). Today, Armenia and the EU are seeking ways to cooperate more closely in specific areas, with Armenia stressing its primary interests to strengthen its democratic development, human rights standards and the rule of law. A Visa Liberalization and Readmission Agreement entered into force on January 1, 2014.

Armenia can therefore be considered Russia's closest ally in the region, with Russian troops (ca. 5,000) stationed in Gyumri. There is no Russian army in Azerbaijan and Georgia proper, though there are troops in Abkhazia and South Ossetia (ca. 5,000), making Armenia Russia's top security partner in the Southern Caucasus – this is of course linked to the Nagorno-Karabakh conflict. Whereas Armenia's economic and security interests are closely linked to Russia, Armenia underlines that it strives for closer links with the European Union when it comes to democracy standards, thus setting it apart from Azerbaijan, which lags behind in this specific field.

## **Conclusion**

In analyzing this final feature of different approaches, preconditions, relations and integration options of the three South Caucasian countries, one can easily say that the positions differ significantly when it comes to relations with the EU, NATO and Russia (though the EU remains the most important trading and investment partner for all three countries) – so Babel continues: Armenia is tied to Russia as the only South Caucasian country with Customs Union membership and a Russian army presence, but is interested in developing stronger political ties with the EU.

Azerbaijan oscillates between the two integration formats for security reasons (Nagorno-Karabakh), stressing its economic and energy importance for the EU, but lagging behind in democratic reforms.

Georgia is the frontrunner having signed the EU Association Agreement, achieving significant democratic performance and coming closer to NATO. Georgia does not have diplomatic relations with Russia and no membership in the CIS.

This also testifies to the necessity for a further tailor-made approach for the EU Eastern Partnership program, taking into account the different interests and needs of the partner countries as well as the opportunities for the EU.

As complicated and “Babylonian” the Southern Caucasus might seem, and perhaps really is, it nevertheless continues to be of geostrategic importance for the interests of other regional players and even those further afield. Besides energy, Europe’s primary interest has to be based on the presumption that only peaceful countries that are developing well, socially and economically as well as politically, can be regarded as nonviolent and prosperous neighbors – a more advantageous scenario than turmoil. Therefore the necessity for support and engagement from the EU seems indisputable. Otherwise, we may be confronted with more severe challenges that could negatively influence the wellbeing and significance of the EU.