



Towards a New Role for the European Union in the South Caucasus?

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Abstract: It has often been argued that the European Union lacks a common long-term strategy for the South Caucasus and instead follows an ad-hoc, reactive approach to regional developments. While other geopolitical players such as Türkiye, Russia, and Iran remain dominant in the region, the European Union has limited options for engagement that align with its interests. Much will depend on how, when, and if the war against Ukraine ends, yet the European Union should already pursue a credible, realistic, and honest approach toward the three South Caucasus states. Avoiding black-and-white thinking about these countries—viewing them as either pro- or anti-Russian—is essential for the European Union, as is a clear understanding of what the European Union can realistically deliver. By applying a “do no harm” approach and focusing on mutually beneficial opportunities, such as supporting the diversification of foreign and economic policies, investing in regional infrastructure and trade projects, or aiding conflict resolution, the European Union can make a meaningful contribution to the region that also aligns with its own interests.

Keywords: South Caucasus, Armenia, Azerbaijan, Georgia, peace, EU enlargement for Georgia, geopolitics, values, do no harm.

Introduction ¹

Since Russia’s illegal and unprovoked invasion of Ukraine on February 24, 2022, the South Caucasus has received increased attention from the European Union

¹ This is an updated version of an article on “The European Union and the South Caucasus: A Force for Peace?” originally published in Christoph Bilban, Frederic Labarre, and George Niculescu, eds., *Does the EU Need a Strategy for the South Caucasus?: 27th Workshop of the PfP Consortium Regional Stability in the South Caucasus Study Group*,

(EU).² Although the three countries—Armenia, Azerbaijan, and Georgia—have already been part of the Eastern Partnership since 2009, the ongoing war has created some room for manoeuvre for the EU engagement with the region. Compared to other neighboring regions, such as the Western Balkans or North Africa, the South Caucasus has been relatively sidelined by EU Neighborhood policies until the war against Ukraine. However, the EU’s interests in the region can now be identified along five key objectives:

- 1) Containing and pushing back Russia’s influence
- 2) Securing energy and trade interests
- 3) Promoting stability and security
- 4) Exporting European values, including the rule of law, democracy, and human rights,³ and
- 5) Enlarging the European Union.

Notably, the enlargement objective has primarily applied to Georgia, but since June 2024, accession talks have been suspended due to concerns over Tbilisi’s shifting policies.⁴

However, the region is still dominated by other major geopolitical competitors—namely Russia, Türkiye, and Iran—along with rivalries and alignments that, in turn, limit the EU’s ability to decisively influence political, socio-economic, and

Study Group Information no. 14 (Vienna: Federal Ministry of Defence, September 2024), www.bmlv.gv.at/pdf_pool/publikationen/rssc_sgi_24_14_webversion.pdf. It examines the EU’s opportunities and challenges in pursuing its interests in the South Caucasus, and views EU enlargement as a geopolitical tool to promote regional stability, peace, and European values. It also considers how the lack of a comprehensive strategy impacts the prospects for peace in the South Caucasus. Some editing and substantial amendments were made by George Vlad Niculescu, co-chair of the Regional Stability in the South Caucasus Study Group (RSSC SG), and Frederic Labarre, Senior Advisor to the RSSC SG.

² In the wake of the November 2020 ceasefire in the Second Karabakh war, a new balance of power emerged, as conflict management risks became entangled with the Russia-West geopolitical confrontation. Unfortunately, this is where we find ourselves today: consider the geopolitical dispute over the outcomes of the October 2024 elections in Georgia and the lack of progress in the Armenia-Azerbaijan peace negotiations. The latest shift in regional dynamics is exemplified by Azerbaijan’s newfound self-assurance in demanding accountability from Russia after it mistook an Azerbaijan Airlines aircraft for a Ukrainian drone and shot it down on December 25, 2024.

³ The first four objectives have been identified in Bob Deen, Wouter Zweers, and Camille Linder, *The EU in the South Caucasus: Navigating a Geopolitical Labyrinth in Turmoil* (The Hague, The Netherlands: Netherlands Institute of International Relations ‘Clingendael,’ March 2023), 2, <https://www.clingendael.org/sites/default/files/2023-03/the-eu-in-the-south-caucasus.pdf>.

⁴ Recent discussions about a possible European path for Armenia have gained momentum. However, there has been no official communication from the Armenian side regarding the pursuit of EU accession, while Azerbaijan’s President, Ilham Aliyev, has clearly rejected a future EU path for Azerbaijan.

geopolitical developments in the South Caucasus. It has often been argued that the EU lacks a comprehensive long-term strategy for the region and instead applies a rather short-term, reactive approach.⁵ While the President of the Commission, Ursula von der Leyen, envisioned a “Geopolitical Commission” in her speech to the EU Parliament in December 2019, the European Union has struggled to keep pace with the rapidly changing geopolitical realities.

The second Nagorno-Karabakh war in 2020 lasted for 44 days and ended with a decisive victory for Azerbaijan, which regained the seven Azerbaijani districts that Armenia had controlled since the first war in the 1990s. Three years later, in September 2023, Azerbaijan launched the so-called anti-terror operation, establishing control over the entire territory of Nagorno Karabakh. After the defeat of the Armenian armed forces, an estimated 100,000 Armenians fled Nagorno Karabakh. Many international lawyers have described this mass exodus as an act of forced displacement or ethnic cleansing.⁶ However, in a press release on October 2, 2023, the UN mission, after completing a visit to Karabakh, stated that:

The mission was struck by the sudden manner in which the local population left their homes and the suffering the experience must have caused. The mission did not come across any reports—neither from the local population interviewed nor from the interlocutors—of incidences of violence against civilians following the latest ceasefire.⁷

Although Azerbaijan claims that the mass exodus was not forced and that Armenians will be allowed to return with their rights and security guaranteed, it can clearly be characterized as a human tragedy, given that less than 1,000 Armenians remained in their ancient homeland due to overwhelming fears of retaliation and potential future oppression.

This most recent military operation clearly demonstrated what many in the European Union are reluctant to acknowledge: In an increasingly multipolar world, with rising regional powers, geopolitical competition, and shifting alliances, the use of force is increasingly replacing diplomacy and the pursuit of political solutions.

While the second Nagorno-Karabakh war received some attention in European newspapers and was discussed in several high-level meetings of the OSCE Minsk Group and other international actors, two main factors were not sufficiently considered:

⁵ See Deen, Zweers, and Linder, *The EU in the South Caucasus*, 2.

⁶ Agnieszka Klonowiecka-Milart and Sheila Paylan, “Forced Displacement of Armenians from Nagorno-Karabakh: A Response,” *OpinioJuris*, November 6, 2023, accessed May 31, 2024, <http://opiniojuris.org/2023/11/06/forced-displacement-of-armenians-from-nagorno-karabakh-a-response/>.

⁷ “UN Team Completes Mission to Karabakh,” *Press Release*, United Nations Azerbaijan, October 2, 2023, accessed May 31, 2024, <https://azerbaijan.un.org/en/248051-un-team-completes-mission-karabakh>.

1. The understanding that frozen conflicts will not remain frozen forever, particularly if there are no credible security guarantees from a more powerful ally or shifts in power dynamics create an asymmetry. This was the case for Azerbaijan, which, as an energy-exporting state, managed to build up modern armed forces and benefited from Türkiye's support, drone deliveries, and Israeli arms purchases. On the other hand, Russia, Armenia's official protecting power, was—and still is—caught in its destructive war against Ukraine while also becoming increasingly dissatisfied with Armenia's pro-democratic government shift following the 2018 Velvet Revolution.
2. The neglect of historical trauma and the perception that mediators were biased. While both Armenians and Azerbaijanis suffered immensely during the Nagorno-Karabakh wars, Azerbaijanis argued that the "West" turned a blind eye to the violent expulsion of 680,000 Azerbaijanis from Nagorno-Karabakh in the '90s, despite the region being internationally recognized as part of Azerbaijan.⁸ Taking into account the genocide of Armenians by the Ottoman Empire in the early 20th century, which led to the death of 1 to 1.5 million Armenians, as well as the recent mass exodus of Armenians from Nagorno-Karabakh, it is clear that both societies are still immensely traumatized and harbor deep hostility toward each other.

This article focuses on the interests the European Union must pursue in the South Caucasus region.⁹ It does not delve into the complex history between neighboring countries and their enduring rivalries, although understanding the past is considered crucial for achieving a positive impact. Since Georgia was granted candidate status in December 2023, the first part of the article explores EU enlargement as a geopolitical tool for fostering stability and peace while also exporting European values and human rights. The second part addresses the EU's lack of a comprehensive strategy for the region, and the third part considers the EU potential to promote peace in the South Caucasus.

⁸ See "UNHCR publication for CIS Conference (Displacement in the CIS) – Conflicts in the Caucasus," May 1, 1996, <https://www.unhcr.org/publications/unhcr-publication-cis-conference-displacement-cis-conflicts-caucasus>.

⁹ The European Union has never developed an explicit strategy for the South Caucasus. Proponents of such a policy argue for better prioritization and more consistent action in the region. A South Caucasus strategy should clearly outline the EU's objectives, as well as the means and methods to achieve them. It should focus not only on security, but also on the (geo)political, economic, and normative dimensions. Critics of the EU's regional strategies often point to internal difficulties in building consensus and to past failures, with the "Black Sea Synergy" initiative being the most conspicuous example.

The European Union: A Geopolitical Actor?

Russia's war against Ukraine shook Europe to its core and shattered the key assumptions it had held since the end of World War Two. First, the era of conventional wars between sovereign states on European territory was thought to be over. Second, economic cooperation and trade were believed to automatically lead to stability and peace. While many now blame Germany and Willy Brandt's Eastern policy as a precondition for Russia's war on Ukraine, the successes of this "Ostpolitik" have been increasingly overlooked.

It is undeniable that the era of fruitful cooperation with Russia in the short and medium term has ended, but it is important not to forget that other Eastern countries—such as Poland, Slovakia, the Czech Republic, Romania, and the Baltic states—benefited greatly from these policies and are now stable, democratic members of the European Union and NATO. With the so-called European Security Architecture now shattered, or perhaps even no longer existing, the European Union and its member states have realized the urgent need to strengthen their defense capabilities and invest in armaments to deter a hostile Russia.

With Sweden and Finland joining NATO—an alliance described as "brain-dead" by Macron and "obsolete" by Trump just a few years ago—NATO has become the central institution for European security. While investments in security and defense are essential for the safety of the European Union and its member states, we must not lose sight of the fact that the EU is still not a military power. Ten European countries seek EU membership primarily due to its soft power: economic opportunities, rule of law, freedom of movement, access to goods and services, and the prospect of a better and safer life for their citizens and future generations. Although the EU candidate countries face significant security challenges, they are, except for Serbia and Moldova, also seeking NATO membership.

As von der Leyen has stated since 2019, the European Union aims to position itself as a geopolitical actor in a world where the so-called international liberal order is in decline. In this context, it must focus its strength on what it can deliver. Therefore, the EU needs to address a key question: *How* can it become a proactive force for stability and peace in Europe and its neighborhoods? One way to do this is through a credible enlargement process. If the European Union is to pursue its interests, enlargement must become a reality, not merely lip service. Upholding its promises is what makes the European Union credible and provides the leverage needed to stimulate necessary reforms in Georgia – an essential step for the enlargement process to move forward and a responsibility to the pro-European citizens of Georgia.

Adapting a Credible and Realistic Approach

As already mentioned, the EU's role in the South Caucasus remains limited due to the variety of traditional and emerging actors in the region, along with their competing interests, alignments, and rivalries. However, this does not preclude the European Union from having a positive impact, provided the involved parties perceive it as a successful and honest actor. Granting candidate status to Georgia

in December 2023 was generally welcomed, but the process remains lengthy and exhausting, with chapters being opened and closed by unanimity and often hindered by member states' domestic interests.¹⁰ Reflecting on the failures of the ongoing enlargement process in the Western Balkans, it may be prudent to adapt the EU's enlargement strategy. This could involve countering disappointment and political backsliding by emphasizing the promotion of reforms, which would become increasingly challenging if politicians concluded that enlargement was no longer a realistic prospect.

With more than 80% of the Georgian population in favor of EU accession, it is crucial to manage the expectations raised by granting an EU path and adhere to promises in order to maintain political credibility in the enlargement process. Georgia is the only South Caucasian country holding candidate status for EU membership, although this status is currently frozen due to perceived democratic backsliding. Until Russia attacked Ukraine in February 2022, EU enlargement was not seriously envisaged beyond the six Western Balkan countries – Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia, and Kosovo (which does not yet have candidate status, although it formally applied for it in December 2022). The 2023 European Security Strategy stated:

It is not in our interest that enlargement should create new dividing lines in Europe. We need to extend the benefits of economic and political cooperation to our neighbours in the East while tackling political problems there. We should now take a stronger and more active interest in the problems of the Southern Caucasus, which will in due course also be a neighbouring region.¹¹

In 2003, the European Union did not consider the South Caucasus a neighboring region. However, only one year later, the European Union adopted its Eastern Neighbourhood Policy, marking a shift in its strategic approach towards the South Caucasus by declaring it a “neighboring region.” With the establishment of the Eastern Partnership in 2009 and the granting of candidate status to Georgia in December 2023, the European Union has demonstrated its geopolitical ambitions, aligning with the aspirations of the Georgian population. This alignment is reflected in a poll released on December 11, 2023 by the National Democratic Institute (NDI) and the Caucasus Research Resource Centre (CRRC) Georgia, showing strong public support for EU membership:

The new survey, which was conducted before the European Commission's November 8th decision, reaffirms the unwavering dedication of the Georgian

¹⁰ In December 2023, Georgia was granted EU candidate status, although it must continue to implement the Commission's recommendations. While Georgia's progress on reforms is crucial, there is also a geopolitical element to the EU's decision. Russia's invasion of Ukraine highlighted what many experts had been saying for years: the European Union cannot simply sit by and watch major security developments in its neighborhood; it must act in a geopolitically consistent manner.

¹¹ *European Security Strategy: A Secure Europe in a Better World* (Brussels: General Secretariat of the Council Publications Office, 2003), <https://doi.org/10.2860/1402>.

people to European integration, with an impressive 79 percent expressing support for EU membership. Over the last year, public opinion trends show a significant increase in favour of political and economic cooperation with the EU.¹²

The European Union seems to have recognized the need to intensify its enlargement and foreign policies in order to establish itself as a global actor in an increasingly polarized world – at least in theory. After more than a decade of *enlargement fatigue*, the war against Ukraine has brought enlargement back into focus, transforming it primarily into a geopolitical tool. However, the European Union must avoid the trap of viewing enlargement solely through a geopolitical lens at the expense of its values. Acknowledging the transformational power of the enlargement process is essential if the European Union aims to promote stability and security while exporting European values, rule of law, democracy, and human rights. These values are not based solely on moral legitimacy; rather, they form the foundational principles of the European Union, as stated in Article II of the Treaty on the European Union:

The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.¹³

Failing to link the normative transformational power of enlargement with geopolitical ambitions could lead to the stabilization of authoritarian tendencies, as is currently evident in Georgia.

Enlargement Matters: Learning from Past Mistakes

If the European Union wants to effectively leverage the enlargement tool to its benefit, it needs to adopt a credible, merit-based approach. To make enlargement more than a mere promise, it must begin *envisioning* an expanded European Union – a step it has so far failed to take. Achieving this vision requires addressing necessary institutional reforms, particularly eliminating unanimity in decision-making related to the Common Foreign and Security Policy and enlargement.¹⁴ Without these changes, the European Union risks failing to deliver on its

¹² “NDI POLL: Georgian Citizens Remain Committed to EU Membership; Nation United in Its Dreams and Shared Challenges,” Georgian National Democratic Institute (NDI), December 11, 2023, accessed May 31, 2024, <https://www.ndi.org/publications/ndi-poll-georgian-citizens-remain-committed-eu-membership-nation-united-its-dreams-and>.

¹³ “Consolidated version of the Treaty on European Union,” *EUR-Lex*, October 26, 2012, https://eur-lex.europa.eu/eli/treaty/teu_2012/art_2/oj.

¹⁴ According to Shalva Dzebisashvili, a contributor to the RSSC WG, the EU’s “loss” of the South Caucasus is attributed to its inability to make firm commitments and effectively reward transitional progress. This has been perceived as bad faith by various lawmakers in Georgia, leading to a shift toward a seemingly more “trustworthy” Russia. Had

promises, leading to distrust and dissatisfaction among the pro-European population. At the same time, each candidate country must fulfill its commitments if they wish to remain on the European path. The ball is now in the hands of Georgia's government. The EU Council meeting on December 14-15, 2023 included the following statement in its conclusions: "The European Council also decides to grant the status of candidate country to Georgia, on the understanding that the relevant steps set out in the Commission recommendation of 8 November 2023 are taken."¹⁵

Given the polarized political climate in Georgia, the adoption of the "foreign agents law" and increasing signs of state capture have highlighted the limits of the EU's ability to influence and motivate further reforms.¹⁶ Continued support for a government that is not only reluctant to undertake necessary reforms but is also moving in the opposite direction could lead to what has been called "stabilocracy"¹⁷ in the context of the Western Balkans. Thus, creating incentives for reforms can only be effective when a reform-minded government is already in place – a condition that does not appear to apply to Georgia at current.

On the other hand, offering empty promises of an EU enlargement process that is neither merit-based nor transparent would diminish the EU's ability to impact democracy and the rule of law in Georgia positively. Without sustained political and economic support from the West, Georgia may not be able to resist the malign influence of other actors, particularly Russia.

The results of the October 26, 2024 parliamentary elections, despite many irregularities witnessed by international observers,¹⁸ led to the victory

the European Union honored its promise of enlargement in a timely manner—meaning, had it not been hindered by the consensus rule in its decision-making procedures, which is now clearly affected by Russia's influence within EU affairs—its credibility would not be in jeopardy today.

¹⁵ "European Council meeting (14 and 15 December 2023) – Conclusions," European Council, December 15, 2023, EUCO 20/23, CO EUR 16, CONCL 6, <https://www.consilium.europa.eu/media/68967/europeanconclusionconclusions-14-15-12-2023-en.pdf>.

¹⁶ Although vetoed by the president of Georgia, the parliament has voted to overturn the presidential veto on the contentious "transparency on foreign influence" bill.

¹⁷ A Canadian academic, Srđa Pavlović, first used the term in a London School of Economics' Blog on Montenegro in late 2016 to describe a regime in which undemocratic practices persist and "the West has [...] turned a blind eye to this, while simultaneously preaching the virtues of democracy and the rule of law." See "Montenegro's 'Stabilocracy': The West's Support of Đukanović Is Damaging the Prospects of Democratic Change," LSE Blog, December 23, 2016, <https://blogs.lse.ac.uk/europpblog/2016/12/23/montenegros-stabilocracy-how-the-wests-support-of-jukanovic-is-damaging-the-prospects-of-democratic-change/>.

¹⁸ "International Election Observation Mission, Georgia – Parliamentary Elections, 26 October 2024, Statement of Preliminary Findings and Conclusions, Preliminary Conclusions," OSCE, accessed October 28, 2024, <https://www.osce.org/files/f/documents/3/0/579346.pdf>. Ever since the Georgian lawmakers announced that they would pause accession talks with the European Union until at least 2028, crowds have taken to the streets in Tbilisi and other major cities, sparking unrest not seen since the days of the

of the ruling party, Georgian Dream, which secured 54% of the vote. Although the elections were conducted on an uneven playing field dominated by political polarization, media fragmentation, and irregularly distributed financial resources, the outcome also indicates, as Bryan Gigantino puts it, that “the broader population are more moderate and balanced when it comes to foreign policy than categorical talking points suggest, wanting peace with Russia and good ties with the West.”¹⁹ Both the ruling party and the opposition capitalized during the campaign on the fear of a potential war with Russia. However, while the opposition insists that Georgia’s future lies with the European Union, the ruling party has pursued a policy of “functional neutrality.”²⁰

In the context of the ongoing geopolitical confrontations between the West and Russia and the West and China, many countries—primarily from the so-called “Global South”—are attempting to balance their foreign and economic policies between these rivals. This emerging reality of multipolarity restricts the EU’s geopolitical room for maneuver. The appeasement policies of the ruling Georgian Dream party towards Russia, while publicly advocating for EU integration, seem to be a case in point.

Before the election, Amanda Paul and Iana Maisuradze, in a European Policy Centre commentary, argued that it was “time for the EU to show some tough love” toward Georgia.²¹ Yet, the recent election results will complicate the EU’s

Rose Revolution two decades earlier. At the time of writing, several dozen demonstrators had been arrested. The crowds remain undeterred, particularly following the nomination and election of Mikheil Kavelashvili, a former football player for Russia, as president of Georgia, replacing Salomé Zourabichvili. The election of the Georgian Dream, coupled with the boycott of Parliament by the four largest opposition parties, has led to a political rift between those elected and those who denounce the parliamentary elections as rigged. At the time of writing, Parliament in Tbilisi is effectively stalemated.

¹⁹ Bryan Gigantino, “In Georgia, a National Election Is a Geopolitical Struggle,” *Jacobin*, October 25, 2024, accessed October 27, 2024, <https://jacobin.com/2024/10/georgia-elections-geopolitics-gd-eu>.

²⁰ Gigantino, “In Georgia, a National Election Is a Geopolitical Struggle.”

²¹ Amanda Paul and Iana Maisuradze, “Georgia’s Road Ahead: Time for the EU to Show Some Tough Love,” *Commentary*, European Policy Centre, April 31, 2021, accessed May 31, 2024, <https://www.epc.eu/en/Publications/Georgias-road-ahead-Time-for-the-EU-to-show-some-tough-love~3e7c18>. Tough love was indeed shown, not only by the European Union but also by the United States and NATO. Georgia’s direction became clearer in late April 2024, when Bidzina Ivanishvili, backer of the allegedly pro-Russian party Georgian Dream, delivered a speech charting a course away from EU and NATO integration. On July 31, 2024, the U.S. State Department announced the withholding of \$95 million in assistance to the Georgian government. This followed the EU’s decision to withhold € 121 million in assistance and freeze EU accession talks in response to anti-democratic statements made by Georgian lawmakers. At the time of writing, diplomatic sanctions had been imposed on certain Georgian lawmakers, and the European Union was considering reinstating visa requirements for Georgian visitors to Europe. In a 12 July 2023 interview with Deutsche Welle, Kornely Kakachia, director of the Georgian Institute for Politics, remarked that NATO was demonstrating

task of bringing Georgia closer to potential EU membership. If the European Union wants to demonstrate “tough love,” its demands need to be clear while remaining realistic. The rule of law and democratic values must not be sacrificed for geopolitical ambitions. Most importantly, any meaningful reforms will ultimately depend on the willingness of the government in power.

The European Union: A Strategy for the South Caucasus?

It has been argued that the European Union does not have a tailor-made strategy for the South Caucasus. While Georgia is—at least officially—an EU candidate country, Armenia is a member of the Eurasian Economic Union and, despite freezing its membership in the Collective Security Treaty Organization, still depends on Russia for its security, energy, infrastructure, and trade. Azerbaijan has recently adopted a more skeptical stance toward the European Union, which it perceives as biased regarding the decades-old rivalry between Armenia and Azerbaijan. At an international conference on December 6, 2023, in Baku, titled “Karabakh: Back Home After 30 Years. Accomplishments and Challenges,” Azerbaijani President Ilham Aliyev said:

I think that though Azerbaijan does not have the target to become EU member in its foreign policy concept for very pragmatic reasons because we will never be allowed in. And the reason is also very clear, and we understand it. [He then added:] We live in real world, not in virtual. So, if you are not allowed in, why should you knock on the door? You will only irritate the homeowner, and only humiliate yourself, if they don't want you.²²

Since 2020, Baku has pursued a “3D policy” towards Nagorno-Karabakh, characterized by de-internationalization (achieved in practical terms by establishing a checkpoint in the Lachin corridor), de-institutionalization (achieved through dismantling of the unrecognized Nagorno-Karabakh Republic), and de-territorialization (reintegrating the entire territory of Nagorno-Karabakh into Azerbaijan).²³ Armenia, by contrast, has shifted its foreign policy towards a more pro-Western and pro-EU stance, especially after its expectation that Russian troops would prevent the takeover of Nagorno-Karabakh proved incorrect. “There are significant fears that Azerbaijan could escalate again,” said Benyamin Poghosyan, a researcher at the Applied Policy Research Institute of Armenia, noting that the move is driven as much by security concerns as by ideology. “The

“fatigue” in relation to Georgia, as the country seemed ambivalent about its Euro-Atlantic ambitions.

²² International Forum “Karabakh: Back Home after 30 Years. Accomplishments and Challenges,” December 6, 2023, <https://www.youtube.com/watch?v=XxVb83OySrM>.

²³ Marylia Hushcha, “The EU’s Role in the South Caucasus: A Force for Peace?” International Institute for Peace, December 15, 2023, https://static1.squarespace.com/static/58a2c691b3db2b3c6990193a/t/6585865551ba4d2dfa2ebb5e/1703249493742/South+Caucasus+conference+paper_FINAL.pdf.

government is looking to India, to France, and is now thinking maybe the final salvation of Armenia is the EU perspective.”²⁴

A decade after the previous Armenian government concluded talks on the EU’s Deep and Comprehensive Free Trade Agreement but then chose to strengthen its ties with Russia by joining the Eurasian Economic Union, Armenia is now reconsidering its foreign policy choices. “Armenia is considering applying for European Union membership,” Foreign Minister Ararat Mirzoyan said in an interview with Türkiye’s TRT channel: “Many new opportunities are largely being discussed in Armenia nowadays and it will not be a secret if I say that includes membership in the European Union.”²⁵

Therefore, the three South Caucasus countries have different relationships with the European Union. Georgia, as an official candidate, Armenia, which is at least considering future possibilities of EU membership and is trying to strengthen its ties with the Union amid frustration with its traditional ally, Russia, and Azerbaijan, which seeks to balance its foreign policy with all relevant actors but has no ambition to join the European Union. Additionally, there is still no peace treaty signed between Armenia and Azerbaijan. The power asymmetry between Armenia and Azerbaijan poses further obstacles to negotiating a peace treaty and its future implementation. Armenia (and Georgia) lack security guarantees they can rely on, whereas Azerbaijan has security cooperation with Türkiye, and its military strength far surpasses Armenia’s capabilities. While both countries have an interest in a peace deal, there is no clarity on several crucial issues, including demarcation and delimitation, questions around enclaves/ ex-claves (although there has been some progress recently), humanitarian issues such as the exchange of detainees and prisoners of war, investigations into missing persons from the First and Second Karabakh Wars, the issue of landmines, and, ultimately, how to deal with the trauma of the past.²⁶

All these circumstances limit the room for maneuver of the European Union and complicate its ambitions to develop a comprehensive and coordinated strategy for the South Caucasus. The specific interests of individual member states and their bilateral relations further complicate an already complex environment and, at times, even fuel mistrust.

The European Union: A Force for Peace?

We must acknowledge several fundamental unknowns regarding the EU’s position in the world and how its future foreign policy will unfold. Although the

²⁴ Gabriel Gavin, “Armenia’s EU Dream Faces a Big Obstacle: The Russian Army,” *Politico*, March 14, 2024, accessed June 1, 2024, <https://www.politico.eu/article/armenia-eu-dream-membership-russia-army-obstacle/>.

²⁵ “The One on One Interview of Minister of Foreign Affairs of Armenia Ararat Mirzoyan to TRT World,” Ministry of Foreign Affairs of the Republic of Armenia, March 9, 2024, accessed October 28, 2024, https://www.mfa.am/en/interviews-articles-and-comments/2024/03/09/Mirzoyan_interview/12542.

²⁶ Hushcha, “The EU’s Role in the South Caucasus: A Force for Peace?”

presentation of the new Commission on September 17, 2024—especially the nomination of Kaja Kallas as the new High Representative of the European Union for Foreign Affairs and Security Policy, along with the introduction of a new commissioner for defense and space—symbolizes a continuation of the EU’s geopolitical ambitions, the interests of member states are increasingly diverging. This is primarily due to domestic factors and partly because of differing foreign policy attitudes. With the election of Donald Trump as president of the United States, the European Union will have to reassess its foreign and security policy fundamentally. The European Union has invested significant political capital in supporting Ukraine, so any perceived defeat of Ukraine—whatever that ultimately means in terms of territory and sovereignty, not to mention the humanitarian cost and trauma already inflicted on millions of Ukrainians—would seriously damage the EU’s political credibility in its Eastern neighborhood. It would also undermine efforts to contain and push back against Russia in the South Caucasus region.²⁷

While acknowledging its limited ability to influence political, socio-economic, and geopolitical developments in the South Caucasus, the European Union should focus on what it can effectively deliver. To that end, it would be helpful to reconcile the EU’s sometimes diverging interests by prioritizing them cautiously, in line with the leverage it holds over the three regional countries. Transparency and credibility are crucial if the European Union aims to become a meaningful global actor on the increasingly fragmented global stage.

Policy Recommendations

The main interests the European Union has in the region have already been defined as: 1) containing and countering Russia’s influence, 2) securing energy and trade interests, 3) promoting stability and security, 4) exporting European values, rule of law, democracy, and human rights, and 5) enlarging the European Union. Pursuing these interests simultaneously will prove difficult. If peace is understood as a process of increasing justice by reducing violence and respecting basic human rights, the European Union does have tools to offer. However, it is unlikely to be the decisive game-changer in the South Caucasus.²⁸ Considering

²⁷ This shift will also depend on the political fortunes of Europe’s main actors, France and Germany. At the time of writing, both Mr. Macron and Mr. Scholz had lost confidence votes in their respective legislatures, resulting in the appointment of a new Prime Minister in France and triggering a general election in Germany. In both cases, the general trend seems to be paving the way for right-leaning governance, which could spell disaster for the enlargement agenda. However, the emergence of right-leaning governments among EU countries is not a harbinger of policy unity, as developments between the United States and Canada suggest. In that context, Canada is facing aggressive trade policies from the Trump administration. This threat is not ideological, as even Canada’s Progressive Conservative Party would have to contend with the risk of tariffs following the Liberal rout.

²⁸ Regional integration in the South Caucasus could be a game changer and is possible. Each country has different political and economic interests, strategies, and policies, so

the different regional actors and their interests, the European Union should apply a flexible approach based on a clear understanding of each country's distinct challenges and prospects. The guiding principle must be to "do no harm," which includes abandoning wishful thinking and assessing the regional challenges and opportunities of each country individually and realistically.

Ultimately, a well-balanced understanding of the historical, economic, socio-economic, cultural, and political backgrounds of all three countries, combined with honest, realistic, and credible strategies, would best support regional stability and peace. It goes without saying that the more stable and peaceful the region is, the easier it becomes for the European Union to pursue a common long-term strategy rather than relying on reactive, *ad hoc* individual approaches.

To pursue the EU's main interests in the South Caucasus, the following recommendations might be suitable (though this list is not exclusive):

On Georgia

- Georgia—the only country in the region with (frozen) EU candidate status—is where the Union has the most political leverage, although challenges are expected due to the recent election results. The European Union needs to monitor and clearly communicate progress on the nine steps outlined by the Commission for the Georgian government to fulfill in order to advance the enlargement process.²⁹
- The EU must recognize that enlargement needs to become a reality if it intends to use it as a geopolitical and value-based tool to strengthen its global position and promote peace and stability in its neighborhood.
- The European Union should position itself as a mediator and/or facilitator in addressing issues related to the breakaway regions of Abkhazia and South Ossetia. This could include providing support for travel to both the European Union and Georgia, including for educational or personal purposes. The EU Special Representative to the South Caucasus, together with the High Representative, could assist in developing short-, medium-, and long-term visions for the future relationship of these territories with Georgia.

harmonizing the region's varying models of economic integration is paramount. There should not necessarily be a choice for the regional countries between European and Eurasian integration. Instead, they should aim to build their own regional integration in ways that are compatible with both, allowing each country to freely determine its levels of engagement and priorities regarding European cooperation or integration. Currently, however, it seems that Russia's influence is looming large. This may be due—as some have argued in our workshops—to the failure to deliver on reforms and integration.

²⁹ See "2023 Communication on EU Enlargement Policy (extract about Georgia)," Delegation of the European Union to Georgia, November 8, 2023, www.eeas.europa.eu/delegations/georgia/2023-communication-eu-enlargement-policy-extract-about-georgia_en.

- On the economic side, the European Union should continue investing in transport and energy connections within the framework of discussions on the Middle Corridor – a trade route planned to run from China through Central Asia, the South Caucasus, Türkiye, and Europe, bypassing Russia. However, it should be cautious not to overlook Armenia in this economic endeavor, as Armenia remains excluded due to its uncertain relationship with Azerbaijan.

On Armenia and Azerbaijan

- The European Union should invest in and position itself as an unbiased facilitator in negotiations over a peace treaty between Armenia and Azerbaijan should a window of opportunity open. In order to provide effective support, it must acknowledge the trauma experienced by both Armenians and Azerbaijanis as a result of their enduring rivalry and wars. This includes gaining a deeper understanding of the long-term conflict, its origins, and its consequences. No victim is superior to the other.³⁰
- The European Union needs to have a coordinated strategy if it wants to ensure a peace treaty that is perceived as just by both sides. This includes not accepting a “winner’s peace” while also avoiding the prioritization of individual member states’ domestic interests over the EU’s common interests. Ultimately, it should adopt a “do no harm” approach.
- The European Union could propose pushing for something similar to the South African Truth and Reconciliation Commission to support steps toward necessary reconciliation. It is imperative to understand that reconciliation is a long process without a clear beginning or ultimate end. The French and German reconciliation efforts could also provide valuable perspectives on how to address the past.
- The European Union should continue to support programs that bring Armenians and Azerbaijanis together in various formats, especially at the community level.
- While the European Union has very limited leverage regarding values and human rights within Azerbaijan, it should not refrain from calling out human rights abuses. Although cooperation in the energy and trade sectors is important for the European Union, especially in light of its decoupling from Russia, it should also be used to secure concessions on respect for basic human rights, to which the EU has committed itself.

³⁰ To protect themselves from the potential geopolitical fallout of Russia’s behavior, Armenia and Azerbaijan must address the challenge posed by the normalization of their bilateral relations (i.e., signing a peace agreement and restoring good neighborly relations). To that end, they must effectively navigate the inherent political, socio-economic, administrative, security, and other obstacles ahead, while striving to maintain a prudent geopolitical balance in their dealings with all interested external actors.

- The European Union needs to invest in and clearly communicate, especially to Azerbaijan, the objectives and mandate of the EU Monitoring Mission on the Armenian side of the border with Azerbaijan.³¹
- The European Union should deliver humanitarian aid to the Karabakh Armenians while simultaneously supporting Azerbaijan in its demining efforts.
- The European Union should continue supporting the reform-oriented government in Armenia in its efforts to strengthen the rule of law, democracy, and the fight against corruption.

Disclaimer

The views expressed in this article are those of the author and do not necessarily reflect the official policies of the Partnership for Peace Consortium or its governance stakeholders.

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³¹ For a better understanding of the European Union Mission in Armenia (EUMA), it is recommended to listen to the podcast with the Head of Mission, Mr. Markus Ritter, recorded on March 26, 2024: <https://podcasts.groong.org/322-markus-ritter-eu-observer-mission-in-armenia-euma/>.

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