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## European Partnership and the South Caucasus: Framework Condition for a Grand Bargain in 2025?

By Martin Kremer, Berlin

### **Abstract**

The future of the South Caucasus will depend to a large extent on overcoming geopolitical rivalry in the region and establishing working relations among the key external actors with influence in the region. A peaceful transformation of the region requires the successful management of the common neighborhoods between Russia and the EU. In fact, in the future, the EU, much more than the US, will emerge as the main player in region, as its interests are driven not only by immediate strategic, but also by far sighted economic and social considerations. In order to create the conditions which facilitate first and foremost the stability of this troubled region, the EU will need to work towards drawing Russia and the US into a larger European security framework which will necessitate close cooperation with other external players and international organizations.

### **Main Players in the Region**

Good framework conditions between Russia and the West remain essential to addressing many of the more difficult challenges to regional and international peace and security. The tentative debate on a new security order for a wider Europe, which began in the wake of Russian President Dmitry Medvedev's reaffirmed policy of modernization and the "resetting" of US–Russia relations, highlights the value of a comprehensive partnership between the West and Russia. Both sides share far more than just common history and geography. At the same time since the beginning of the 21st century, mutual estrangement, misunderstandings, and divergent perceptions and narratives have created a framework within which crises have divided Russia from the West and have divided the West over the question of how to deal with Russia.

The South Caucasus remains a focal point in that respect as the region is situated at the interface of the EU's Eastern Partnership and Black Sea Synergy Initiative, and is in the remit of the greater Middle East and new energy supply projects from Central Eurasia to Europe. The Georgia crisis—as well as the unresolved conflict in Nagorno Karabakh and the explosive situation in the Northern Caucasus—have demonstrated amply the large potential for conflict in the South Cau-

casus region. The fundamental question to both Russia and the West is whether the two sides will find ways to create conditions which are conducive to successfully manage conflict. In the years to come, the bulk of responsibility for managing substantive relations with Russia as well as the neighboring countries of the post-Soviet space, will clearly lie with the European Union and its member states, as their interests in this region are driven not only by strategic consideration (as is the case with the US), but also by cooperative economic ones.

The EU and its member states, but also Turkey as an emerging regional power, will need to find a re-politicized strategic approach to developments in the European neighborhood—not only by supporting bilaterally a challenging political, social and economic reform process within the South Caucasus countries, but also by engaging with new economic and mobility incentives with the region and regional powers as a whole. The big test for the EU's Eastern Partnership and strategic relations will be to unlock the region's potential for intra-regional cooperation by a comprehensive and transformative Eastern Policy which uses a sectorial approach to bring Russia closer to the EU.

The challenge will, however, by far exceed the necessity of cooperation in economics, societal transformation,

trade and energy. The EU's Common Foreign and Security Policy (CFSP), the Organization for Security and Cooperation in Europe (OSCE) and the North Atlantic Treaty Organization (NATO) will have to contribute decisively in the near term, drawing on the already existing EU Monitoring Mission in Georgia. To put it in different terms: soft security cannot replace hard security; this is all the more true in the face of the looming ethno-territorial conflicts which feature so prominently in the South Caucasus.

### Three Scenarios

In an *optimistic—ideal world—scenario* (which could be dubbed “shared responsibilities”) the EU, Russia, NATO and OSCE all live up to their high potential. The EU is making best use of its new external action opportunities under the Lisbon Treaty. Under this win-win scenario, sectoral cooperation will deliver the greatest impact of European Eastern policy, with neighboring states step-by-step becoming elements of European integration. According to the well proven formula that security in wider Europe is not possible against but only with Russia, NATO and OSCE rise to their challenges and put into place the European security architecture which was envisaged in the Charter of Paris in 1990.

In a *pragmatic—probably more realistic—scenario* (which could be called “enhanced mosaic cooperation”) concrete projects replace suspicion with an atmosphere of cooperation—having also an immediate positive impact on the South Caucasus region. Short of providing revolutionary change, the EU, Russia and the participants in the Eastern Partnership (including the three South Caucasus countries) make the best use of their partnership for modernization. NATO and OSCE manage “to get Russia right” and to negotiate a reinvigorated European security order—altogether resulting in the respect of existing geopolitical constraints but also allowing for as much Europeanization as possible.

In a *negative—unfortunately not entirely to be excluded—scenario* (tantamount to “turbulent or even imploding neighborhoods”) tensions in the shared neighborhood rise, with a “geopolitical race to the bottom” looming. Likewise a scenario of “negative neglect” for the region could even materialize. The EU's relations with Russia neither pass a test of cooperation on global issues nor on neighborhood, energy, rule of law and democracy concerns. In spite of all efforts, the Eastern Partnership does not develop any transformative power or any lasting avenues for interregional cooperation. The window of opportunity for achieving a sustainable European security architecture is irrevocably closing.

### Toward a New Security Framework

The likelihood of achieving favorable framework conditions, reinforcing the EU's numerous post-conflict activities in the South Caucasus region, will decisively depend on how the issue of a genuine European security order will be addressed. Only if the EU and the West manage to get Russia right will a sustainable European security architecture emerge. Dangers posed by an “expanded West” and a “shrunk East” in which each side too often continues to view the other as a rival have been exposed starkly by the August 2008 conflict in Georgia. Nor is Georgia the only flashpoint along the unstable frontier between Russia and Europe. Frozen conflicts similar to the ones in Georgia exist in a number of other European states including Armenia, Azerbaijan, Cyprus, Moldova, and potentially in Bosnia-Herzegovina and Ukraine. The possibility of escalation, along with the absence of a mechanism for regulating these conflicts, raises the specter of further instability in the future, a prospect all the more perilous should external powers compete for influence.

No satisfactory institutional mechanism currently exists which would allow aligning Russian and Western interests in case the two sides disagree. A reinvigorated security framework dedicated to achieving practical solutions to major problems in relations between Russia and the West could help both sides to overcome a resurgent East–West polarization. In the long run, it could also help reaffirm Russia's European orientation and potentially lay the foundation for deeper integration if Russia's politics and civil society begin evolving with the arrival in power of a younger generation. Likewise it could help to manage Russia's dwindling economic and political influence in the post-Soviet space.

The problem remains to find a mechanism that allows Russia to play a constructive role; that reinforces the security of vulnerable states along Europe's periphery, which continue to view Moscow as their greatest threat; and that allows Europe, Russia, and the United States to work jointly against common threats, all without paralyzing existing institutions. Instead of focusing on Russia's assimilation into Western dominated institutions, Europe and the United States should be pursuing a more restricted kind of security engagement with Russia, based on a set of shared interests. The basic logic underlying the Russian proposal for a new security structure is therefore sound, even if specific suggestions put forward by Medvedev have been disappointing.

A new security framework that takes the principles of nonintervention and sovereign equality seriously while focusing on common threats like interstate conflict, ter-

rorism, and drug trafficking would give Russia an incentive to contribute positively to Europe's security while separating these issues from more contentious questions related to Russia's domestic governance. By building institutional linkages, it would promote mutual trust, build the habit of cooperation among skeptical bureaucracies and security services, and at least keep the door open to more substantive security integration in the future. There are promising opportunities where a more collaborative approach would be in the interest of both Russia and the Europeans. Next to military security/arms control issues, the two sides share a common interest in the stability of the post-Soviet states not formally aligned to either Russia or the EU and NATO.

### Avenues to Reduce Geopolitics in the Region

On the issue of military balance it will be critical to prevent any further erosion in the system of agreements that has already worked towards establishing a predictable and stable relationship between Russia and Western powers. That means moving quickly to shore up the existing arms control regime, including obtaining ratification of the successor agreement to the Strategic Arms Reduction Treaty and reviving the process of applying the adapted Conventional Forces in Europe (CFE) Treaty.

The continued impasse over the adapted CFE agreement in particular is a major obstacle. In essence, the West will not ratify the adapted agreement, which Russia badly wants (because it would relax limitations on the deployment of Russian forces inside Russian territory and would ensure that ceilings on NATO deployments cover new members of the alliances) until Russia follows through on the "Istanbul commitments," under which Russia is supposed to withdraw all forces from Georgian and Moldovan territory—including the disputed region of Abkhazia. Despite the intractability of this issue, Moscow and Washington have been exploring ways of bringing the treaty into force, and the prospect of a broader discussion of European security can serve as an inducement for making progress.

The most prominent reason for Western skepticism of the proposal for a new Euro-Atlantic security treaty is fear that any new agreement will be used to hamstring NATO's ability to carry out its collective security responsibilities, or to admit new members. Indeed, the very act of negotiating is possibly highlighting differ-

ences among Europeans—unless the US and its European allies are providing sufficient leadership to make it impossible for Russia to apply a "divide and rule" policy. Using the OSCE as a cornerstone for a new security architecture, as currently in the so-called "Corfu process", is certainly challenging, in large part because of the dispute over the organization's human dimension. Strengthening the OSCE's security role (the "political-military dimension") in parallel with its commitment to the human dimension, however, could address this concern. Why not for example re-animate the classic contact group format—the foreign ministers of the US, Russia, UK, France, Germany, Italy, and Poland, plus the EU and NATO (as recently floated by the chairman of the Munich Security Conference Ischinger)? If the shortcomings of the peripheral North Atlantic Council are addressed, NATO could also be used as one of the building blocks for a new security arrangement. Why not also consider the proposal of a joint development of a missile defense system (as proposed by NATO Secretary Rasmussen) and organize in addition a more effective security dialogue between Russia and the EU (as suggested by German Chancellor Merkel and Russian President Medvedev)?

Any agreement to give Russia a larger role in European security arrangements will of course be politically challenging, given the background of the Georgian-Russian war, the repeated quarrels over energy between Russia and its neighbors, and the continued presence of Russian troops in both Georgia and Moldova's breakaway Transnistria region. Russia will have to give the European and Americans further evidence of good will on some of these issues before any concrete progress can be made on a new security framework. Recent Russian foreign policy achievements with regard to Ukraine, Norway and Poland may finally allow President Medvedev to come forward with such evidence.

Having said that, both sides have much to gain from possible arrangements, all the more so if progress would occur against the backdrop of an intensifying EU Eastern policy—thus helping to make an optimistic or at least pragmatic framework scenario gradually become reality. The result could then very well be a process—even in the challenging conditions of the South Caucasus region—that by itself already creates an incentive for some alleviation and—lastly—step-by-step resolution of conflicts in the South Caucasus.

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