# POLICY RECOMMENDATIONS
## Study Group Regional Stability in the South Caucasus (RSSC SG)

# "Geopolitical Challenges of European Security in the South Caucasus and Ukraine"

**19th RSSC SG Workshop**
**11-14 April 2019**
**Berlin, Germany**

**DOC** RESEARCH INSTITUTE

PfP Consortium of Defense Academies and Security Studies Institutes

## Executive Summary[1]:

The PfP Consortium Study Group 'Regional Stability in the South Caucasus' held its 19th workshop in Berlin, 11-14 April 2019. It reunited academic representatives of Armenia, Azerbaijan, Georgia, Russia, Ukraine, and people from the territories of Abkhazia and South Ossetia. The aim of the workshop was to discover synergies between conflict resolution processes in the South Caucasus and in Ukraine. The Study Group concluded that European security structures and rules needed renewal, called for greater economic cooperation, urged a common interpretation to local history, and recommended the comprehensive participation of all actors in stabilization talks. The RSSC SG came up with pragmatic solutions to status, borders, refugees/IDPs and compensation and restitution issues. to provide an opportunity to 'stock-take' recent political upheavals in the South Caucasus, and to determine possible connections between events;

## Targeted recommendations:

1) Establish a dedicated (preferably OSCE-based) platform where regional experts operating in a track-2 capacity can discuss the more difficult features of the conflict, examine scenarios for resolution and stabilization, and propose options to official circles.
2) Pay closer attention to the humanitarian situation in conflict zones.
3) Stimulate foreign direct investment across dividing lines, especially concerning infrastructure and energy projects.
4) De-ethnicize the conflict, de-escalate hatred by countering aggressive language and hate speech in the media.
5) Accentuate step-by-step demilitarization processes and other confidence-building measures.
6) Have the 20th RSSC SG examine alternative methods of co-existence between central and local authorities.

## Introduction

The 19th Workshop of the Regional Stability in the South Caucasus Study Group met in Berlin to discuss the challenges created by external actors, and the conflicts in the South Caucasus and in Ukraine. The approach aimed at discovering common trends and patterns and at proposing policy recommendations, which can be realized. The opening address given by Peter Schulze of the Dialogue of Civilization's Research Institute (DOC/RI), showed that the European Union was an actor desirous of a greater role in global and regional affairs. However, its capabilities remain hampered by the rise of nationalism across Europe, resulting in an absence of strategic purpose. To make matters worse, statistics show that 39% of Europeans no longer view the US as a force for good. From the EU to Russia, there is an increased fear of war, yet no consensus on rebuilding the pan-European security system is emerging. Amid this somewhat somber outlook, the workshop proceeded to consider the impact of outside powers on the South Caucasus and on Ukraine, complementing previous RSSC SG workshops.

## External Actors in Perspective

The first panel considered the role and impact of countries that have an alleged interest in the South Caucasus (SC) and in Ukraine; these included Iran, China, Israel, the Persian Gulf monarchies, as well as Belarus and Kazakhstan. Of course, Russia, EU, Turkey, and the United States were deemed especially interested, but for different purposes. Some panelists argued that all the countries named above play specific roles in the SC region and/or in Ukraine, but considering the presentations made, this does not necessarily suggest that external actors straightforwardly entered the competition with regional powers, but rather that they are at crossroads.

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There is evidence that the Uyghur factor drives Chinese relations with Turkey and Azerbaijan, and that there remain doubts whether China is powerful enough to impose its writ. So far, the region has educational, research and academic appeal for China, but with regard to natural resources, it is 'late'; all contracts have been signed and all concessions have been awarded, and there is little doubt that Russia will jealously guard access to the Caspian oil and gas fields.

It was argued that the direction of Chinese interest westward was greatly influenced by the presence of conflict. This expresses a form of 'neutrality' for China. Its Belt and Road Initiative meanders around contested regions protecting investment while steering clear of confrontation with Russia. Thus a 'division of labor' is emerging wherein China's role would be economic, and Russia's would focus on security. Hence, China could be turned into a 'targeted economic stabilizer' of post-Soviet conflicts, making Beijing more involved in supporting reconstruction, while leaving diplomatic mediation to Russia and regional powers.

Iran's position relative to the South Caucasus is particular, and it is perhaps the greatest source of controversies. Whereas some saw Iran as trying to build relations simultaneously with everyone in the region with a view to pushing larger powers out, as if trying to develop regional hegemony, some thought that Tehran was operating in the South Caucasus mostly in cooperation with Russia. The ensuing risks cannot be overstated given the continuing Shia-Sunni confrontation, which seeps into the South Caucasus from the North[2].

The danger is compounded by the amount of Israeli and American attention it attracts; as a result, the visit of John Bolton to the region in 2018 suggests that the US wants the South Caucasus to be a potential platform from which to contain Iran. At the same time, this means that further sanctions will by necessity affect the Armenian, Georgian and also Azerbaijani economies relative to Iran.

Participants stressed that the lack of resources in Ukraine aggravates the democratic deficit. The new context that emerges actually reflects old conflicts, which are reinterpreted as ethnonationalist. Internal conflicts are made to look like international conflicts because of a lack of strong central government and institutions. In this sense, it is pertinent to put both the South Caucasus and Ukraine conflicts under the same umbrella, because it encourages the perception that the underlying causes of conflict are universal. Some of these causes can be traced to the legacy of Russian internal security dilemmas, and the fact that Russia is considered not as an external actor, but a Eurasian power. All conflicts, however, including those in the South Caucasus, should be understood as part of adversarial relations at higher levels. In this respect, it should be clear to everyone that NATO's enlargement will drive Russia's reaction. Moscow's position on the Ukraine problem is nuanced; on Crimea, no discussion is possible. On the Donbas, however, Russia is ready to engage.

Russia seeks recognition, but does not want to absorb new territories (even resisting local calls for reunification). As for Nagorno-Karabakh, it has no influence on Russian security and foreign policy. Rather, it is perceived as an Armenian-Azerbaijani dispute, concerning which Russia's preference is to avoid large-scale conflict and to maintain a balanced approach vis-à-vis local actors. In this last respect, it was said that Russia wanted to steer clear of making strategic choices because it involved painful conceptual dilemmas for the Kremlin. The bottom line is that all conflicts should currently be assessed within the wider context of contested European security.



### Adapting to Outside Pressure

This panel looked at the means internal actors have to navigate the landscape created by external actors. Pressure not always comes from external geography, but it is sometimes internal. In certain cases, there is a powerful diaspora. This is particularly the case with the Abkhaz diaspora in Turkey, which is vibrant and active. The civil society of the Abkhazian region is less interested in what happens in the rest of Georgia. It is not necessarily external actors who create pressure, but rather the contingencies created by competing policies. In this sense, the EU policy of engagement without recognition is hijacked by central powers' policies of 'no contact'.

Likewise, Iran's ambitions in the region can create pressures because of great powers' policies; this explains why Arme-nia does not always follow Russia – it successfully resisted appeals to recognize Abkhazia and South Ossetia after the 2008 Russia-Georgia war. It further resisted internally dur-ing last year's Velvet Revolution. It can be said that Russia's power over Armenia (and Azerbaijan) has been significantly reduced since 2013, allowing actors in the South Caucasus to develop multi-vector policies, sometimes aimed at alliances, other times finding a balance against regional and external powers. Hence, their vulnerability against the changing meteorology of the relationships between the regional powers has also increased.

In the case of Armenia, it is thought that outside pressure against the post-Velvet Revolution government, which enjoys higher legitimacy and public support, may backlash in the future into broader public support for this government's policies on Karabakh. By pursuing widely popular policies, Armenia may therefore immunize itself against possible internal dissent on maintaining the status quo in Karabakh.

In the case of Ukraine, outside pressure, it was explained, is more self-inflicted, or rather structurally inflicted. This is especially true of how the European Union deals with the Ukrainian conflict; refusing to yield on Crimea induces its own pressure and reduces the room for maneuver. However, recognition

of Israeli sovereignty over the Golan Heights may have set a precedent for a recognition of the Russian annexation of Crimea within the broader context of future negotiations over a new European security system. The problem is, on the one hand, that Russia refuses to recognize Ukrainian statehood, and, on the other hand, that Western policies of NATO enlargement and the ambiguity of EU's strategy against Ukraine are deemed in Moscow as provocative and anti-Russian.

The 'in between' states (Ukraine, Georgia, Armenia, and Azerbaijan) seek security guarantees that require a new regional order. They are keen to diversify trade, foreign investment, and other economic opportunities through the involvement of external powers. Although the challenges posed by external powers are different for Russia and the West, they affect the economic and security interests in the common neighborhood of both. That is why the West and Russia need to keep their stand-off over the common neighborhood under control.

### The Way Ahead for Geopolitical Competition over the South Caucasus and Ukraine

The Iranian factor will continue to loom large; Armenia would like to develop energy projects with Iran, but may be prevented from doing so by American sanctions. Energy exchanges with Iran could free up Russian gas, which could be used in other markets. This could also make Armenia, in particular, a more autonomous actor in the region. Other participants argued that we would continue to hear narratives focusing on mutual exclusion. In view of deepening deadlocks, greater expectations would be put on the European Union in the absence of other reliable great power centers. One way out of this dilemma would be to alter the post-Cold War security architecture; with political and military neutrality compensated by economic integration.

It is clear that the region cannot be stabilized through further institutional enlargements; the NATO option is dead-locked and the European Union is currently otherwise occupied with redesigning its future shape and role in the world. Against this background the almost forgotten concept of permanent neutrality based on international law (reinterpreted as 'committed' or 'functional neutrality') may play an important role. The Austrian concept of neutrality could serve as a role model and help to stay out of the spheres of influence created by regional powers. While Azerbaijan declares itself non-aligned, other actors in the region are skeptical of the security benefits of neutrality.

Some participants adopted a macro-societal outlook for eventual stabilization. In particular, it was thought that – contrary to some other participants' views – conflicts should be differentiated. The Donbas is a different conflict than Crimea, and stems from societal fragmentation. Such fragmentation attracts marginal individuals; they try to find their place by creating new structures in vulnerable areas. Without an all encompassing identity, the Donbas will be-come a society without a state; without hierarchy, culturally flexible, but with Soviet values.

Other participants reiterated the need for structured discussions, and perhaps revising existing international organizations. The case of an 'OSCE 2.0' was made, as was the idea of a model of interaction free from foreign pressure, and where views are inclusively shared. The aim of this new interaction should be to set long-term goals, open dialogue on controversial issues, mediated by impartial observers, and open zones of cooperation on specific areas (to be discussed). The overall objectives should be to reduce pres-sure to join regional organizations; focus on arms control and demilitarization; strengthen the principle of non-intervention in internal affairs; make the Deep and Comprehensive Free Trade Areas (DCFTA) compatible with the Eurasian integration to create structures and opportunities for bi-organizational projects; enhance cooperation between Research & Development institutes; and maintain openness to all actors and issues to build mutual confidence.

### Interactive discussions and breakout groups

The RSSC SG resumed with its successful method of differentiating issues through breakout group discussions for this workshop. It also engaged in meaningful interactive discussions, which enabled the Study Group to come up with umbrella recommendations and actionable items.

The first interactive discussion stressed that Islamic radicalization was a factor of concern for all states in the South Caucasus region. It further reiterated that the 'other territories' of the South Caucasus should be engaged in security discussions. One would assume that the same would be true of the conflict affecting Ukraine. Civil society and fledgling organizations in the two conflict areas should be provided with greater capabilities, especially with regard to training and education, skills building, etc. The issue of political neutrality was also discussed, but, absent trust, there can be no political neutrality. Still, there is a desire to evade outside pressure; someone even suggested treating the United States the same way that the United States treats Russia — by ignoring it. However, others suggested that incentives for Russia and the United States to find mutually acceptable geopolitical arrangements in the South Caucasus and in Ukraine may be indispensable to regional stability.

***Booth breakout group:*** The Booth breakout group dis-cussed a variety of topics of interest within the Western South Caucasus (Abkhazia-Georgia-South Ossetia, and Russia). There should be no reliance on history, as it tends to stimulate demagoguery. Issues of status and borders should be put in brackets while peace proposals should be made more practical and less declaratory.

***Ford breakout group:*** This breakout group explored the conflict in Ukraine in greater detail. It concluded that the situation was deadlocked, and anticipated that the status quo would remain, but with low levels of fighting.

***Lincoln breakout group:*** Discussions highlighted that, despite post-Velvet Revolution hopes for a potential rap-prochement between Armenia and Azerbaijan, progress in Nagorno-Karabakh conflict resolution was scarce. Participants favoured multi-track diplomacy; fastening on the Madrid principles

to feed track 1 diplomacy, as well as on strengthening ties between track 1 and track 2 through in-creased transparency and thematic platforms for discussion similar to those in the Eastern Partnership.

## Policy Recommendations

The final interactive discussion yielded 'umbrella' recommendations that are more general in nature. The policy recommendations themselves speak to precise requirements emanating from the participants in the panel and interactive discussions.

### Umbrella recommendations/Common points:

1. Overcoming the current deadlocks in negotiations require not only new (or renewed) formats at Track 1 and Track 2 levels, but also renewed European security structures and rules. The latter should include unani-mous acceptance of the new realities.

2. Greater economic cooperation is required, possibly with the establishment of infrastructure and energy projects.

3. Interpretations of history are conflict stimulants. There is a need for common history projects to build identity and defuse demagoguery.

4. Issues of status, borders, refugees/IDP's, and compensations need to be addressed pragmatically, if not administratively.

5. Russian Federation participation, and inclusiveness vis-à-vis local and external stakeholders is a sine qua non of effective regional stabilization.

### Actionable Recommendations:

1. It was generally recognized that a policy recommendation made several times during RSSC SG workshops be re-iterated here, namely that a special platform be created to bridge track 1 and track 2 diplomacy for the South Caucasus (this can be applied to the Ukraine conflict as well). The 19th RSSC SG focused more on the potential of the OSCE than that of the EU in establishing this platform. We present this recommenda-tion as it appeared in the last RSSC SG workshop: convene a Strategic Peacebuilding group under the Eastern Partnership (EU) where regional experts (peace scholars) and EU-based conflict resolution professionals can exchange views, share innovative ideas, scenarios, political advice, and corresponding proposals[3].

2. Parties to the conflict as well as external actors (as defined in this RSSC SG workshop) should pay greater attention to the well-being of populations caught behind (or within) conflict lines and enclaves. Supporting the work of humanitarian organizations and enabling their freer access to vulnerable populations should be the first priority.

3. In connection with point 2, above, international financial institutions, donor organizations and other such actors should stimulate FDI, economic exchanges and commerce across conflict lines. This includes greater attention to in-frastructure and energy projects susceptible of bringing regions together.

4. De-ethnicize the conflict, deescalate hatred by coun-tering aggressive language and hate speech (through new legis-lation, as well as ethical, and social media norms). Media reporting and people-to-people exchange mechanisms should be less emotional. It was recommended that text-books and education manuals should be produced outlin-ing the various sides of the conflicts. This applies to the South Caucasus as well as to Ukraine, and, one may add, also to the great powers.

5. Accentuate step-by-step demilitarization processes and other confidence-building processes (this was made in connection with Georgia, but obviously applies to all regional conflicts).

6. It was recommended that the 20th RSSC SG workshop would explore the topics of 'guided' or 'trial separation' from, vs. 'autonomy within the territorial integrity' of, South Caucasus states as possible ways to consider intractable status and border definitions, move the regional development agenda forward, and ensure local ownership.

[2] Anton Chablin, 'Radicalism Seeps through the Border', in, Labarre F. and Niculescu, G., eds., South Caucasus: Leveraging Political Change in a Context of Strategic Volatility. Study Group Information of the RSSC SG, vol 5/2019, Vienna, Austrian National Defence Academy, 2019, pp. 157-162. Avaiable at www.bundesheer.at/publikation-946.

[3] See RSSC SG. Policy Recommendations 18th RSSC SG workshop. Vienna, Austrian National Defence Academy, 2018.