



# **EU'S GRIT WITH REGIONALIZATION**

An antidote for the South  
Caucasus and the Black Sea

SYUZANNA VASILYAN

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**STRATPOL Policy Paper**

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## Executive Summary

The plentiful endeavours by the EU agents to facilitate regional cooperation in/around the South Caucasus have been a failure. This policy paper with the brief adopts two tactics to explicate the puzzle, identify the policy problems/gaps and offer advice. Explicitly it demarcates EU's vast policy of regionalization into concentric nano, micro, meso and macro circles comprising various interlocking geographic terrains. Implicitly it lays out a custom-made *SPEST* (Security, Political, Economic, Social and Technical) analysis deemed appropriate for the present case-study.

The conflicts over Abkhazia, South Ossetia and Nagorno-Karabakh have been hurdles obstructing cooperation among Georgia and Russia, and Armenia and Azerbaijan. The EU could make use of the Aviation Agreements to build up air transportation links and tourism among the South Caucasian countries trilaterally and among the Black sea countries multilaterally. Even as a *technical* matter, this could have a transformational *political* impact. Regional tourism packages could be put forth by the European travel agencies to foster initially trans-regional. Moreover, the EU could fund regional green tourism focused projects, which, among others, target *environmental* protection.

Presidents Aliyev and Lukashenko have not been hitherto willing to *politically* commit to the EaP – an EU venture – by refusing to attend the EaP refusal to sign the Riga summit in 2015 and the Brussels summit in 2017, respectively. Irrespective of the ‘multi-speed’ essence of the EaP, the EU should preserve its policy of regional cooperation through the usage of more persuasive diplomatic means and establishment of forceful political dialogue especially with the authoritarian EaP partners not to lose its ‘normative’ influence over them.

While the Union has been viewed as using double standards through hammering *democracy* and yet, continuing cooperation with authoritarian countries, like Azerbaijan, due to its material and power-related interests, the Azeri parliament terminated its membership in the EURONEST because of EU's criticism with the country's human rights record. The EU should not fall prey to such manipulations. Instead, the role of the EURONEST could be bolstered. It should make use of ‘naming and shaming’ for the sake of mainstreaming substantive and procedural democracy in the area. Regional indicators (the EaP Index or the scores of the Freedom House, Bertelsmann Stiftung, Transparency International, etc.) should be put forth to compare the EaP countries and instil a stamina for democratic transformation / consolidation.

The EaP Civil Society Forum and its National Platforms have thus far represented the voice of a handful of Europhile NGOs. Instead, they should involve the broad spectrum of civil society, such as trade unions, religious authorities, etc. In this manner, leaning on the triad of *democracy*, the Forum could become more representative, accountable and legitimate. Further, given the dependence of the Civil Society Forum on the EU's funding, there is a danger that it may be viewed as another ‘grant-fed’ subservient foreign entity with no connection to public demands. Against the backdrop of the boom of civic activism in Ukraine, Georgia and Armenia, which is predominantly youth-led, against socio-economic mismanagement, corruption, nepotism etc. Working in concert with wider regional public demand might yield more legitimacy to the National Platforms. Most importantly, the CSF annual assembly should be infused with a regional spirit rather than be a meeting for country-based developments.

Despite the presence and experience of the Committee of Regions in the EU's institutional 'edifice' it has been marginalized in external/foreign policy of promoting regional cooperation. The EU could encourage and fund projects among the villages/towns/provinces in the region through EaP Conference of Local and Regional Authorities for the Eastern Partnership. This could be done, firstly, by transmitting the European lessons of 'twin towns' to cross-border towns/villages. Even if initially *technical*, this might have *political* ramifications not only on provincial levels but also at the state one. Secondly, it could be accompanied by funding schemes at the nano local/regional level instead of being channelled through the state.

The EaP partners have been home to monopolies owned by the entwined politico-economic clique. EU's DCFTAs do not help to 'shake' this pattern, but, ironically, solidify it. To generate welfare and prosperity, through the EaP Business Forum. The EU could facilitate market competition, while also protecting social rights, and stimulating the growth of SMEs. Facilitation of intra-EaP trade and joint ventures would serve as an *economic* building-block, which might spill over to *political* and *security* spheres.

Fundamental freedoms leave much to be desired in the EaP countries, thus, hampering people to people contacts. The EaP Youth Forum and the EaP Mass Media Forum could become the new vibrant guiding forces for *political* transformation. Most importantly, they could act as an engine defusing cooperation for the sake of regional peace alias 'positive' *security*.

The EU has withdrawn its support from the Countries for Democratic Choice, which is currently defunct. Yet, some of its member states have backed GUAM Organization for Democracy and Economic Development both bilaterally and as members of the OSCE and BSEC. This has stained EU's 'coherence'. Moreover, the selective essence of GUAM both in terms of its membership and political agenda also EU's 'inclusiveness', and thus, 'moral power' as a promoter of regional cooperation in the wider Black Sea area.

Disciplining' its own member states and holding them to account would help to avoid a clash of regionalization attempts between/among member states and institutions. Advocating regionalism attuned to inclusiveness would help the EU to solidify its image as a regional *political* bloc worthy of emulation.

After the ENP review, 'differentiation' has been declared to be a distinctive feature to heed in future. However, this should not entail fortification of bilateralism and should not aggravate the rift among the countries in the EaP and the Union for the Mediterranean. A shift of emphasis from trilateral projects and redirection of activities to multilateral circles could be a 'therapy' for revitalizing regional cooperation in the Black Sea area. 'Facilitating region-making as an overarching ENP priority cutting across all the spheres of public life' with the use of *political* conditionality can help the EU prove its non-conventional actorness.

A Turkish initiative, the BSEC cherishes 'stability, prosperity and peace' in the face of *political*, *economic* and *security* needs; yet, no breakthrough has been achieved in terms of stabilization, improvement of regional economic interactions and reconciliation, respectively. Following its own successful experience. The EU could facilitate inter-regional dialogue through demonstration of tangible results aka democratic consolidation, betterment of welfare and attainment of security to convince the regional stakeholders of the advantages of regional integration.

As PABSEC has remained a delegative assembly with limited legislative prerogatives. The European Parliament could transpose its experience as a directly represented democratic institution. A consistent political dialogue between the two bodies could be valuable.

Despite the creation of the BSEC Business Council, lobbies and the private sector have not been crucial players in the Black Sea area. Facilitation of sandwiches with European private firms not least via the EaP Business Forum could assist the BSEC Business Council. Furthermore, the role of the latter could further be enhanced with the production of new studies funded by the EU showing the potential advantages of, for example, increasing regional trade between Turkey and Armenia and giving a boost to the *economic* ties between Georgia and Russia.

A look at the list of the projects funded by the Black Sea Trade and Development Bank (BSTDB) shows that they are of mono-country nature. The European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) could coach the BSTDB. The EU member states within the BSEC (Greece, Bulgaria and Romania) could act as coordinating countries launching regional projects and applying for EU or joint EU-BSTDB, EBRD-BSTDB or EIB-BSTDB funding. Additionally, the European Commission as internal BSEC stakeholder could bid for a project and advise the stakeholders in the BSEC countries how to file joint proposals and successfully implement them. This would be of *technical* utility for regionalism

The International Centre for Black Sea Studies of the BSEC aims to help with the development of the region through independent research and training but it has not managed to infuse the Black Sea area with a strategic vision, as aspired. Joint projects with the major European think tanks could be useful both for the EU and the BSEC. Such research could have *political* implications.

The BSEC Coordination Centre for Exchange of Statistical Information has focused on the collection of social and economic indicators but to no avail given the different statistical systems in the region. While the EU has offered advice, among others, to the National Statistical Services of the neighbouring countries ensuring approximation to/harmonization with the EU's own system, tapping on this could be handy for *technical* cooperation.

With Armenian, Azeri, and Georgian universities incorporated in the Black Sea Universities Network (BSUN), which aims at higher education reform and integration in the European Higher Education, the network has not been effectively utilized. The EU could revive it as a lever for stimulating people to people contacts, i.e. *social* interactions. The Union could financially support the BSUN through Erasmus+ and Horizon 2020. Exchange of expertise in the sphere of education on and beyond the Bologna system and the European Qualifications system could become valuable. The EU should also pull Azerbaijan into its cultural orbit. Learning from the EU on teaching and apprehending one's own destructive history and appreciating common cultural heritage would be a major lesson and a leap for the South Caucasian states to come to terms with the past and build a peaceful future.

As Russia has relegated the Commonwealth of Independent States created to sustain its regional hegemony to the newly founded Eurasian Economic Union (EAEU), Kazakhstan and Belarus have insisted on keeping it confined to the economy rather than be a political organization. Whereas the EU-Russian relations have been tense since the crisis in Donbas and the annexation of Crimea, a way forward for exiting this quandary could be through cooperation between the EU and the EAEU.

A regular political dialogue between the European Council, the European Commission and the European Court of Justice, on the one hand, and the Supreme Eurasian Economic Council, Collegium of the Eurasian Economic Commission and the Court of the Eurasian Economic Union would be beneficial for both parties. As the EU has signed Free Trade Agreements with other regional blocs around the world (Association of Southeast Asian Nations or MERCOSUR) one with the EAEU would also be of mutual interest.

On the *security* front, Armenia, Azerbaijan and Georgia have been members of NATO's PfP, albeit with variations in the intensity of the relations with the Alliance. As Georgia has sought a Membership Action Plan, Armenia has been a member of the Collective Security Treaty Organization (CSTO), while Azerbaijan became a member of the Non-Aligned Movement. Given these diverging allegiances of the South Caucasian states the EU has room for action.

The Union could extend its 'strategic dialogue' for 'further involvement' of the neighbouring countries in the Common Security and Defence Policy, as pledged in its Global Strategy. This will be paramount for upholding the 'European security order' accentuated in the Strategy considering the alignment of the positions of Armenia, Azerbaijan and Georgia with the Common Foreign and Security Policy declarations. Above all, the stakeholders in the South Caucasian countries have viewed the EU as capable of offering a 'roadmap' catering peace.

The lack of diplomatic relations between *Turkey* and Armenia and the failure of 'football diplomacy' to facilitate reconciliation represents a major impediment. While Ankara has made the opening of the Turkish-Armenian border conditional upon the resolution of the Nagorno-Karabakh conflict to the advantage of Baku, Yerevan unilaterally nullified the Protocols pending ratification for nine years.

To re-energize its principle of good neighbourly relations as an additional Copenhagen criterion, the EU should hold Turkey as an EU potential candidate, which is not willing to recognize the Armenian Genocide perpetrated by the Ottoman Empire in 1915, liable. Germany's own historical move should be hammered as an example to follow. Rather than succumbing to the immediate needs of tackling migration flows from the Middle East, which Turkey is expected to curtail/minimize with EU's money, the Union should harp the secondary Copenhagen criterion at all the high-level meetings

*Russia* has viewed EU's position as resenting its role as a regional and global power becoming defiant of EU's policy in its near abroad. Instead, Moscow has continuously demanded 'respect' and equality from Brussels preferring to pursue its relations with the EU member states on a bilateral basis. Having pre-maturely offered a visa a free regime to Moldova, Georgia and Ukraine, given the rise in the number of citizens overstaying, filing asylum applications, carrying out organized crime operations, working illegally in the three-month tourist visa period.

The EU has been partial towards Russia. A Visa Liberalization Agreement craved by Moscow could go be accompanied by concessions on other issues through (a) quid pro quo deal(s). Moreover, restoring political dialogue between Russia and the EU should be meant to serve the interests of both parties stretching to the 'shared' neighbourhood through common projects.

Since the *Iran Deal*, the country has tried to be a more protrusive regional actor, even if still largely opting to remain within the confines of the economic projects. The North-South artery trying Iran to Russia across Azerbaijan, Armenia and Georgia is an unprecedented venture in

that the transportation and energy links among these states are to be developed. Azerbaijan has also intended to bond it with the East-West corridor through the Baku-Tbilisi-Kars railroad as a part of China's Silk Road thereby ruling out Armenia's ambition to be a regional transportation junction and break its isolation. The EIB has funded the Armenian section of the route, which is still in the process of construction.

The EU could hook up the North-South axis to TRACECA. This would be another *technical* attempt of *economic* and *political* significance. The energy branch of the North-South Corridor envisages connecting the electricity networks of Iran, Russia, Armenia and Georgia. The EU could support it through EU4Energy initiative – the successor of INOGATE. This initiative could even engage Turkey, which has been experiencing a growing demand for electricity and gas import. Even if being another *technical* project, the energy 'wing' of the North-South axis should not be underestimated as a project with far-reaching (geo-)political importance.

The meticulous 'check-up' of the EU's policy of regionalization in the South Caucasus and the Black Sea area has revealed the problems/gaps, which have necessitated the provision of prolific policy advice. These have aimed at helping the EU

Preserve its grit as a benefactor of regional cooperation in the South Caucasus/Black Sea area as the sole antidote for stability, prosperity and peace in its (eastern) neighbourhood.<sup>1</sup>

## **Introduction**

Despite a plethora of benevolent attempts directed at cultivating regional cooperation in the South Caucasus not only the 'seeds' have not born fruit but the 'regional' soil has become ruptured and the Black Sea area has become even more segregated. This stands out as a puzzle to be solved. The present policy paper with the brief will trace EU's policy of fostering regional cooperation, identify the problems/gaps along the trajectory and put forth pertinent policy advice to reverse the current trends of estrangement into regional dialogue. To do so, it will stratify EU's vast policy into concentric nano, micro, meso and macro circles comprising various interlocking geographic terrains. Concomitantly, it will carry out a custom-made *SPEST* (Security, Political, Economic, Social, and Technical) analysis deemed appropriate for the present case-study.

## **The EU's Trail of Regionalizing the South Caucasus**

The European Union (EU), on a par with its member-states, governmental and non-governmental agencies, has been a key driver of promoting regional cooperation in the South Caucasus *strictu sensu* and the Black Sea area (Vasilyan 2014a). The EU has pursued this through various initiatives in all the spheres of public life, i.e. political, security, economic, cultural, environment, technical, etc. (Vasilyan 2006, 2009). The European governmental and non-governmental agents have also vigorously complemented the Union's attempts. The Table below shows all the EU agents who have embarked on this venture.

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<sup>1</sup> The Executive Summary was shortened by the editor.



Table: European Donors of 'Regional Cooperation' in the South Caucasus <sup>1</sup>

	<b>GOVERNMENTAL</b>	<b>NON-GOVERNMENTAL</b>
<b>Political</b>	Swedish International Development Cooperation Agency (SIDA) UK Foreign and Commonwealth Office The Netherlands Ministry of Foreign Affairs of Ireland Irish Aid Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)/Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) German Federal Ministry for Economic Cooperation and Development (BMZ)	Freidrich-Ebert-Stiftung (Germany) London Information Network on Conflicts and State-Building (LINKS) (UK) International Institute for Democracy and Electoral Assistance (IDEA) (Sweden) Friedrich Naumann Foundation (Germany) Heinrich Boell Foundation (Germany)
	UK Foreign and Commonwealth Office Irish Aid GTZ/GIZ	International Alert (UK) Conciliation Ressources (UK) Interkerkelijk Vredesberaad (Netherlands) Freidrich-Ebert-Stiftung (Germany) Friedrich Naumann Foundation (Germany) Heinrich Boell Foundation (Germany)
<b>Economic</b>	UK Department for International Development (DFID) Irish Aid GTZ/GIZ Norway BMZ	Freidrich-Ebert-Stiftung (Germany)
<b>Environmental</b>	SIDA DFID Danish International Development Agency(DANIDA) The Netherlands Italy GTZ/GIZ BMZ	Regional Environmental Center (REC) (legally, EU)
<b>Social</b>	DFID GTZ Norway SIDA Sweden Finland	International Alert (UK) Conciliation Ressources (UK) Interkerkelijk Vredesberaad (Netherlands) Freidrich Ebert Foundation (Germany) Heinrich Boell Foundation (Germany)

<b>Cultural</b>	DFID	Save the Children (UK) Heinrich Boell Foundation (Germany) Konrad Adenauer Foundation (Germany)
<b>Technical</b>	DFID Irish Aid UK Foreign and Commonwealth Office	International Alert (UK)
<b>Legal</b>	GTZ/GIZ	

Source: Vasilyan 2006, Vasilyan 2018, forthcoming, author's compilation updated

In 1991, the EU became engaged in the territory of the former Soviet Union, including the South Caucasus, primarily by providing economic assistance and humanitarian aid through the grant-financed Technical Assistance to the CIS (TACIS) program.<sup>2</sup> The objective of this program was to foster market economy and democracy through technical assistance, information exchange and education. In 1993, under the auspices of TACIS, the EU launched the TRACECA (Transport Corridor Europe-Caucasus-Asia) program.<sup>3</sup> TRACECA was put into operation to facilitate trade and economic relations through development of transportation infrastructure (road, rail and telecommunications routes, as well as the imposition of a single tariff system for railroad and sea transport through legal harmonization) and creation of a web thereof. Then, in June 1999, after signing the bilateral Partnership and Cooperation Agreements (PCAs) with Armenia, Azerbaijan and Georgia the EU resorted to a more politically imbued policy towards the South Caucasus. Meanwhile, it pertained to a regional approach as means. In July 1999, the Union initiated the regional INOGATE (Inter-State Oil and Gas Europe), which was mainly funded by TACIS but also received in-kind contributions from participating countries. It is composed of INOGATE Oil and INOGATE Gas tracks.<sup>4</sup>

Through the bilateral Partnership and Cooperation Agreements (PCAs), which entered into force in 1999 and underpinned the legal backbone of the relations between the Union and its partners, the Union employed a regional approach (Vasilyan 2009). The European Neighbourhood Policy (ENP) engendered in 2004 and extended to the South Caucasus galvanized the substance of regional cooperation. Through signature of the bilateral Action Plans (APs) in 2006 as political roadmaps, the EU bolstered the substance of its policy of regional cooperation in the South Caucasus staying devoted to the application of the regional approach (ibid). To highlight, the APs were signed with the three South Caucasian states simultaneously, even if Armenia had been a forerunner in finalizing the negotiations, Georgia was demanding more than the EU could offer qua conflict resolution and Azerbaijan had entered a standoff with Cyprus (ibid).

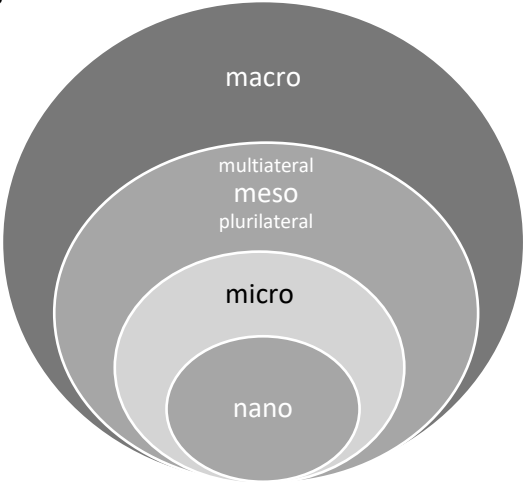
The subsequent developments dictated by the preferences of the neighbouring partners after Armenia's shift of foreign policy course from closer 'integration with' the EU in favour of entering into the Customs Union (CU) in 2013 – later to be upgraded into the Eurasian Economic Union (EAEU) – led to a more variegated policy substance and approach (Vasilyan 2016). Unlike Armenia, Georgia signed and ratified the Association Agreement (AA) and the

Deep and Comprehensive Free Trade Area (DCFTA) with the EU in 2013. After a scoping exercise, the EU resumed talks with Armenia on a new type of an agreement called Comprehensive and Enhanced Partnership Agreement (CEPA), which was concluded in 2017 and is pending ratification by the EU member states and the Armenian National Assembly. Interestingly, the EU-Georgia AA and the EU-Armenia CEPA – a revised version of the AA – contain identical discourse referring to ‘active participation... in regional cooperation formats’, ‘cross-border and inter-regional cooperation’ and ‘special attention to transboundary issues and regional cooperation’ (Official Journal of the European Union 2014, Council of the European Union 2017). The two documents also differ with CEPA being far more demanding than the AA in terms of regional cooperation. To highlight, Article 8 of the AA envisages ‘work towards a peaceful settlement of the unresolved conflicts in the region’ for ‘Regional Stability’ (Official Journal of the European Union 2014). Article 336 commits the parties to joint actions, exchange of information and provision of support for, among others, ‘regional cooperation’ specifically in the Black Sea, ‘including through Regional Fisheries Management Organisations’ (Ibid.). To compare, under ‘General Principles’ CEPA refers to ‘free-market economy, sustainable development, regional cooperation and effective multilateralism’ as principles to which the parties commit (Council of the European Union 2017). One of the ‘Aims of Political Dialogue’ under Article 3 is ‘to promote regional cooperation, develop good neighbourly relations and enhance regional security, including by taking steps towards opening borders to promote regional trade and cross-border movement’; under Article 8 ‘Regional Stability and Peaceful Resolution of Conflicts’ the parties commit to ‘promoting open borders with cross-border movement, good neighbourly relations and democratic development, thereby contributing to stability and security, and... the peaceful settlement of conflicts’; under Article 42 ‘Energy Cooperation, including Nuclear Safety’ ‘regional cooperation on energy and on integration into regional markets’ is foreseen (ibid). This can be explained by the fact that Georgia is in a relatively better situation qua involvement in regional energy and transportation networks, while Armenia still has to grapple with its landlocked geopolitical condition. The EU-Azerbaijan relations were resumed in 2017 after a gridlock in 2015 conditioned by the European Parliament resolution criticizing Azerbaijan’s human rights record, leading to negotiations over a Strategic Partnership Agreement (SPA) as desired by Baku. Willing to play as an equal with the EU, which has such agreements with great powers, like the USA, Russia, China, etc. it is likely that the document will be bereft of regional cooperation beyond allusions to regional stability in terms of resolving the Nagorno-Karabakh conflict in line with Azerbaijan’s expectations, as well as energy and transportation networks. Overall, despite such differentiation of contractual links with the South Caucasian partners, this verifies that the EU is keen on retaining regional cooperation in its policy toolbox.

Yet, notwithstanding the scope and depth of EU’s attempts of regionalization - strictly ‘defined as the promotion of regional cooperation from outside’ - for about three decades, regionalism – ‘defined as an internal attempt... from within’ has not become materialized (Vasilyan 2014a). How can this be explained? What kind of new stratagems could recuperate the situation? For structural clarity and conceptual finesse this policy paper delineates a set of circles, namely, nano, micro, meso, which is subdivided into multilateral and plurilateral rings, and macro

ones. Each of them depicts the essence, the problematique within the relevant circle, and delivers corresponding policy advice. The Figure below shows how they hold together.

Figure: Concentric Circles



### **Concentric Circles, Policy Gaps and Corresponding Recommendations**

In the nano circle cooperation among separate the South Caucasian states of Armenia, Azerbaijan and Georgia and the de facto states of Abkhazia, South Ossetia and Nagorno-Karabakh was facilitated (European Parliament 2004). Due to the lingering conflicts, which erupted in the 1990s at the brink of the collapse of the Soviet Union, leading to recurrent violent clashes, the homonymous frozen conflicts have represented an impasse. Reignited in 2008 through open wars over South Ossetia and Abkhazia between Georgia and Russia in 2008, and between Azerbaijan and Armenia in 2016, these conflicts proved that regionalism remains a chimera in the South Caucasus.

The micro circle comprises the EU-Armenia, EU-Azerbaijan and EU-Georgia-based ENP APs, which single out trilateral ‘regional cooperation’ as a separate Priority for Action (European Commission 2006a, 2006b, 2006c). Regionalism within this circle has also been inhibited due to the presence of conflicts eliminating a possibility of bilateral and – by extension – trilateral and multilateral cooperation in the Black Sea area even in the medium or long-term perspective. Thereby all the endeavours, among others, by the EU of fostering conflict resolution not least through regionalization have proven to be futile. This entails that the realistic options at the EU’s disposal for injecting cooperation into the nano and micro circles limited to ‘low politics’ domains (Hoffmann 1966).

Georgia signed an Aviation Agreement with the EU, the talks on Armenia’s agreement were concluded in 2017 and Azerbaijan’s Agreement is under negotiation. This agreement is meant to liberalize the aviation market by diminishing the prices and giving a boost to more flights thereby facilitating more tourism and people to people contacts. Forming a part of the Aviation Strategy for Europe, which strives for innovation, more numerous safer and cheaper flights and business opportunities for the European aviation sector, the EU could make use of these agreements to build up air transportation links and tourism among the South Caucasian

countries trilaterally and among the Black sea countries multilaterally. Given the foreseen benefits the Aviation Agreement could be presented as a *technical* matter, which could eventually alter the confrontational dynamics in the area. As a means of reinforcement, offering regional tourism packages by the European travel agencies could lead to more border crossings and exchange of local narratives, even if initially this would imply mobility of only EU citizens. As a new ‘niche’, the EU could fund regional green tourism focused projects, which, among others, target *environmental* protection. Mobility could reach the ‘high politics’ level through a change of people’s reception if not immediately change of perception of the regional environment. By extension, such technical tools could become valuable for the EU both at the meso and macro levels, which are framed and analysed below.

The meso circle has been boosted through the Eastern Partnership (EaP) pushed jointly by EU member-states Poland and Sweden for the six former Soviet countries on the eastern flank of the EU’s periphery. The EaP is an umbrella for other institutionalized fora, such as the EURONEST Parliamentary Assembly, Civil Society Forum, and the Conference of Local and Regional Authorities for the Eastern Partnership (CORLEAP), EaP Business Forum which has brought together the legislative, civil society, local and regional, and business representatives of the eastern neighbouring countries, i.e. the South Caucasian states, Ukraine, Moldova, Belarus, as well as the EU counterparts.

The obstacles within the meso circle have stemmed from the aforementioned nano and micro levels, even if being ‘politicized’ rather than ‘securitized’ (Buzan et al 1998). President Aliyev’s refusal to sign the EaP Riga summit Declaration held in 2015 was justified on the grounds of EU’s ‘double standard regarding the territorial integrity of Azerbaijan’ in contrast to other EaP countries (CBC 2017). While in the cases of Ukraine and Georgia the EU has consistently reiterated support to territorial integrity (ibid), in the case of the Nagorno-Karabakh conflict it has oscillated between the right of people to self-determination and territorial integrity (Vasilyan 2013). Delegating conflict resolution to the Organization of Security and Cooperation in Europe (OSCE) Minsk Group, it has viewed these two principles as having equal force enshrined in the Conference of Security and Cooperation in Europe (CSCE) – the predecessor of the OSCE - Helsinki Final Act and the United Nations (UN) Charter. Despite being invited to the EaP Brussels Summit in 2017 after the lifting of the sanctions by the EU in response to the release of political prisoners in Belarus in 2016, President Lukashenko refused to attend by sending the Foreign Minister Makey, like in 2015 to the Riga Summit.

Irrespective of the ‘multi-speed’ essence of the EaP the EU should sustain regional cooperation within the meso circle (Vasilyan 2014b), which is indispensable for resolving conflicts and transcending frictions between/among the countries in the EU’s vicinity. Usage of more persuasive diplomatic means and more forceful political dialogue with the EaP partners are key to convincing the authoritarian leaders of the advantages of cooperation with the Union. Otherwise, the EU risks losing these countries in the ‘mist’ of their dodgy politics with waning chance of pulling them back into its ‘normative’ orbit. Meanwhile, as admitted in the ENP review in 2015, after the Arab Spring and the annexation of Crimea and the conflict in Donbas, it is essential to revamp ‘constructive cooperation... in terms of addressing common challenges

and exploring further opportunities, when conditions allow' (European Commission and the High Representative of the Union for Foreign and Security Policy 2015, p. 19).

Further, while the EU and its member states, together with the US, have been pioneers of *democracy* promotion in the South Caucasus, the undertaken reforms have largely remained on paper rather than implemented in practice. Even worse, the Union has been viewed as a devious actor keen on sustaining political dialogue even if not witnessing progress with democratic consolidation or being co-opted by authoritarian leaders, e.g. in Azerbaijan in the eastern neighbourhood or Egypt in the southern one, due to its material and power-related interests (Vasilyan 2018, forthcoming). For this trend to be changed, the EURONEST Assembly as the legislative body of the EaP should not just be a regular gathering of deputies from the neighbouring countries and MEPs for political dialogue. Instead, it should make use of regular 'naming and shaming' for the sake of mainstreaming substantive and procedural democracy in the South Caucasus/Black Sea area (ibid, Vasilyan 2011a). The termination of membership in the EURONEST by the parliament of Azerbaijan in 2015 because of EU's criticism of the country's human rights record should not make the EU fall prey to such manipulative tactics. On the contrary, regional indicators on the basis of the EaP Index or the scores of the Freedom House, Bertlesmann Stiftung, Transparency International, etc. should be put forth to compare the EaP countries and instil a jealousy-based stamina to improve their democratic records.

The National Platforms of the EaP Civil Society Forum represent the voice of a handful of Europhile NGOs (Vasilyan 2018, forthcoming). Instead, they should not only involve other NGOs, which contest the EU's values, specifically, rights of sexual minorities against 'traditional' values, but the whole broad spectrum of civil society agents, such as trade unions, religious authorities, etc. In this mode, leaning on the triad of *democracy*, it would become more representative, accountable to the populace and legitimate as a civic enterprise not just an EU 'scarecrow'. Most importantly, given the dependence of the Civil Society Forum on the EU's funding there is a danger that it may be viewed as another 'grant-fed' – a term adopted to characterize short-lived NGOs realizing largely US-funded projects in the former Soviet area – subservient foreign entity with no connection to public interests on the ground. Against the backdrop of the boom of civic activism in Ukraine, Armenia and Georgia against socio-economic mid-management, corruption, clientelism, kleptocracy and nepotism, which is predominantly youth-led, working in concert with wider regional public demand instead of functioning as a closed country-focused political body, might yield more legitimacy to the National Platforms. Most importantly, the CSF annual assembly should be infused with a regional spirit rather than be a meeting for conveying state-based developments.

With emphasis placed on cross-border cooperation the EU could encourage and fund projects among the villages/towns/provinces in the South Caucasus/Black sea area through EaP CORLEAP. Given the experience of the Committee of Regions in the EU's own integration process, 'extending the prerogatives' of the latter has been recommended (Vasilyan 2009). This could be done, firstly, by transmitting the European lessons of 'twin towns' to cross-border regional towns/villages. Even if at first sight *technical*, this might have bigger *political*

ramifications not only on provincial levels but also at the state one. Secondly, it could be accompanied by commensurate funding schemes at the nano local/regional level instead of being channelled through the state and being left at the discretion of the government to apportion finances as considered germane.

Whereas the EaP Business Forum pursues the aim of cross-border economic cooperation, seeking new business opportunities, especially for the Small and Medium-size Enterprises (SMEs) between EU and EaP countries, is vital given the existence of the monopolistic cartels owned by the politico-economic cliques (Vasilyan 2016). As the bulk of the capital is concentrated in the hands of the latter, the EU is most well-positioned to facilitate market competition, while also upholding social rights, as compared to the US, which has been a role model for Georgia under then President Saakashvili (Vasilyan 2018, forthcoming). Whereas EU's DCFTA would not 'shake' the existing pattern, but, ironically, solidify it given the sheer size of its market, and its interest in collaborating with big companies, this would not generate welfare and prosperity in the EaP countries (ibid). Emphasis on SMEs and fostering of ties with EU's own interlocutors through the EaP Business Forum would not suffice either given the fact that the latter lag behind their technical standards. Facilitation of intra-EaP trade and joint ventures within the meso circle would serve as an *economic building-bloc*, which might spill over to other policy spheres, as happened with the EU.

The new non-institutionalised formats, such as EaP Youth Forum and most recent EaP Mass Media Forum could become the new vibrant guiding forces for *political* transformation. Moreover, through a public compact and claim of fundamental freedoms – given the necessity of the latter in the former Soviet space – they could act as an engine defusing cooperation for the sake of regional peace alias 'positive' *security*.

Other internally bred organizations belonging to this circle are Georgia / Ukraine / (Uzbekistan) / Azerbaijan / Moldova (GU(U)AM) Organization for Democracy and Economic Development and the Countries for Democratic Choice (CDC).<sup>5</sup> Being given a 'kick' on the fringes of a Council of Europe Summit in 1997, GU(U)AM was created in 2001 by the states-members and supported by the US.<sup>6</sup> It has a Secretariat based in Kyiv and has reached out to Western countries for cooperation: for example, the 2006 Summit was attended by the Presidents of Lithuania and Poland, the Vice-President of Bulgaria, high-level representatives of Romania, Kazakhstan, the US, as well as the OSCE, Black Sea Economic Cooperation Organization (BSEC), etc. (GUAM, n.d.). With all the countries being a nest of unresolved conflicts, the kernel of the organizations hinged on the preservation of their territorial integrity. Russia, in contrast, was viewed as not having adopted a stance in their favour and was perceived of as meddling in their internal affairs preferring to keep the conflicts frozen in order to maintain its regional hegemony. As in 2006, the member-states agreed on establishing a joint peacekeeping force, which could deal with their own frozen conflicts, Moscow made it clear that this would not be acceptable (Krastev 2006).

With its objective being promotion of democracy, human rights and the rule of law, founded in the aftermath of the Rose Revolution in Georgia and the Orange Revolution in Ukraine, the CDC was incepted in 2005. The organization unites Georgia, Moldova, Ukraine, EU member

states Latvia, Lithuania, Estonia, Romania, Slovenia and candidate Former Yugoslav Republic of Macedonia (FYROM). It also had eight observers, namely, Azerbaijan, Bulgaria, Czech Republic, Hungary, Poland, US, EU and the OSCE. Both being emancipatory defiant initiatives, the two regional organizations became marginalized. Instead, the loss of legitimacy of then President Saakashvili and the United National Movement (UNM) due to allegations of usurpation of power, as well as the defeat of the then President Viktor Yushenko's team, including the corruption charges against Prime Minister Yulia Tymoshenko led to the loss of trust in the integrity of the mentioned politicians promulgating Western values. The CDC became defunct as a result of the change of regimes both in Georgia and Ukraine with the Georgian Dream and the Party of Regions, respectively, gaining an upper hand. While the EU has withdrawn its support from the CDC, the political backing of GUAM by only some of its member states both bilaterally and as members of the OSCE and the BSEC casts a shadow on its 'coherence' as a parameter of 'moral power' its policy of regional cooperation in the wider Black Sea area (Vasilyan 2018, forthcoming). Moreover, the selective essence of GUAM both in terms of its geography and political agenda taints EU's 'inclusiveness' – another parameter of 'moral power' (ibid). Disciplining' its own member states and holding them to account would help to avoid a clash of regionalization attempts between/among member states and institutions. Advocating regionalism attuned to inclusiveness would help the EU to solidify its image as a regional *political* bloc worthy of emulation.

The meso circle in the face of the EaP is embedded in the ENP. While a clear split was detected through the developments in North Africa aka the Arab Spring and the variegated retreats of Armenia and Ukraine in 2013 from the pre-signature of the AAs/DCFTAs, albeit with different outcomes in terms of their relations with the EU, 'differentiation' should not become fortification of bilateralism. Moreover, it should not aggravate the rift among the countries in the EaP and the Union for the Mediterranean (UfM). A shift of emphasis from trilateral projects within the frames of the nano and micro circles focusing solely on the South Caucasus to multilateral projects involving the meso and macro circles could be a 'therapy' for revitalizing regional cooperation in the Black Sea area. Finally, 'facilitating region-making as an overarching ENP priority cutting across all the spheres of public life' with the use of *political* conditionality can help the EU 'prove its non-conventional actorness' (Vasilyan 2009).

The macro circle – as framed for the present purposes - encompasses (some of) the South Caucasian states together with other former Soviet countries (sometimes including Central Asian countries), regional great or middle powers, such as Russia, Turkey and/or Iran, and (some of the) EU (member states). It is both institutionalized and non-institutionalized and targeted by the EU in different policy domains. This circle is braced in institutionalized multilateral and non-institutionalized narrower plurilateral rings. Several formally constituted regional organizations, namely, the BSEC with its related sub-institutions, the Commonwealth of Independent States (CIS) and the Collective Security Organization (CSTO), and the EAEU belong to the multilateral ring. The plurilateral ring embodies the relations of the South Caucasian states with specific regional powers, notably, Russia, Turkey and Iran.



As a Turkish initiative, the BSEC came into existence with the signing of the Istanbul Summit Declaration and the Bosphorus Statement by Greece, Bulgaria and Romania, Albania, Serbia, Russia, Turkey, and the current EaP countries - Ukraine, Moldova, Armenia, Azerbaijan and Georgia in 1992.<sup>7</sup> As a regional organization with a legal personality, the BSEC focuses on all the policy domains, except for external security, it stands out as the most geographically comprehensive regional organization in Eurasia. The BSEC has largely been a forum devoid of any ambition by the member-states to delegate power to the supranational level. Instead, it has reflected the bilateral confrontations, conflicts between/among the regional countries. Despite the acclaimed pursuit of 'stability, prosperity and peace', no breakthrough has been achieved in terms of stabilization, improvement of regional economic interactions and/or reconciliation, respectively. While the EU has managed to achieve these on the European continent, inter-regional dialogue and showcasing its success story through demonstration of tangible results aka democratic consolidation, the betterment of welfare and attainment of security through inter-regional dialogue might be the best token of the significance of regional integration. Thus, the *political*, *economic* and *security* needs could be met.

With its institutional backbone being the Council of Ministers of Foreign Affairs, the BSEC has several related bodies/affiliated centres, namely, the Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC), BSEC Business Council, BSTDB, the International Centre for Black Sea Studies (ICBSS) and the Coordination Centre for Exchange of Statistical Information. PABSEC is an inter-parliamentary consultative body established on February 26, 1993, on the basis of the Declaration on the Establishment of PABSEC by nine countries, with Greece, Bulgaria, Serbia and Montenegro joining later. Russia has not favoured a change of status of PABSEC from a delegative assembly reluctant to grant PABSEC more legislative prerogatives. While the European Parliament evolved from an indirectly representative assembly to a directly represented democratic institution, consistent *political* dialogue and transfer of experience by the former to PABSEC could be valuable.

The BSEC Business Council acts as an international, non-governmental, non-profit organization with 12 member-countries. As a network of private entrepreneurs, it intends to support the local business communities and attract foreign investment. With the regional ties being limited to conjectures whereby there are no obstacles at the top governmental level, the Business Council has not managed to bypass them. While the lobbies and the private sector played a pivotal role in the process of European integration, facilitation of sandwiches with European private firms not least via the EaP Business Forum, could help to boost the BSEC Business Council. Furthermore, its role could further be enhanced with the production of new studies funded by the EU – similar to the ones conducted by the World Bank and the USAID earlier - showing the potential advantages of, for example, increasing regional trade involving Turkey and Armenia and reviving the subsided *economic* ties between Georgia and Russia.

The Black Sea Trade and Development Bank (BSTDB) is an international financial institution supporting regional economic development through trade and project financing, guarantees and equity for development projects, public and private enterprises in member-states. Yet, skipping through the projects funded by the Bank it becomes obvious that most of the projects

are of mono-country nature (ibid). The European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) could coach the BSTDB. Concomitantly, the EU member states within the BSEC, namely, Greece, Bulgaria and Romania could act as coordinating countries launching regional projects and applying for EU or joint EU-BSTDB, EBRD-BSTDB and/or EIB-BSTDB funding. Additionally, the European Commission as an internal BSEC stakeholder with the help of its agencies, external consultancies and private firms could bid for a project and advise the stakeholders in the BSEC countries how to file joint proposals and successfully implement them. This would be of *technical* utility for regionalism.

The International Centre for Black Sea Studies (ICBSS) of the BSEC is a non-profit organization and acts as an independent research and training institution, as well as a think tank. It fosters ‘multilateral cooperation among the BSEC member states, the EU and other international organisations’ (ibid). The ICBSS has produced policy papers and studies, supported organization of events and project management in order to provide a strategic vision for the Black Sea region. Promoting the ‘principles of sustainable development, greening innovation, and good governance’, the ICBSS aims to help with the development of the region (ibid). Joint projects with the European think tanks, such as the Centre for European Policy Studies, European Policy Centre, European Union Institute for Security Studies could be useful both for the EU and the BSEC (states). Such research could have *political* implications.

The BSEC Coordination Centre for Exchange of Statistical Information has published studies on the trade flow, while the collection of social and economic indicators is still ‘in progress’. As acknowledged, ‘the different statistical systems in the region have been the main obstacle in the preparation of such studies’ (ibid). While the EU has offered advice, among others, to the National Statistical Services of the neighbouring countries ensuring approximation to/harmonization with the EU’s own system, tapping on this could be handy for sharing of information and synchronization of the statistical operation systems. *Technical* cooperation would thus ensue.

As a sectoral dialogue partner of the BSEC, the Black Sea Universities Network (BSUN) was founded as an inter-university cooperation platform providing opportunities to cooperate, launch joint projects and conduct lobbying. With 4 Armenian, 18 Azeri, and 6 Georgian universities being incorporated in the BSUN (Black Sea Universities Network 2018), the EU could utilize the Network, which aims at higher education reform and integration in the European Higher Education as a lever for stimulating people to people contacts, i.e. *social* interactions. Funded by member-state governments, as well as individual donors and organizations, the EU could financially support the BSUN through Erasmus+ and Horizon 2020. Additionally, exchange of expertise in the sphere of education on and beyond the Bologna system and the European Qualifications system could become valuable for the respective BSEC member states and act as an engine for further reforms. As Armenia followed Georgia (together with Moldova and Ukraine) to join the Creative Europe program, which intends to advance research and evidence gathering, capacity-building, awareness of cultural and creative sectors in social and economic development, as well as international cooperation, it undergirds the *social* sphere. The Azerbaijani state-driven propaganda has been directed to

intensify enmity with Armenia by falsification of historical facts and lobbying for the appropriation of cultural attributes, such as food, music, etc. (Asbarez 2016). Azerbaijan's joining to the Creative Europe program could become a positive development for building a region-wide cultural bridge, even if an indirect one. Learning from the EU on teaching and apprehending one's own destructive history and appreciating common cultural heritage would be a major lesson and a leap for the South Caucasian states to come to terms with the past and build a peaceful future.

The Commonwealth of Independent States (CIS) was formed after the dissolution of the Soviet Union as a Russian enterprise to sustain its *political* influence as the regional suzerain. The membership of the CIS, which was founded in 1991 comprises Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, and Uzbekistan.<sup>8</sup> Georgia joined the CIS as a late-comer in 1993 and announced its withdrawal from the Council of Defence Ministers in 2006 provided its aspiration to join the NATO, and fully left the organization in 2009 after the August 2008 war with Russia over Abkhazia and South Ossetia. Meanwhile, the CIS, together with the United National Organization Mission in Georgia (UNOMIG) and the OSCE was charged with conducting peace-keeping in Abkhazia prior to the August 2008 war. Gradually becoming more of a forum than a regional organization, with the priority of the member-states falling on bilateral relations, the CIS has been relegated by Russia to the EAEU.

Even if attributed political weight, the EAEU was created as a regional *economic* organization in January 2015 on the basis of the CU founded by Russia, Kazakhstan, and Belarus in 1996 and the launch of the Common Economic Space in 2010. Armenia also acceded to the EAEU in January 2015 and Kyrgyzstan entered in August 2015. Having a legal personality, the EAEU provides for four freedoms of goods, services, capital and people, as a basis for a common economic union, similar to the EU. Whereas the EU has neglected the EAEU perceiving it as a politically competing organization built by President Vladimir Putin to assert Russia's regional and global prowess, a more cooperative stance by the EU vis-à-vis the EAEU could cyclically be favourable for improvement of the US/EU-Russia relations. Otherwise, against the background of recent diplomatic expulsions provoked by the Salisbury case not just a new Cold War but more negative repercussions may be witnessed not only through proxy wars, e.g. in Syria and Libya, but also more direct polarization, which are undesirable for both sides. Firstly, with trade and economic issues being the core of the organization, with Kazakhstan and Belarus having insisted on keeping it confined to the latter and Armenia having surrendered its sovereignty, EU's know-how could be welcome. Secondly, horizontal links through regular political dialogue between the European Council, the European Commission and the European Court of Justice, on the one hand, and the Supreme Eurasian Economic Council, Collegium of the Eurasian Economic Commission and the Court of the Eurasian Economic Union would be beneficial for both parties. Thirdly, as the EU has negotiated Free Trade Agreements with other regional blocs around the world, such as with Association of Southeast Asian Nations (ASEAN) and Mercado Comun del Sur (MERCOSUR), one with the EAEU would also be of mutual interest.<sup>9</sup> The complementarity of such cooperation between the EU and the EAEU is backed up by the Memorandum of Understanding which exists between the Eurasian Economic Community (EAEC) as the predecessor of the EAEU and the BSEC since 2006.

On the *security* front, Armenia, Azerbaijan and Georgia have been members of NATO's Partnership for Peace (PfP) since 1994. However, there have been variations in the intensity of the relations the South Caucasian states have sought with the Alliance. With NATO membership being a 'passage' preceding EU membership for the majority of the EU member states, Georgia has been seeking a NATO Membership Action Plan (MAP). While all the three South Caucasian countries have NATO Individual Action Plans (IPAPs) and have been contributing to the peace operations in Kosovo, Iraq and Afghanistan, Georgia was the third largest provider of troops to Iraq after the US and the UK. Armenia has been a member of the CSTO since its foundation in 1992 and remains the only South Caucasian country in the Organization. Azerbaijan and Georgia were late-comers signing the CSTO Treaty and joining in 1993. As the Collective Security Treaty was to expire in five years, and both Azerbaijan and Georgia became founding members of GUAM in 1997, they refused to sign the protocol renewing the treaty in 1999 and withdrew from the CSTO (Vasilyan 2018, forthcoming). In 2011, Azerbaijan became a member of the Non-Aligned Movement (NAM), whereas Armenia is an observer. Given these diverging allegiances of the South Caucasian states (with Russia being the driver of the CSTO and Turkey together with EU member states being a member of NATO), the EU could step in by extending its 'strategic dialogue' for 'further involvement' of the neighbouring countries in the Common Security and Defence Policy (CSDP), as pledged in its Global Strategy (European Union External Action Service 2016, p. 25). This will be paramount for upholding the 'European security order' as the ubiquitous pillar of EU-Russia relations accentuated in the Strategy (ibid p. 33). In this regard, it is noteworthy that the three South Caucasian states have aligned their positions with the Common Foreign and Security Policy (CFSP) declarations: Armenia has been a front-runner, Georgia followed, and Azerbaijan was the last in the row (Vasilyan 2018, forthcoming). Above all, various stakeholders in the three countries have viewed the EU as capable of offering a 'roadmap' catering security to the South Caucasus (Vasilyan 2011b).

On the plurilateral flank, besides the conflicts flaring in the nano and micro circles, the lack of diplomatic relations between Turkey and Armenia and the failure of the attempts of reconciliation persist as another major impediment within the macro circle. While Ankara has made opening of the Turkish-Armenian border conditional upon the resolution of the Nagorno-Karabakh conflict to the advantage of Baku, thus, in favour of territorial integrity of Azerbaijan, Yerevan has been judged as not placating the appetite of either. As a result, the unleashing of the process of reconciling with the past given the calls by the Armenians for recognition of the Armenian Genocide perpetrated by the Ottoman Empire, has been stagnated due to non-ratification of the Turkish-Armenian Protocols by the parliamentary assemblies in Turkey and Armenia. Recently, the football diplomacy mediated by Switzerland, the US and the EU, which led to the signature the Protocols was unilaterally relinquished by the former President Sargsyan. To re-energize its principle of good neighbourly relations as an additional Copenhagen criterion, the EU should hold Turkey as an EU potential candidate liable. Germany's own historical move should be hammered as an example to follow. Rather than succumbing to the immediate needs of tackling migration flows from the Middle East due to the turmoil in Libya and the crisis in Syria, which Turkey is expected to curtail/minimize with

the EU's money, the Union should harp the secondary Copenhagen criterion at all the high-level meetings.

Since the introduction and periodic renewal of EU's sanctions against Russia and the counter-sanctions have led the two into a deadlock. This has been at odds with the friendly relations some EU member states have with Russia, pursuing bilateral cooperation especially in the field of energy illustrated by the North and South Stream projects, which have not been favoured by the European Commission. While Russia has been demanding 'respect' and been willing to play on equal terms with the EU via common, rather than EU-driven, initiatives political dialogue should be meant to serve the interests of both parties stretching to the 'shared' neighbourhood (even after Georgia, Armenia and Azerbaijan have made their choices of either closer integration with the EU/NATO, entering the CU/EAEU or remaining autarkic and security-wise self-reliant, respectively).

The EU appeared to have prematurely granted a visa-free regime to Moldova, Georgia and Ukraine, given the rise in the number of citizens overstaying, filing asylum applications, carrying out organized crime operations, working illegally in the three-month period granted for a tourist visa (Open Media Hub n.d). These violations may undermine the Readmission, Mobility Partnership and Visa Facilitation Agreements signed by the EaP countries as premises for a Visa Liberalization Agreement. As the Agreement with Georgia is under risk of suspension in the context of criticism by Germany, the EU was hitherto guided by political, rather than legal and technical considerations (JamNews 2018). To mend this, the Union should go back to its stringency with imposition and implementation of legal requirements by EaP countries. With visa liberalization being a carrot craved by Russia but not extended by the EU given its political partiality rather than an impartial legal assessment of the customs services and the capacity of the police and judicial bodies to regulate mobility, this should be reversed. The Union could utilize this as a card to find a compromise with Russia on other issues through (a) tit for tat deal(s) (Vasilyan 2018).

The North-South artery tying Iran to Russia across Azerbaijan, Armenia and Georgia indicates an unprecedented venture in that the transportation and energy links among these states are to be developed. Meanwhile, Azerbaijan has intended to bond it with the East-West corridor through the Baku-Tbilisi-Kars railroad as a part of China's Silk Road Initiative, thereby ruling out Armenia's ambition to be a regional transportation junction and break its isolation. The EIB under the Neighbourhood Investment Facility (NIF) has funded the Armenian section of the route by providing a loan of 60 million EUR in 2013 and a grant worth 12 million EUR in 2016 (Hetk 2016). Yet, the road is still in the process of construction and the completed sections are in a poor infrastructural shape. The EU could hook up the North-South axis to TRACECA. After all, the eastern edge of the artery is meant to reach India and the southern one – to the Gulf. This would be another *technical* attempt since the BSEC and TRACECA are tied with a Memorandum of Understanding since 2007. The energy branch of the North-South Corridor envisages connecting the electricity networks of Iran, Russia, Armenia and Georgia starting from 2019 onwards (TehranTimes 2018). The EU could support it through EU4Energy initiative – the successor of INOGATE – which seeks to assist with the 'elaboration and

implementation of energy policies that reduce their energy dependence and intensity, bolster their resilience and open up new opportunities for efficient low-carbon economies that further advance citizens' well-being' (International Energy Charter 2017). Specifically, with the help of the EU4Energy Governance project, which is a part of the EU4Energy Initiative, the EU aspires to help with improving their legislative and regulatory frameworks and identifying investment opportunities in strategic energy infrastructure projects' (ibid). This initiative could even engage Turkey, which has been experiencing a growing demand for electricity and gas import. Even if being another *technical* project, the energy 'wing' of the North-South axis should not be underestimated as a project with far-reaching (geo-)political importance.

## Conclusion

The abundance of programs, projects, initiatives and activities by (EU) agents projected since the 1990s with the aim to regionalize the South Caucasus has not been translated into tangible outcomes on the ground. Rather, the opposite, the Black Sea area has been characterized by a mosaic of regional organizations with interwoven memberships none of which has gained absolute credence. Regionalism in/around the South Caucasus has remained a chimaera. The multitude of hurdles zoomed out through a custom-made SPEST analysis has verified the need for the EU to steer its policy in an ameliorated manner.

The stalemates caused by the conflicts over Abkhazia, South Ossetia and Nagorno-Karabakh within the nano circle, which are reflected in the micro one comprising Armenia, Azerbaijan and Georgia trilaterally, tilt the prevalence for policy solutions within the bigger circles. Policy remedies are suggested within the meso circle signified most prominently by the EU's own EaP initiative with its sub-institutions, such as EURONEST, Civil Society Forum, CORLEAP, EaP Business Forum, EaP Youth Forum and the EaP Mass Media Forum. In the macro circle the multilateral and plurilateral rings are singled out. With the EU's preference falling on the BSEC as the most inclusive multilateral organization juxtaposed with GUAM and CDC, the bulk of the recommendations pinpoint to its derivative bodies, such as PABSEC, BSEC Business Council, BSTDB, ICBSS, Coordination Centre for Exchange of Statistical Information, and the BSUN. In tandem, policy advice is given for establishing cooperation with the EAEU, which has side-lined the CIS, in the economic domain. Whereas the three South Caucasian states are signatories to NATO's PfP, which has not contravened the role of the CSTO, extending the CSDP to the South Caucasus, is apt to yielding dividends for both internal and external security aspired in the EU's Global Strategy. The plurilateral relations of the South Caucasian states and the regional actors, namely, Russia, Turkey and Iran are to be heeded by the EU for regionalism not to remain on the surface by become rooted.

The Union which should preserve its grit as a benefactor of regional cooperation in the South Caucasus/Black Sea area, which is the sole antidote for stability, prosperity and peace in its (eastern) neighbourhood.

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<sup>11</sup> Other agents involved in 'funding (and implementing)' projects targeting regional cooperation in the South Caucasus have been United States Department of State (USDS), USDS Bureau of Educational and Cultural Affairs (BECA), USAID, Canadian International Development Agency (CIDA), Swiss Agency for Development Agency, United Nations Development Program (UNDP), UNESCO (United Nations Educational, Scientific and Cultural Organization), UNEP (United Nations Environment Program), UNIFEM (United Nations Development Fund for Women) OSCE (Organization for Security and Cooperation in Europe) Council of Europe (CoE), NATO (North Atlantic Treaty Organization), World Bank, Eurasia Foundation, Open Society Institute (OSI), East-West Institute and the Carnegie Corporation of New York (Vasilyan 2006, pp. 3-4).

<sup>2</sup> TACIS covered Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

<sup>3</sup> The beneficiaries of TRACECA are Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Uzbekistan, Ukraine, and Turkmenistan.

<sup>4</sup> Twenty-one countries (Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Croatia, Georgia, Greece, Kazakhstan, Kyrgyzstan, Latvia, Macedonia, Moldova, Romania, Slovakia, Tajikistan, Turkey, Turkmenistan, Uzbekistan, Ukraine and the FRY) acceded to INOGATE Umbrella Agreement. The purpose of INOGATE was two-fold: a) attracting private investors and financial institutions into the Caspian area and b) improving the security of Europe's energy supply by promoting a network of oil and gas pipeline systems and facilitating shipment of hydrocarbons to the West (Vasilyan 2006).

<sup>5</sup> Temporarily suspending its membership in 2002, Uzbekistan withdrew from GUAM in 2005 accusing the organization of drifting away from its original objective of economic cooperation and, instead, tilting towards political and security matters (RadioFreeEurope Radio Liberty 2005).

<sup>6</sup> GU(U)AM was granted an observer status by the UN General Assembly in 2003 and is also represented at the OSCE.

<sup>7</sup> Since 2005 Belarus has been an observer status taking part in the activities of the BSEC Committee of Senior Officials, Council of Ministers of Foreign Affairs, PABSEC and specialized working groups.

<sup>8</sup> With Ukraine and Turkmenistan being founding states, the former became associate member in 1993 and the latter – in 2005. In April 2018 President Poroshenko expressed an intent to fully withdraw from the CIS and terminate some clauses of the bilateral Treaty of Friendship and Cooperation between Ukraine and Russia (RadioFreeLiberty Radio Europe 2018).

<sup>9</sup> ASEAN was founded in 1967 by Thailand, Singapore, Philippines, Malaysia, and Indonesia, which signed the Bangkok Declaration, and successively expanded after the joining of Brunei, Vietnam, Laos, Myanmar and Cambodia. The English translation of MERCOSUR is Common Market of the South. It was codified as a regional organization in 1991 through the Treaty of Asuncion and comprises Argentina, Brazil, Uruguay and Paraguay; Venezuela's membership approved in 2006 was suspended in 2016, and Chile, Bolivia, Colombia, Ecuador and Peru are associate members.





Despite a plethora of benevolent attempts directed at cultivating regional cooperation in the South Caucasus not only the 'seeds' have not born fruit but the 'regional' soil has become ruptured and the Black Sea area has become even more segregated. This stands out as a puzzle to be solved. This policy paper with the brief traces EU's policy of fostering regional cooperation identifies the problems/gaps along the trajectory and puts forth pertinent policy advice to reverse the current trends of estrangement into regional dialogue. To do so, it stratifies EU's vast policy into concentric nano, micro, meso and macro circles comprising various interlocking geographic terrains. Concomitantly, it carries out a custom-made SPEST (Security, Political, Economic, Social, and Technical) analysis deemed appropriate for the present case-study.

