



PRESS RELEASE

According to a new FRIDE report

The EU has to change tactics in the Caucasus

- *The Caucasus is a broken region characterised by local tensions and the conflicting influences of the EU, Russia and Turkey.*
- *The EU remains highly attractive to South Caucasus societies but its technocratic policies have failed with Armenia and Azerbaijan, while reform in Georgia remains fragile.*
- *The South Caucasus remains volatile due to the potential for domestic instability, inflammable protracted conflicts and Russia's aggressive role.*

Madrid-Brussels, 28 January 2015 – ‘The Caucasus is a broken region’, state Jos Boonstra from FRIDE and Laure Delcour from the Fondation Maison des Sciences de l'Homme. Armenia, Azerbaijan and Georgia have chosen different paths for political and economic development, while Turkey and Russia (which can also be considered part of the Caucasus) have very different ties with these three states. In addition, the Caucasus is divided between its southern part of three independent republics and a northern Caucasus, which is part of Russia. **‘Caucasian borders have (to various degrees) emerged as obstacles to cooperation, movement of people and trade’**, they add.

For the European Union, this fragmented landscape is challenging. Unlike in the Balkans (which was another broken region) where the EU has been able to foster regional cooperation as part of the terms for EU accession, **‘in the South Caucasus the EU has to compete with Russia’**, says the report.

While Georgia has signed an Association Agreement and a Deep and Comprehensive Free Trade Agreement with the EU, Armenia and Azerbaijan are unlikely to do so in the near future. Armenia has become a member of the Russia-led Eurasian Economic Union (EEU), in effect since January 2015, while Azerbaijan can afford the luxury of not aligning with either the EU or Moscow given its vast wealth of oil and gas.

Also, **‘Azerbaijan and Armenia pose a severe security threat to the Caucasus region and indirectly to Europe because of the Nagorno-Karabakh conflict’**, opine Boonstra and Delcour. Despite many similarities with other protracted conflicts in the post-Soviet space, this conflict differs in the sense that Russia is an indirect actor that cannot fully control either side. **‘Peace talks have made some progress over the last decade, but the risks of a new war have not diminished’**, they add.

The EU's Eastern Partnership (EaP) initiative – which governs EU relations with the post-Soviet states of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine – has offered new opportunities for the South Caucasus. Georgia, Armenia and Azerbaijan are aiming for visa liberalisation, which also requires substantial reforms in key areas such as migration management or the fight against corruption.

'With the EaP, the EU has emerged in the South Caucasus as an agent for domestic change' (at least in Georgia, to some degree in Armenia and to a much lesser extent in Azerbaijan). **'But EU-inspired change has its limits, as the EU is only as influential as South Caucasus states allow it to be'**, says the analysis.

'It is in the EU's interest that the Caucasus becomes a stable and democratic region', the authors argue. But the EU has little influence to make this happen without two currently missing ingredients: a much more substantial engagement on security challenges and a clear *finalité* for its Eastern partners. The Russian authoritarian model will keep traction as it pretends to solve the short-term worries of some of these states and to safeguard the incumbent regimes. **'At the very least, the EU should be ready to fully support those countries that do opt for in-depth political and economic reforms'**.

The EU should also increasingly focus on linking EU member-state societies to those of the South Caucasus. **'Europe's attractiveness remains high – also in Armenia and Azerbaijan – and in the long run will be more influential than short-sighted Russian propaganda'**. The ongoing fragility and fragmentation of the South Caucasus will not be fixed anytime soon as the region is prone to domestic instability, inflammable protracted conflicts, and Russia's heavy influence. **'The EU will not (and cannot) fix the Caucasus region, but it can have a positive bearing on its development, provided that it can design a clearer and firmer long-term vision'**, they conclude.

The full version of the report is available [here](#)

The report belongs to the Cascade project, funded by the European Union's Seventh Framework Programme (FP7/2007-2013). The project analyses the root causes of conflict and insecurity in the Caucasus, the links between the region and its wider neighbourhood, and regional security and democratisation processes. www.cascade-caucasus.eu

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