



საქართველოს პოლიტიკის ინსტიტუტი
GEORGIAN INSTITUTE OF POLITICS

POLICY BRIEF

November 2021 / Issue #35

Geopolitical Reshuffling in the South Caucasus in the Aftermath of the 2020 Nagorno-Karabakh War and the EU's Policy Options

Hasmik Khachatryan ¹

Executive Summary

The EU has strived to strengthen the sovereignty and independence of the South Caucasus states, to bring the neighbours closer to the EU. To this end, the EU has undertaken a series of effective measures since the 1990s, the collapse of the Soviet Union and the emergence of a new balance of power in the region. Meanwhile, the 2020 Nagorno-Karabakh war has brought major geopolitical reshuffling to the South Caucasus. The EU's power, in fact, has been downgraded in strategic terms and its long-term efforts to promote peace and stability in the region have been nullified. Against the backdrop of the new geo-strategic reality in the South Caucasus, the EU strives to regain its position of power. A series of intertwined and complex factors, - i.e. the functioning of the EU, the EU foreign policy decision making, and the shifting balance of power, constitute serious impediments for the EU's engagement in the region as a geopolitical actor. In the meantime, the EU has the power to re-establish itself as an influential actor.

Key words: EU foreign policy, geopolitics, South Caucasus, Nagorno-Karabakh war, strategy

¹ **Hasmik Khachatryan** studied Political Science at Yerevan State University (Armenia), Middle Eastern Studies at Lund University (Sweden), and European Politics at the College of Europe (Belgium). Her professional experience includes enrolment at the Association of Foreign Affairs (Sweden) as a Middle East Policy Analyst, the German Marshall Fund of the United States as a Policy Designers Fellow, and at the Institute of European Democrats (Belgium) as a Foreign Policy Research Fellow.

Introduction

The origins of the EU's relations with Armenia, Georgia, and Azerbaijan date back to the late 1990s when the Partnership and Cooperation agreements entered into force, serving as the legal framework for the establishment and development of relations in a bilateral format. The European Neighbourhood Policy (ENP) and the Eastern Partnership (EaP) policy, as a specific dimension of the European Neighbourhood Policy, have created additional opportunities for the enhancement and advancement of ties between the parties in a multilateral format. The new legal basis for EU-Georgia relations serves the Association Agreement/Deep and Comprehensive Free Trade agreement (AA/DCFTA), and for EU-Armenia ties- the Comprehensive and Enhanced Partnership agreement (CEPA). Overall, during its engagement with the South Caucasus, the EU has strived to promote peace and stability in the region. However, the 2020 Nagorno-Karabakh war created severely worsened regional security environment and has led to major geopolitical reshuffling in the region. The war has nullified the EU's peace-oriented efforts in the region, and the EU's power has been downgraded in strategic terms. Against the backdrop of a new geostrategic reality, the EU attempts to reassess its role. Reflecting this, *the policy brief examines the prospects for the EU's engagement in the South Caucasus as a geopolitical actor.*

The strategic environment in the South Caucasus

▪ *The EU's policy towards the South Caucasus*

In the 1990s the collapse of the Soviet Union shifted the global and regional balance of power. The transformation of the strategic environment opened up space for the involvement of new actors,- i.e. the European Union, in the South Caucasus. Alongside the United States of America, the EU has strived to strengthen the sovereignty and independence (Council of the European Union 2017) of the partners, to bring the neighbours closer to the EU (Council of the European Union 2013) and to *build the EU's influence in the region*. To this end, the EU has undertaken a series of effective measures since the 1990s. Firstly, the Partnership and Cooperation agreements (Official Journal of the European Communities 1999) signed between the EU and the South Caucasus states,- Armenia, Georgia, and Azerbaijan, served as the legal framework for the development of bilateral relations. In 2004 the EU launched the European Neighbourhood Policy (ENP), and in 2009 the Eastern Partnership (EaP) policy was initiated as a specific dimension of the European Neighbourhood Policy, adding a multilateral layer. In 2014 the EU and Georgia signed the Association Agreement/Deep and Comprehensive Free Trade agreement (AA/DCFTA) (Official Journal of the European Union 2014), and in 2017 Armenia and the EU signed the Comprehensive and Enhanced Partnership agreement (CEPA) (Official Journal of the European Union 2018) aimed at further deepening and enhancing bilateral relations.

Overall, relations between the parties revolve around a broad agenda with the primary focus on *politics*- the promotion and development of a democratic political system, *economics*- the enhancement of trade and economic ties, and *culture*- the promotion of people-to-people contacts. As far as the security aspect is concerned (since the region is highly affected by frozen, armed, and unresolved conflicts), the EU has placed heavy emphasis on actively supporting

Track II diplomacy (International Alert 2021), i.e. civil society peace-building and confidence-building measures. For instance, with regard to the Nagorno-Karabakh conflict resolution, the EU kept a low profile. The EU supported Track II diplomacy and the OSCE Minsk Group format co-chaired by the EU member France, the US and Russia aimed at conflict settlement. However, as the 2020 Nagorno-Karabakh war vividly demonstrated, Track II diplomacy has had little, if any, political impact on the ground. By waging the devastating war against Nagorno-Karabakh in September 2020, Azerbaijan, heavily backed by Turkey in political and military terms, has, in fact, nullified the EU's long-term efforts to strengthen the independence of the South Caucasus states (namely Armenia), and to promote peace and stability in the region. Furthermore, the Azerbaijan-Turkey tandem has undermined the EU's power and position in the region.

▪ *The geo-strategic reshuffling in the South Caucasus*

The 2020 Nagorno-Karabakh war, indeed, has entailed fundamental geo-strategic reshuffling in the South Caucasus, and the regional security environment has vastly deteriorated. Armenia has been engulfed by a deep political crisis and finds itself in a weak and vulnerable position in terms of national security. Armenia has become strategically dependent on Russia for security guarantees for itself and Nagorno-Karabakh. Azerbaijan, on the other hand, strives to extort maximum concessions from Armenia, capitalising on the results of the war, Armenia's capitulation under premier Pashinyan's government, and via keeping up constant pressure (Radio Free Europe/Radio Liberty 2021).

As far as the external powers are concerned, Russia and Turkey have emerged as the dominant powers in the South Caucasus. When it comes to Russia, *Russia's* policy towards the South Caucasus is determined by *broader geo-strategic considerations and security and geopolitical interests* pertaining to the Black Sea and the Caspian Sea regions.

Figure 1 Map of the Black Sea and the Caspian Sea regions



Source: Stockholm International Peace Research Institute. 2019. SIPRI informs on Black Sea security. <https://sipri.org/news/2019/sipri-informs-black-sea-security>

Russia, for instance, works to keep Azerbaijan away from Turkey as far as possible, reflecting its strategic calculation of neutralising a potential security threat that might stem from Turkey's establishment of a military base near the Caspian Sea, right next door to Russia. In the meantime, Russia strives to appease Turkey, luring it away from US/NATO (TASS Russian News Agency 2021) reflecting Russia's strategic interests pertaining to the Black Sea region (Teslova 2020). As far as *Turkey* is concerned, Turkey does not view itself as an extension of the EU/US or Russia. Turkey calculates on maximising its influence in the South Caucasus (Khachatryan 2020). Despite tensions with the NATO alliance (Herszenhorn, Stamouli, and Momtaz 2020), it is beyond Turkey's strategic calculus to formally quit the North Atlantic alliance. NATO membership is highly beneficial for Turkey in many different respects. First and foremost, the membership *nullifies a potential conventional threat posed by NATO*. Furthermore, due to its membership Turkey has access to training and modern warfare tactics (Synovitz 2020), modern weaponry, and in geopolitical/geo-strategic terms *uses NATO as a counterweight against Russia* (Hurriyet Daily News 2021). Meanwhile, Turkey has worked (Butler 2021) to tackle and downgrade US/NATO influence domestically, reflecting the perceived security threat posed to the regime against the backdrop of the 2016 attempted military coup.

As far as the *EU* is concerned, the EU's power has been downgraded in the region in strategic terms. Against the backdrop of the post-war geopolitical reshuffling, the EU seeks to re-discover and revive its power in the region (European Council 2021, Delegation of the European Union to Armenia 2021). In this regard, it is important to assess and explore the prospects for the EU's engagement in the South Caucasus as a geopolitical actor.

The EU power constrains

As far as the EU's engagement in the South Caucasus as a geopolitical actor is concerned, the issue is interlinked with a series of complex factors, as highlighted below.

- **Is the EU willing to get engaged in the South Caucasus as a geopolitical actor?** The EU is a Union of 27 different member states with divergent threat and risk assessments, strategic cultures, and foreign policy aspirations and priorities (Khachatryan 2020). Hence, the South Caucasus region is viewed differently by the EU member states. In addition, *EU foreign policy decisions* are taken by *consensus*, hence putting restraints on the EU's ability to manoeuvre. The EU's leading member, France under President Macron's strong leadership, for instance, envisages a geopolitical role in the region. France has repeatedly expressed firm support for Armenia (AFP 2021) and advocated that the EU should adopt a tough stance against Turkey. However, this view falls short of being widely shared by the EU member states.
- **Is the South Caucasus region a strategic priority for the EU?** The EU faces a quite challenging strategic landscape both domestically and externally, putting *the EU's unity and future at stake*. As enshrined in the EU's 2016 Global Strategy (European External Action Service 2016), In this regard, a key priority for the EU (European Parliament 2021) is the

preservation of the EU as a united entity (given Brexit and the economic troubles caused by Covid-19) (European Commission 2021).

“Terrorism and hybrid threats, irregular mass migration, violation of European security order in the East, instability and conflicts in the Middle East and North Africa pose risks to the EU’s stability and security.”

- **Shifting power dynamics in EU-Turkey relations:** The shifting power dynamics in EU-Turkey relations constitutes yet another seriously limiting factor for the EU’s influence in the South Caucasus. EU-Turkey power dynamics have radically shifted since the 2000s. In the 2000s, for instance, Turkey tended to be accommodating towards the EU. Against the background of the post-2008 Georgia-Russia war geo-strategic landscape, on the one hand, and in response to EU and US pressure, on the other hand, Turkey, for instance, agreed to the attempt to normalise Armenia-Turkey relations and signed the Zurich protocols in 2009. In contrast, nowadays Turkey has strengthened its position and appears to showcase its power vis-à-vis the EU, and US/NATO. In the light of this, *political symbols* provide significant illustrations. The EU High Representative for Foreign Affairs and Security Policy Josep Borrell, in fact, would receive a hand sanitizer (Michalopoulos 2020) when paying an official visit to Turkey in July 2020, which translated into diplomatic language meant *hands off the Eastern Mediterranean*. Furthermore, Turkey turned St. Sofia’s Cathedral into a mosque (BBC 2020) following the High Representative’s July 2020 official visit, signalling *the EU does not call the shots in Turkey*. As far as the South Caucasus is concerned, *the EU, US/NATO failed in their diplomatic efforts to stop Turkey* (Khachatryan 2020), silence the guns and secure peace in the 2020 Nagorno-Karabakh war.

Conclusion and Policy Recommendations

Overall, the 2020 Nagorno-Karabakh war has severely worsened the security environment in the South Caucasus and triggered major geopolitical reshuffling. The EU’s power has been downgraded in strategic terms. The EU strives to revive its position and influence in the region. However, a series of complex and interlinked factors constitute serious impediments for the EU’s involvement in the region as a geopolitical actor. The functioning of the EU, the shifting balance of power, and the EU’s political picture all limit its capability to wield its power in the world and take action in the South Caucasus in a timely and decisive way.

In this regard, a series of effective measures are recommended aimed at re-instating the EU’s influential role in the region.

To the European Parliament (EP)

- The EP could hold a session on the EU’s foreign policy, and more precisely on the foreign policy decision-making procedure. As discussed in the policy brief, the EU’s foreign policy decisions are taken by consensus, and this rule creates serious impediments for the EU’s

projection of power in the world and the South Caucasus. To address this problematic issue, the EP needs to discuss the option of resorting to *simple majority voting* and *a multi-speed EU in foreign affairs*. The European Council, the Council of the European Union upon meeting in the configuration of foreign ministers, need to hold discussions on the issue as well.

- The EP could hold a session on strategic/geopolitical currents in the South Caucasus and the evolving power dynamics in the region, aiming to contribute to deeply informed and evidence-based policy making at EU level.
- Members of the European Parliament involved in EU-Turkey relations could coordinate closely and design a framework policy document to be communicated to the European Commission that envisages a containment policy towards Turkey.

To the European External Action Service (EEAS)

- The EEAS, namely the Eastern Partnership division, needs to be tasked with a review of EU policy towards the South Caucasus. A strategic approach needs to be adopted taking into due consideration the ongoing fundamental geopolitical reshuffling in the region, the geo-strategic currents, and evolving power dynamics in the Middle East, i.e. Turkey's foreign policy, the Iran nuclear issue and possible development scenarios.
- While reviewing the EU's policy towards the South Caucasus, instead of the renowned resilience, *flexibility should be coined at the core*. The EU needs to be prepared to show flexibility in its foreign policy conduct provided that this is a *watershed moment for the broader Middle East* (i.e. the South Caucasus included). The way the Iran nuclear issue and Nagorno-Karabakh conflict are addressed will make or break the region for decades to come, with subsequent consequences for the EU.
- The EU High Representative for Foreign Affairs and Security Policy, Josep Borrell, might consider matching political symbols with political symbols; i.e. to present as a gift a copy of the *Treaty of Sevres* when meeting Turkey's Foreign Minister Cavusoglu. This would convey a clear political message to Turkey, which has undermined the EU's policy, interests, and power in the South Caucasus, and much more.

To France and the United States

- The Nagorno-Karabakh war, which lasted until 10 November 2020, culminated with the deployment of Russian peacekeepers in Nagorno-Karabakh. As a result, relative peace returned to the South Caucasus region; *peace, indeed, depends on hard security arrangements, i.e. the presence of the Russian troops and military equipment* on the ground. However, heightened tensions remain in place. As long as the Nagorno-Karabakh conflict remains unregulated, sustainable peace, stability and security will not return to the South Caucasus. In this regard, France and the US could coordinate closely and devise *a comprehensive conflict resolution plan*. This would bring a massive contribution to regional safety and security and would enable the EU/US to re-establish themselves as powerful actors in the region.
- To devise such a conflict resolution plan, the US and France could establish working groups in the premises of the US State Department and the French Ministry of Foreign and European

Affairs respectively, focusing on divergent dimensions pertaining to the conflict and regional power dynamics.

Once completed, the conflict resolution plan needs to be presented and addressed in the framework of the OSCE Minsk Group.

References

- AFP. 2021. "Armenian acting PM Pashinyan accuses Azerbaijan of fresh infiltration". *Al Arabiya*, 13 May 2021. <https://english.alarabiya.net/News/world/2021/05/13/Armenian-leader-Pashinyan-accuses-Azerbaijan-of-fresh-infiltration-on-southern-bor>
- AFP. 2021. "Azerbaijani troops must leave Armenian territory, says France's Macron". *Al Arabiya*, 1 June 2021. <https://english.alarabiya.net/News/world/2021/06/01/Azerbaijani-troops-must-leave-Armenian-territory-says-France-s-Macron>
- BBC. 2020. "Hagia Sophia: Turkey turns iconic Istanbul museum into mosque". *BBC*, 10 July 2020. <https://www.bbc.com/news/world-europe-53366307>
- Butler, D. 2021. "Turkey orders 532 arrests in military probe over Gulen links- Anadolu". *REUTERS*, 26 April 2021. <https://www.reuters.com/world/middle-east/turkey-orders-532-arrests-military-probe-over-gulen-links-anadolu-2021-04-26/>
- Council of the European Union. 2017. *Joint Declaration of the Eastern Partnership Summit* (Brussels, 24 November 2017). <https://www.consilium.europa.eu/media/31758/final-statement-st14821en17.pdf>
- Council of the European Union. 2013. *Joint Declaration of the Eastern Partnership Summit, Vilnius, 28-29 November 2013: Eastern Partnership: the way ahead*. https://www.consilium.europa.eu/media/31799/2013_eap-11-28-joint-declaration.pdf
- Delegation of the European Union to Armenia. 2021. *Armenia/Azerbaijan: Statement by High Representative Josep Borrell on the latest developments*. https://eeas.europa.eu/delegations/armenia/99984/armeniaazerbaijan-statement-high-representative-josep-borrell-latest-developments_en
- European Commission. 2021. *Recovery Plan for Europe*. https://ec.europa.eu/info/strategy/recovery-plan-europe_en
- European Council. 2021. *President Michel meets Eastern Partnership leaders during South Caucasus visit*. <https://www.consilium.europa.eu/en/european-council/president/news/2021/07/19/20210718-president-michel-visits-south-caucasus/>
- European External Action Service. 2016. *A Global Strategy for the European Union's Foreign and Security Policy*. https://eeas.europa.eu/sites/eeas/files/eugs_review_web_0.pdf
- European Parliament. 2021. *Conference on the Future of Europe*. <https://www.europarl.europa.eu/news/en/press-room/20210505IPR03505/conference-on-the-future-of-europe-inaugural-event-in-strasbourg>
- Herszenhorn, D., N. Stamouli, and R. Momtaz. 2020. "US and Turkey target each other in NATO meeting". *Politico*, 1 December 2020. <https://www.politico.eu/article/us-turkey-target-each-other-nato-meeting/>
- Hurriyet Daily News. 2021. "Turkey, US conduct joint maritime drill in Black Sea". *Hurriyet Daily News*, 11 February 2021. <https://www.hurriyetdailynews.com/turkey-us-conduct-joint-maritime-drill-in-black-sea-162319>
- International Alert. 2021. *European Partnership for the peaceful settlement of the conflict over Nagorny Karabakh*. <https://www.international-alert.org/projects/european-partnership-peaceful-settlement-conflict-over-nagorny-karabakh>
- Khachatryan, H. 2020. *The Nagorno-Karabakh war: A new reality in the South Caucasus and its implications for the EU*. Institute of European Democrats. <https://www.iedonline.eu/publications/2020/geopolitics-values/the-nagorno-karabakh-war-a-new-reality-in-the-south-caucasus-and-its-implications-for-the-eu-khachatryan>
- Kucera, J. 2021. "Armenian, Azerbaijani militaries hold exercises amid heightened tensions". *Eurasianet*, 19 March 2021. <https://eurasianet.org/armenian-azerbaijani-militaries-hold-exercises-amid-heightened-tensions>
- Michalopoulos, S. 2020. "Turkey threatens, Borrell smiles". *EURACTIV*, 7 July 2020. <https://www.euractiv.com/section/global-europe/opinion/the-brief-powered-by-bsef-turkey-threatens-borrell-smiles/>

- Official Journal of the European Communities. 1999. *Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and the Republic of Armenia, of the other part*. https://eeas.europa.eu/sites/default/files/eu-armenia_partnership_and_cooperation_agreement_en.pdf
- Official Journal of the European Union. 2014. *Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part*. [https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:22014A0830\(02\)](https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:22014A0830(02))
- Official Journal of the European Union. 2018. *Comprehensive and Enhanced Partnership Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Armenia, of the other part*. [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22018A0126\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22018A0126(01)&from=EN)
- Radio Free Europe/Radio Liberty. 2021. "Armenia turns to Russian-led CSTO amid border standoff with Azerbaijan". *Radio Free Europe/Radio Liberty*, 14 May 2021. <https://www.rferl.org/a/armenia-azerbaijan-putin-troops-border-withdrawal/31254474.html>
- Radio Free Europe/Radio Liberty. 2021. "Turkey, Azerbaijan begin joint military drills near Armenian border". *Radio Free Europe/Radio Liberty*, 2 February 2021. <https://www.rferl.org/a/turkey-azerbaijan-military-drills-near-armenia-/31081368.html>
- Stockholm International Peace Research Institute. 2019. *SIPRI informs on Black Sea security*. <https://sipri.org/news/2019/sipri-informs-black-sea-security>
- Synovitz, R. 2020. "Technology, tactics, and Turkish advice lead Azerbaijan to victory in Nagorno-Karabakh". *Radio Free Europe/Radio Liberty*, 13 November 2020. <https://www.rferl.org/a/technology-tactics-and-turkish-advice-lead-azerbaijan-to-victory-in-nagorno-karabakh/30949158.html?fbclid=IwAR1CZL-m-QOJkpO-tl8W885Ln9RQBBI78-C0KQa-sCboBR1i2dzY7YiyujA>
- TASS Russian News Agency. 2021. "Russia ready for talks with Turkey on Su-35, Su-57 fighters". *TASS Russian News Agency*, 12 March 2021. <https://tass.com/defense/1265467>
- Teslova, E. 2020. "No one can say Turkey flouted int'l law in Karabakh: Putin". *Anadolu Agency*, 17 November 2020. <https://www.aa.com.tr/en/azerbaijan-front-line/no-one-can-say-turkey-flouted-intl-law-in-karabakh-putin/2047249>
- The Russian Federation. The Ministry of Defence. 2021. *Russian peacekeeping forces in Nagorno-Karabakh*. http://eng.mil.ru/en/russian_peacekeeping_forces.htm
- The Russian Federation. The Ministry of Foreign Affairs. 2021. *Foreign Minister Sergey Lavrov's opening remarks during a meeting with President of the Republic of Azerbaijan Ilham Aliyev Baku*. https://www.mid.ru/en/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/4725585
- The Russian Federation. The Ministry of Foreign Affairs. 2020. *Statement by the President of the Republic of Azerbaijan, the Prime Minister of the Republic of Armenia and the President of the Russian Federation*. https://www.mid.ru/en/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/4419267



საქართველოს პოლიტიკის ინსტიტუტი
GEORGIAN INSTITUTE OF POLITICS



HEINRICH BÖLL STIFTUNG
TBILISI
South Caucasus Region

Georgian Institute of Politics (GIP) is a Tbilisi-based non-profit, non-partisan, research and analysis organization. GIP works to strengthen the organizational backbone of democratic institutions and promote good governance and development through policy research and advocacy in Georgia.

This publication was produced in cooperation with the **Heinrich Böll Stiftung Tbilisi Office – South Caucasus Region**. The contents of this publication are the sole responsibility of the author and can in no way be taken to reflect the views of the Heinrich Böll Stiftung Tbilisi Office – South Caucasus Region and Georgian Institute of Politics.

HOW TO QUOTE THIS DOCUMENT:

Hasmik Khachatryan, *“Geopolitical Reshuffling in the South Caucasus in the Aftermath of the 2020 Nagorno-Karabakh War and the EU’s Policy Options”*, Policy Brief No. 35, Georgian Institute of Politics, November 2021.

© Georgian Institute of Politics, 2021
13 Aleksandr Pushkin St, 0107 Tbilisi, Georgia
Tel: +995 599 99 02 12
Email: info@gip.ge
For more information, please visit
www.gip.ge