

Chapter 10

Peacebuilding in the OSCE Region: An Analysis of the Juxtaposition Between the Conflict Prevention Centre with the United Nations Peacebuilding Fund



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10.1 Introduction

This article focuses on the possibility for peace and cooperation in the South Caucasus region. The aim of the study is to describe possible regional cooperation between three states. A conflict-torn region, the South Caucasus features three breakaway territories: Nagorno-Karabakh (between Armenia and Azerbaijan), and Abkhazia and South Ossetia, which de facto split from Georgia in 1992–1993 and were recognized as independent by Russia in 2008. These conflicts make the South Caucasus an unstable and geopolitically fragmented region.

The collapse of the Soviet centralised economy and the conflict between Azerbaijan and Armenia over Nagorno-Karabakh played a significant role in the isolation of these countries from one another. Three decades after the collapse of the Soviet Union, the region has not yet been politically or economically integrated. Georgia and Armenia have made a clear choice in terms of their geopolitical orientation. The first has made Euro-Atlantic integration, with membership of the EU and NATO, a priority (Gamkrelidze, 2021; Romanovskiy, 2021). The second has joined the Russian-led Collective Security Treaty Organisation and, more recently, the Eurasian Economic Union. Azerbaijan has pursued a balanced foreign policy and multi-vector cooperation (Habibbeyli, 2017, p. 32).

My hypothesis was formulated as follows: despite the historical absence of regional integration, recent threats could push Armenia, Azerbaijan, and Georgia to cooperate and could make regional partnerships possible in the South Caucasus

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in the medium and long term. While the main reasons behind the region's fragmentation are undoubtedly internal, certain external players have also acted to maintain the status quo as this allows them to maintain a strong influence there.

Following the introduction, the first section of this study presents the panorama of the South Caucasian region, explaining the current situation and analyzing the role of regional and non-regional actors there. The second part of the study evaluates the opportunities for regional cooperation between the South Caucasus countries under the current conditions for building a common future. The final section provides conclusions.

10.2 Low Cooperation Intensity

The South Caucasus region displays a low intensity of integration in terms of human contact, trading, business activities and investment, environment, health, economy, politics, and security (Alieva, 2009; German, 2012).

Traditional external actors, such as Russia and Iran, have not readily accepted the inclusion of new players in the region. Russia not only uses its historical economic and cultural advantages in the region in order to maintain its influence (Sadiyev et al., 2021), attempts by the South Caucasus countries to deepen their relations with the EU have been confronted with concrete reactions from Russia which have escalated the armed conflicts already present. Russia's annexation of Crimea and the ongoing war in Ukraine is a message to the countries of the South Caucasus about what a rapprochement with the West will cost them. Ethnic-based conflicts remain on Russia's agenda (Makarychev, 2015) and, not receiving support from Western countries and NATO to deter Russia's aggression, the South Caucasus countries have made pragmatic choices in terms of security and economic considerations.

Iran is interested in hindering the integration of the South Caucasus as well (Paul, 2015b). Although Iran has similar concerns with Russia in the region, the role of the internal dynamics in shaping the South Caucasus policy of Iran is also important. First of all, the Iranian Azerbaijanians represent a giant minority in Iran itself (Koknar, 2006). Second, international sanctions against Iran have narrowed its room to manoeuvre. Nuclear activities and the support given to certain terrorist groups weakens Iran's position in the international system. These factors limit Iran's ability to act as easily as Russia in the region.

The third main player, Turkey, has started multidimensional economic and political relations with Azerbaijan and Georgia. Ethnic ties with Azerbaijan and Georgia's fickle relationship with the West has provided significant advantages for Turkey, which has used its NATO membership and EU candidacy (Alipour, 2015). Mutual efforts to normalize Armenian-Turkish relations did not yield any results in the early 2000s. Although the borders between the two countries are officially closed, connections between Turkey and Armenia are provided through Georgia and Iran (Sputnik Turkiye, 2021). In an interview with BBC Turkiye in 2010 while he was still Prime Minister, Recep Tayyip Erdogan stated that 100,000 Armenian citizens

work informally in Turkey (BBC Turkce, 2010). While there is a potential to create an important income source for both Turkish and Armenians, especially those living in the eastern regions of Turkey, the economic relations between the two countries have been overshadowed by political conflicts.

The South Caucasus is also in the radar of influential non-regional actors. The EU, the US, and China are relatively newcomers to the region. The EU gradually established ties with the South Caucasus states with its eastern enlargement as the region underwent major changes such as the 2003 Rose Revolution in Georgia and the 2008 Russian-Georgian War (Paul, 2015a, p. 77). Transportation, trade, and energy-centred economic cooperation, accompanied with normative foreign policy instruments of the Union, have formed the basis of EU-South Caucasus relations.

The US has developed a focused foreign policy in the South Caucasus. The US approaches the region—situated between three regional powers—Russia, Turkey, and Iran—from a more general perspective, focusing on energy and geopolitics (Gafarli et al., 2016). The objective is to block the re-establishment of dominance in the region by Russia and Iran. Thus, so far, the US has backed Turkey, a NATO member state (Baban & Shiriyev, 2010). Ensuring the independence of three South Caucasus countries, sustaining democratization, and promoting regional integration in the long term may be considered as the overlapping strategies of the US and the EU in the region.

China is a more active player in the South Caucasus. While the EU is dealing with crises inside and the US is trying to adapt to the challenges of a multipolar world and global geopolitical recalibration, China is operationalising its geoeconomic tools to fill the power vacuums in the South Caucasus (Popkhadze, 2021).

In the economic map of Armenia, Azerbaijan, and Georgia, Chinese activity is gradually increasing. Overlapping economic interests are facilitating China's rise in the region (Rolland, 2018). China has signed several official documents with Georgia, Armenia, and Azerbaijan on their participation in the Belt and Road Initiative. China's free trade agreement with Georgia of 2017—the first in the post-Soviet area—is notable in this sense (Aliyev, 2020). Bilateral trade between China and the Caucasus region almost doubled from 2016 to 2020, from \$1.9 billion to \$3.6 billion (Yau, 2021).

The increased visibility of China is not limited to its economic activities in the South Caucasus. China has sponsored several humanitarian, cultural, and education projects in the Southern Caucasus countries, using its primary soft power tools, the Confucius institutes (Aliyev, 2020). These initiatives by China have also received positive responses from the peoples of the South Caucasus who are tired of ethnic problems and seek social welfare. The social base supports this cooperation (Rolland, 2018).

In fact, the rapid rise of China as a global economic power since the beginning of the 2000s and its transformation into one of the actors able to influence the course of global governance indicate that Russia, Turkey, and Iran should revise their South Caucasus policies.

10.3 Building a Common Future in the South Caucasus

The South Caucasus region remains disintegrated and characterized by a lack of trilateral contact and communication, as well as most types of economic activities. While global, regional, and local factors have prevented regional integration, certain mutual interests have pushed certain countries to cooperate bilaterally. The Azerbaijani-Georgian cooperation represents a good example of this trend. As an economic leader of the region, Azerbaijan has succeeded in establishing close multi-dimensional relations with Georgia. Azerbaijan's energy wealth and its need to access the world energy markets are the main determinants of this policy. The two countries signed a Free Trade Agreement in 1996. Table 10.1 shows the trade turnover between Azerbaijan and Georgia in last seven years.

Georgia and Armenia—with their relatively narrow-scale economies—have limited cooperation among themselves. The Free Trade Agreement of 1998 between Armenia and Georgia promoted free trade in goods by eliminating tariffs, customs duties, and quantitative restrictions on export and import of goods originating in the territory of the countries (Table 10.2).

The tables indicate two important facts. First, trade relations between the countries of the South Caucasus at the bilateral level are steady. While trade volumes

Table 10.1 Azerbaijani-Georgian trade turnover (thousands of USD)

	2014	2015	2016	2017	2018	2019	2020
Total trade	623.437,9	564.189,4	468.108,3	561.905,5	592.324,2	659.027,0	536.218,1
Azerbaijan's export to Georgia	529.549,1	496.196,8	416.644,0	487.757,2	498.250,6	586.904,1	461.924,6
Azerbaijan's import from Georgia	93.888,8	67.992,6	51.464,3	74.148,3	94.073,6	72.122,9	74.293,5

Source The State Statistical Committee of the Republic of Azerbaijan (2022)

Table 10.2 Armenian-Georgian trade turnover (thousands of USD)

	2014	2015	2016	2017	2018	2019	2020
Total trade	498.230,3	355.209,2	369.582,0	494.885,2	621.709,5	700.239,1	609.882,2
Georgia's export to Armenia	288.093,3	180.154,2	152.745,6	213.550,1	286.334,8	432.560,3	187.481,5
Georgia's import from Armenia	210.137,0	175.055,0	216.836,4	281.335,1	335.374,7	267.678,8	422.400,7

Source National Statistics Office of Georgia (2022)

have not reached significant growth levels, potential growth could motivate regional cooperation in the future. Second, all three South Caucasus countries are directly and indirectly affected by oil prices. Fluctuations in prices are reflected in trade volumes.

The restriction of traditional economic activities during the COVID-19 pandemic further caused the depression of most economic indicators, a reduction in trade volume, and an increase in social problems (Uste & Aydin, 2020). When the Azerbaijani-Armenian war broke out in September 2020, the pandemic was still ongoing, and impacts mixed with the violent conflict.

The difficult situation, however, also presents various opportunities for regional cooperation between the South Caucasian states. Local non-governmental organizations could lead the way for contact, bringing together the mothers of the soldiers involved in the conflicts, establishing dialogue and explaining the pains to different segments of society in order to prevent similar losses in the future. Although such initiatives by international organizations have been appreciated since the beginning of the conflict, it has been seen that they are insufficient in terms of leading to permanent results and solutions. For these reasons, it should be ensured that the conflicting parties participate more actively in new dialogue platforms and take more initiative and responsibility. Direct communication channels between communities should be opened with the support of international organizations.

A similar situation is valid for Georgia. It is very important to keep direct communication channels open between the central Tbilisi administration and the separatist regions. The pandemic period can be seen as a particular opportunity in this sense. The COVID-19 pandemic requires cooperation regardless of ideology, identity, ethnicity, and religious beliefs (Uste & Aydin, 2020). None of the South Caucasus countries or separatist regions have the capacity to overcome this crisis on its own. In this context, both civil society organizations and political leaders should enlighten their communities regarding regional cooperation in the South Caucasus. As political leaders are agenda-setters, their speeches and statements are particularly important. In order to motivate the societies of the South Caucasian countries towards regional cooperation, a two-dimensional working model can be developed by the political elites to operate first at the official level and second via civil society organizations at the public level.

The role of women in the South Caucasus could be key to achieving peace, prosperity, employment, and opportunities in the region. Currently, the Gender and Development approach has become an integral part of development perspectives and policies (Atakan, 2016, p. 4). In this context, peace in the international arena can only be possible if women and men, who are important stakeholders of peace in countries, ensure peace based on equality of access to resources and opportunities. Due to poor economic conditions in the region, there are significant numbers of female emigrants from all three countries. Considering the importance of women in peacebuilding, their economic inclusion—central to realising women's rights, gender equality, and meaningful participation in peace and transition processes—increases the durability and quality of peace.

Climate change and environmental problems threaten countries and societies seriously. In particular, the agriculture and food sectors are adversely affected by this situation. Experts have indicated that there will be food shortages in the near future

due to climate change and environmental problems. The South Caucasus countries, known for their fertile lands, can cooperate with respect to food and agriculture among themselves. In addition, activation of railways in the region will create environmental benefits (Waal, 2021).

The public and private sectors, involving civil society organizations as well as non-governmental organizations, can work together to develop these types of sustainable solutions. The improvement of inter-communal dialogues should be supported simultaneously with cooperation policies implemented from above.

10.4 Conclusion

Regional cooperation could have a beneficial effect on political stability and prosperity in party states as a result of growth in trade and investment volumes (Strachan, 2018). Schiff and Winters (2002) attracted attention to the role of international institutions in the construction of trust, the creation of financial resources, and the provision of professional consultants when there is a lack of trust between bordering states due to the past problems.

There are various arguments regarding the establishment of regional cooperation among the countries of the South Caucasus. On the basis of these views, there are debates whether the South Caucasus should even be considered a “region” (German, 2012, p. 138). According to some views, the South Caucasus countries, which do not have anything in common in terms of language, culture, and tradition, do not constitute a region even though they are in the same geographical location (Iskandaryan, 2008). This has led to a lack of “regionalism” and “regional cooperation” between the countries. Regional cooperation initiatives are instead promoted by external actors seeking stability in the region, rather than being internally generated by the three South Caucasus states (German, 2012, p. 148).

As emphasized in the previous sections, current and predicted threats for the near future may pave the way for regional cooperation focused on economic needs. Coordinating existing bilateral agreements between three countries on a tripartite basis may be a pragmatic start in the first stage. The need for peace, security, and economic welfare can motivate and shape the next phases of regional cooperation.

A trilateral partnership within the framework of the emerging new world order would give the South Caucasus qualitatively different characteristics and would make the region more interesting and appealing to external, particularly Western, investors. It would not be realistic to expect full integration in a short time, but a basic or limited level is possible.

Considering the current escalation of global threats such as pandemics, droughts, floods, fires, and extreme temperatures, societies will need each other much more in the future, regardless of identity. Common interests could emerge according to this conjuncture. The existing global, regional, and local situation could be a catalyst for peace and cooperation in the South Caucasus.

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