

POLICY RECOMMENDATIONS¹

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

“ASSESSING AND MITIGATING THE IMPACT OF THE COVID-19 GLOBAL CRISIS IN THE SOUTH CAUCASUS REGION“

Extraordinary Virtual Roundtable
25 June 2020

**PfP Consortium of Defense
Academies and Security
Studies Institutes**



Executive Summary:

The RSSC SG Extraordinary Virtual Roundtable enabled a small group of experts to discuss the implications of the Coronavirus pandemic on the political, economic, and security situation of the regional states, provide an update on the regional security situation, and consider policy recommendations aiming to transform this crisis into opportunities for conflict management, conflict resolution, and regional cooperation.

GENERAL POLICY RECOMMENDATIONS:

1. Regional states should display solidarity vis-à-vis each other, and strive to cooperate more extensively and better with each other.
2. Regional powers (like Russia, Turkey, Iran, EU, and the US) should abstain from any attempts at taking advantage of the global pandemic's consequences to score geopolitical points.
3. Relevant institutional actors at all levels should increase their efforts at conflict management and conflict resolution.
4. Civil societies across the South Caucasus region should strive to become more relevant to the broader political-diplomatic efforts for conflict management and conflict resolution.

COUNTRY-SPECIFIC POLICY RECOMMENDATIONS:

Prior to the roundtable, the speakers² had been invited to share their ideas regarding post-COVID19 crisis policy recommendations. Based on these points and the subsequent virtual discussion, their suggestions have resulted into country-specific policy recommendations:

1. From Azerbaijan: the EU needs more local expertise or know-how; a comprehensive Political Risk Mitigation Strategy; a new rules-based cooperative relationship with Russia; a new Eastern Partnership Business and Trade Alliance; an initiative to implement Eastern Triangular Dialogue.
2. From Armenia: the Armenian government should rebalance its foreign policy by taking into account global developments; intensify confidence and security building measures against the backdrop of current diplomatic deadlock in Nagorno-Karabakh conflict resolution; the EU should leverage its Team Europe Package deployed to Armenia to accelerate Comprehensive and Enhanced Partnership Agreement implementation reforms by using the 'more for more' formula.



INTRODUCTION

The COVID-19 pandemic has been described as more than a health emergency, but also as symptomatic of all that is wrong with globalisation and international governance. While it affects every political actor equally, the repercussions are asymmetrical. How hard it affects each state will ultimately depend on the resilience of its medical, food, energy and digital infrastructure and supply chains, the effectiveness of its crisis response system, and the size and effective deployment of an economic recovery package in the aftermath of the crisis. Many states, including those in the South Caucasus, have limited capacities to deal with such a global crisis. When global security is threatened by a pestilence that knows no borders, the national level of protecting the population becomes questionable given the inherent interdependencies produced by unrestrained globalisation.

SECTION 1: VIEWS FROM AZERBAIJAN

This panel approached the topic from an ‘opportunistic’ stance, hinting that a common emergency provides an objective stepping stone to stimulate cooperation between the EU and its Eastern Partners.

The impact of the Coronavirus pandemic on the EU's economy may take several years to overcome, as the growth achieved in the last decade melts away. As an outcome the South Caucasus may be sidelined with Eastern Partnership (EaP) activities becoming less relevant. Some countries, like Russia, appear to be taking advantage of the crisis; Mr. Putin famously said in a recent interview that Russian lands had been taken away during the dissolution of the USSR, an ominous statement regarding regional stability. If the South Caucasus is neglected by the EU leaders, then the West could be blindsided. Therefore, the EU's engagement with the South Caucasus should be more intensive and assiduous than ever. It must continue by leveraging expert knowhow, and the aim of engagement should be renewed trade alliances, and, in particular, a ‘triangular dialogue’ which would link Brussels, Russia and the South Caucasus.

SECTION 2: VIEWS FROM GEORGIA

This panel looked at the successes in containing the Coronavirus in Georgia amid continuing (if not increasing) tensions with Russia, and with the occupied territories (non-recognised states) Abkhazia and South Ossetia.

The feeling was that the Coronavirus crisis had negatively impacted the already troubling trends at work in Georgia.

For instance, borderisation by allegedly Russia-backed agents² has continued unabated, as have human rights violations in the occupied territories. This greatly complicates the political agenda for Georgian political actors. There will be legislative elections in October 2020, and the anti-crisis stimulus package that has been passed (547 million GELs) is seen as half-hearted by some, and as a blatant pre-election political gift by others. To this must be added the prevalence of disinformation and propaganda stemming from some Russian media outlets (who have stated that a U.S.-backed lab in Georgia had something to do with the Coronavirus); the Tskhinvali government has hinted that the European Union Monitoring Mission (EUMM) and its Chemical, Biological, Radiological and Nuclear (CBRN) mitigation capacity were lacklustre, when it was not in the EUMM mandate to conduct such activities. This means that the outlook for societal stability in Georgia remains questionable for the rest of the year.

SECTION 3: VIEWS FROM ARMENIA

This panel focused on the recent deadlock in negotiations between Armenia and Azerbaijan concerning the ongoing conflict in Nagorno-Karabakh, and the impact of the Coronavirus pandemic on Armenian politics and the economy.

Two aspects of the impact of the Coronavirus pandemic were discussed primarily. First, the panellists focused on the effects of the crisis on the political aspects of the negotiations with Azerbaijan, and on the fate of the Armenian and Azerbaijani initiatives to prepare their respective populations for peace. The good news is that, in spite of the apparently deadlocked diplomatic negotiations, there has not been an increase in the reported infractions to the cease-fire along the Line of Contact (LoC) in Nagorno-Karabakh. Should this be a consequence of either/both side/s attempts to avoid breeding political and socio-economic risks associated with the Coronavirus crisis? This aspect was not discussed in detail. However, economic indicators for Armenia, already under structural stress since the recession, are worrisome. Between January and April 2020, there has been a 1.7% drop in quarterly growth, and in April, a 16.3% drop in economic activity, yielding a 33.1% domestic turnover. Salvaging the fragile hopes for peace between Armenia and Azerbaijan will require greater economic assistance from the international community, renewed confidence and security-building measures (CSBM) to prevent a resumption of hostilities by all means. The need for a civil society framework to consider alternative solutions to the Nagorno-Karabakh conflict was discussed.

GENERAL POLICY RECOMMENDATIONS

In “The Pandemic and Political Order” (Foreign Affairs July/August 2020) Francis Fukuyama stated that *“It is already clear why some countries have done better than others in dealing with the crisis so far, and there is every reason to think those trends will continue. It is not a matter of regime type. Some democracies have performed well, but others have not, and the same is true for autocracies. The factors responsible for successful pandemic responses have been state capacity, social trust, and leadership.”*

This applies to the South Caucasus region as well. Within the context of the COVID19 pandemic, the unresolved conflicts in the South Caucasus are increasing the political, socio-economic, and security burdens on the South Caucasus states and other actors. Unresolved conflicts could ultimately hinder capacities required to sustain competent state apparatuses, governments which citizens trust and listen to, as well as effective political leadership. The shortage of such capacities might accelerate existing trends and eventually produce growing regional instability, deeper geopolitical fragmentation, and even future socio-economic irrelevance and backwardness. In this context, the RSSC SG co-chairs are troubled by the recent (mid-July 2020) resurgence of violence on the border between Armenia and Azerbaijan, and are particularly worried that the progress in preparing populations for peace witnessed since September 2018 – progress which could be traced to the recommendations produced by the RSSC SG – might be unmade before bringing up the long-awaited peace. To avoid such a dire future:

1. Regional states should display solidarity vis-à-vis each other, and strive to cooperate more extensively and better.
2. Regional powers (like Russia, Turkey, Iran, EU, and the US) should abstain from any attempts at taking advantage of the global pandemic in order to score geopolitical points, since that might eventually become self-defeating in terms of preserving peace and strengthening regional stability.
3. Regional states, regional powers, and relevant international organisations should increase their efforts for conflict management and resolution.
4. Civil societies across the South Caucasus region should strive to become more relevant to the broader political-diplomatic aspects of conflict management and resolution and help fill the ensuing diplomatic gaps with concrete peace proposals, as well as CSBM and peace building projects.

COUNTRY-SPECIFIC POLICY RECOMMENDATIONS

Prior to the virtual roundtable, the speakers had been urged to share their ideas regarding their post-COVID19 crisis recommendations. Based on these points and the discussions that took place on 25 June, their suggestions resulted into the following country-specific policy recommendations:

From Azerbaijan

The EU needs to craft a new model of protective and cooperative integration in its Eastern neighbourhood. To that end, the EU requires a radical rethink, which must search for an internationally just and peaceful regional order, respectful of Eastern partner states, their national interests, foreign relations, and inherited traditions. To facilitate the development of such a new model:

1. EU decision-makers need to equip themselves with the necessary business and political expertise to prepare and protect against sudden political risks in the post-COVID-19 world. While Azerbaijan and other EaP countries stumble through socio-economic crises and face a time of great geopolitical change and uncertainty, the EU must continue to invest in understanding the dynamics of the political and socio-economic environment in its Eastern neighbourhood.
2. The EU should have a clear Political Risk Mitigation Strategy which can enable Brussels to produce effective responses to a range of potential risks. Comprehensive due diligence investigation, deep dive research, and political risk analysis are the most important foundational elements of such a strategy.
3. The EU and Russia should think strategically about working out a new cooperative relationship formed within an agreed multilateral framework of rules that would foster a system aimed at imposing responsibilities and restraints on Russia, the EU and all other powerful regional actors (Turkey, Iran and China). Their capacity for constructive cooperation will determine whether the South Caucasus states make tangible progress on conflict resolution, weapons non-proliferation, peace building and eventual reconciliation.

4. Together with member states, the EU should strongly support the creation of a new business & trade alliance, a unique network of enterprises in the EaP region, aiming to make regional trade and connectivity simpler and better. The Eastern European companies should be given proper representation in the EU business circles to promote their project ideas in the fields of industry, energy and trade.
5. Although the idea to initiate an 'Eastern Triangular Dialogue' involving the EU, Russia and the South Caucasus states might look rather idealistic today, it may well turn out to be reasonable, realistic, and feasible in the post-COVID-19 world. It should consist of trilateral (cooperative) contact groups of government officials and civil society organisations (CSOs). These trilateral contact groups should interconnect their work so that dialogue is not just carried out between governments, but also between governments and CSOs, who could contribute important on-the-ground knowledge to inform policies.

From Armenia

1. The Armenian government should take a cautious approach seeking not to jeopardize its strategic relations with Russia, while attempting to make small steps to bring Chinese investments to Armenia. Meanwhile, Yerevan should make efforts to successfully implement the Armenia–EU Comprehensive and Enhanced Partnership Agreement (CEPA) Road Map.
2. As it is highly unlikely that any breakthrough is possible in the Nagorno-Karabakh negotiations, the key task of the OSCE Minsk Group mediators is the prevention of the resumption of hostilities. This may be done through intensifying confidence and security building measures. Armenian government should actively promote this policy during the upcoming virtual summits.
3. In the wake of its Team Europe Package to support partner countries in their fight against the corona-virus pandemic and its consequences, the EU should push that the reform process in Armenia is accelerated by using the 'more for more' formula. No other states, including Russia, Armenia's strategic partner, have been able so far to match the EU in COVID-19 pandemic related assistance. This has created a solid base for the EU to strategically improve its image in Armenia and in the region.

¹ These policy recommendations reflect the findings of the Extraordinary Virtual Roundtable on "Assessing and Mitigating the Impact of the COVID-19 Global Crisis in the South Caucasus Region", convened by the PfP Consortium Regional Stability in South Caucasus Study Group on 25th of June 2020. They were prepared by George Vlad Niculescu (European Geopolitical Forum, Brussels) and Frederic Labarre (Royal Military College of Canada, Kingston) on the basis of the proposals submitted by the participants and the ensuing roundtable discussions. Valuable support in proofreading and layouting came from Benedikt Hensellek and Lisa-Maria Tagwercher (Austrian National Defence Academy, Vienna).

The participants to this virtual roundtable were (in alphabetical order): Teona Akubardia (Tbilisi), Ahmad Alili (Caucasus Policy Analysis Centre, Baku), Olaf Garlich (PfP Consortium Operations Staff, Garmisch-Partenkirchen), Frederic Labarre (Royal Military College of Canada, Kingston), Johnny Melikyan (Orbeli Analytical Research Centre, Yerevan), George Vlad Niculescu (European Geopolitical Forum, Brussels), Elkhan Nuriyev (Humboldt Senior Fellow, Centre for East European and International Studies, Berlin), Benyamin Poghosyan (Chairman, Center for Political and Economic Strategic Studies, Yerevan), Givi Silagadze (Georgian Institute of Politics, Tbilisi).

² Some participants argue that borderisation is a campaign run by Russia's Federal Security Service (FSB) from within South Ossetia in particular.

³ Elkhan Nuriyev from Azerbaijan, and Benyamin Poghosyan from Armenia.

The PfPC's Regional Stability in the South Caucasus Study Group actively seeks to foster stability in the region, as well as international security, through facilitating conflict resolution dialogue among diverse parties. The activities of the group serve to advise broader conflict resolution activities, such as the Geneva Talks. The group pursues its goals by focusing on the following areas:

- Ensuring multinational participation, building on experts from all dimensions of the security-political spectrum of the three core countries Armenia, Azerbaijan and Georgia: This is paralleled by bringing in experts on international security and regional stability issues from the main partner countries and institutions to the region, namely the European Union (Member States), the Russian Federation, Turkey, the United States, as well as NATO, the OSCE and the UN.
- Building a constructive network of academic and policy-making influence: This includes involving civil society, international security organizations, think-tanks and defense institutions in the group's work.
- Encouraging an alteration of the conflicting narrative in the region in order to progress conflict negotiation.