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*A strip of land situated between the Mediterranean and the Black Seas, the post-Soviet Caucasus embarked on a painful identity quest at the turn of the third millennium. This – still ongoing – quest involves several daunting choices: between Moscow, Washington and Brussels, between oil and democratic values, and between feudal realities and revolutionary ideals. Throughout the last decade, the Yerevan-based Caucasus Institute has been conducting in-depth research of the conflicting and often subtle trends in the regions' politics. This volume contains a selection of research papers published by the Caucasus Institute since 2001 in Armenian, Russian and English, which best represent the challenges faced by this varied region at this crucial stage of development.*

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## DRIFTING APART? THE WEST AND SOUTH CAUCASUS IN 2009<sup>1</sup>

*By Vladimir D. Shkolnikov<sup>2</sup>*

### INTRODUCTION: EXIT BUSH, ENTER OBAMA

The year 2009 was a year of both change and continuity in Western policies toward the countries of the South Caucasus. The Western policies toward the region were only partially influenced by developments in and around the South Caucasus. Rather, domestic changes in the US and the EU were the key factors behind modifications that took place regarding the West's foreign policy, including policy towards the South Caucasus.

The inauguration of Barack Obama as the 44<sup>th</sup> President of the United States had global ramifications. Partially it was because the new president represented a hope for change in the US domestic and foreign policies. Perhaps even more significantly, Obama's ascent marked the departure of an internationally unpopular George W. Bush and his team, who were seen as averse to multilateral action, responsible for starting a war in Iraq under a false pretext, and pursuing activities which they viewed as democracy promotion, but which many, including the EU, saw as naïve and destabilizing. More specifically in the South Caucasus context, the Bush administration was seen as giving unconditional and uncritical support to Georgian President Mikhail Saakashvili, including to Georgia's (as well as Ukraine's) ill-prepared bid for NATO membership, which may have contributed to antagonizing Russia and the ultimate start of the 2008 Russian-Georgia August War. Other Bush policies included the expanded competition with Russia on energy issues under the banner of diversification of energy sources to Europe. This, in particular, included providing political support to a speculative *Nabucco* oil pipeline, which assigned a significant role to Azerbaijan as a source country. Given that the *Nabucco* project seemed to lack the requisite backing of the private sector, and came into direct competition

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1 This paper was published by the Caucasus Institute in Russian as: Shkolnikov, Vladimir. "Zapad i Yuzhny Kavkaz v 2009 g.: otdalenie?" *Kavkaz – 2009. Yezhegodnik Instituta Kavkaza* ("The West and South Caucasus in 2009: Drifting Apart?" *Caucasus 2009. CI Yearbook*). Ed. Alexander Iskandaryan. – Yerevan: 2011 (in Russian). – Pp. 152-171.

2 At the time of writing of this paper, the author was an independent analyst based in Warsaw, Poland.

with Russia's *South Stream* project, Bush policies in the energy sphere were seen by some policy circles in the EU and in Russia as provocative.

Writing in a different context, a European observer has summarized Bush's foreign policies and the realities inherited by the Obama Administration as follows: "The Bush administration's signature attempts to harmonize interests and values in foreign policy – the invasion and occupation of Iraq – has been a failure mainly because the interest (counter-proliferation) was illusory and the value (democracy promotion) unavailing. One consequence has been the palpable desire to a more realist foreign policy tailored to vital interests and sceptical of grand ideological solutions. Another has been the recognition that America's unipolar moment has passed – or has been squandered – and that US policy therefore must be implemented with a lighter touch."<sup>3</sup>

It was argued by this author in the *Caucasus Yearbook* of last year that in light of the US's shift of interest and priorities, and due to the decline in the US reputation and the European Union's energetic diplomacy in the aftermath of the Russian-Georgian war, the EU has become an indispensable actor in the Caucasus.<sup>4</sup> The EU, however, also had its own domestic distractions that kept it from a greater focus on foreign policy. These, first and foremost, included the process of referenda and the beginning of eventual implementation of the Lisbon Treaty, which, historically, created the position of the European Council's President and High Representative for Foreign and Security Policy of the European Union (commonly referred to as "EU's foreign minister"). These changes led to tactical delays due to the "reshuffling of chairs" in the Brussels foreign policy apparatus and uncertainty over the transition of foreign policy institutions.

In short, 2009 was a year when two main international actors had plenty on their plates. The US and European leaders had to deal with the global economic crisis. And, on the foreign policy side, the new US president and European policymakers had among their priorities the continuing military presence of the US in Iraq and the US-led NATO contingent in Afghanistan, active Russian energy policy on both *North Stream* and *South Stream* directions, as well as ongoing concerns with the Middle East, and Iran's nuclear program. Also, due to the US "reset" of relations

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3 Stevenson, Jonathan. "African American." *Survival*, Vol. 51, No.1, February-March 2009. – Pp. 251-252.

4 Shkolnikov, Vladimir. "2008 god: neobratimoe vovlechenie Evropy v dela Kavkaza?" *Kavkaz – 2008. Yezhegodnik Instituta Kavkaza* ("Europe and the Caucasus in 2008: The year of irreversible engagement?" *Caucasus Yearbook 2008*). Ed. Alexander Iskandaryan.– CI, Yerevan, 2010 (in Russian). – Pp. 188-201.

with Russia, and importantly for the region, the gradual absorption of the lessons of the 2008 August War by the West, the South Caucasus naturally moved to the periphery of Western foreign policy. However, some evolving trends in the West's relations with the countries of the region deserve attention. In addition, an analysis of new realities in these relations and what these new realities may imply for the countries of Southern Caucasus is in order.

#### DEALING WITH THE AFTERMATH OF THE 2008 AUGUST WAR AND BUSH'S LEGACY

The relationship with Georgia arguably represented one of the most serious over-stretches of the Bush administration. As one observer of Georgia and the US policy towards that country remarks, "one could be forgiven, if one spent a lot of time in Washington, for thinking that the official name of the country was 'the Strategically Vital Republic of Georgia.'"<sup>5</sup> In recent years, the EU has taken a more clear-eyed view towards Georgia, especially in light of questionable actions of Saakashvili's administration toward the political opposition and independent media. In addition, Saakashvili's close relationship with the internationally unpopular George W. Bush was seen as a liability by most European leaders who were preparing for a fresh start with Bush's popular successor.

The Bush Administration decided to leave its stamp on US-Georgia relations in its last days by signing on January 9, 2009 the US-Georgia Strategic Partnership Charter, which in particular seemed to emphasize the democratic nature of Georgia's government and Georgia's NATO candidacy; that is, notions which were viewed in Europe with a high degree of scepticism.<sup>6</sup> When US Vice President Joseph Biden arrived in Georgia in late July 2009, Georgian President Saakashvili had reasons to expect the worst from this visit due to his closeness to former President Bush and Obama's Republican challenger in the 2008 US Elections, Arizona Senator John McCain, who hurriedly sided with the Georgians and their (untruthful, according to the EU-commissioned Tagliavini Report) narrative during the August war. However, the US vice president gave Saakashvili a show of support, which did not reach the same level of the Bush Administration, but was sufficient to irritate

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5 Mitchell, Lincoln. "Georgia's Story: Competing Narratives since the War." *Survival*, vol. 51, no. 4, August–September 2009. – P. 88.

6 United States-Georgia Charter on Strategic Partnership. 9 January 2009.

<http://www.america.gov/st/texttrans-english/2009/January/20090109145313eaifas0.2139093.html>

Russia. Yet Biden sounded notes of veiled criticism of Georgia's domestic arrangements, calling for more parliamentary powers and also made a point to meet with Saakashvili's political opponents.<sup>7</sup>

In the aftermath of the Georgian War, in December 2008, the EU commissioned a report on the beginning of the war and appointed an experienced Russia and Georgia "hand," the former head of the United Nations Observer Mission to Georgia Heidi Tagliavini, an accomplished Swiss diplomat, to head the group of scholars and international lawyers writing the report. "The Tagliavini Report," a weighty three-volume study, was published in September 2009.<sup>8</sup> Its main conclusions were unsurprising to those who followed the build-up to the war with a close and unbiased eye. The report was not meant to result in any action, but the European Parliament took it up as a subject of debate. More importantly, the Tagliavini Report defined the EU's understanding of what happened in the summer between Russia and Georgia. Tagliavini's International Commission, which was careful to disavow any functions of a tribunal, made key assessments of actions of Russia and Georgia with regard to the international law. The Tagliavini Report contained the following five important findings:<sup>9</sup>

1. *The use of force by Georgia in South Ossetia, beginning with the shelling of Tskhinvali during the night of 7/8 August 2008, was not justifiable under international law.* The report noted that "even if it was assumed that Georgia was repelling an attack, e.g. in response to South Ossetian attacks against Georgian populated 23 villages in the region, according to international law, its armed response would have to be both necessary and proportional. It is not possible to accept that the shelling of Tskhinvali during much of the night with GRAD multiple rocket launchers (MRLS) and heavy artillery would satisfy the requirements of having been necessary and proportionate in order to defend those villages."
2. While the Tagliavini Report absolved South Ossetian forces of any blame in purely defensive action (i.e., during the first stage of the conflict), it stated that "any operations of South Ossetian forces outside of the purpose of repelling the Georgian armed attack, in particular *acts perpetrated against ethnic Georgians inside and outside South Ossetia, must be considered as having violated International Humanitarian Law and in many cases also Human Rights Law.*"

7 Barry, Ellen. "Georgia's Leader Escapes Damage in Biden Visit." *The New York Times*, July 26, 2009.

8 *Report of the Independent International Fact-Finding Mission on the Conflict in Georgia.* <http://www.ceiig.ch/Report.html>

9 *Ibid.* Volume 1. – Pp. 22-27. [http://www.ceiig.ch/pdf/IIFFMCG\\_Volume\\_1.pdf](http://www.ceiig.ch/pdf/IIFFMCG_Volume_1.pdf)

3. Most significantly, the Tagliavini Report dispels the narrative that the Georgian side actively advanced in the Western media, in particular on CNN, including by President Saakashvili personally, that Georgia's attack on Tskhinvali was necessary to repel an impending Russian attack and found the Georgian actions against the Russian peacekeepers during the initial stages of the conflict illegal. The report plainly states, that "there was no ongoing armed attack by Russia before the start of the Georgian operation. Georgian claims of a large-scale presence of Russian armed forces in South Ossetia prior to the Georgian offensive on 7/8 August could not be substantiated by the Mission. It could also not be verified that Russia was on the verge of such a major attack, in spite of certain elements and equipment having been made readily available. There is also no evidence to support any claims that Russian peacekeeping units in South Ossetia were in flagrant breach of their obligations under relevant international agreements such as the Sochi Agreement and thus may have forfeited their international legal status. Consequently, *the use of force by Georgia against Russian peacekeeping forces in Tskhinvali in the night of 7/8 August 2008 was contrary to international law.*"
4. Russia's actions were divided in the report into two phases: first, the immediate reaction in order to defend Russian peacekeepers, and second, the invasion of Georgia by Russian armed forces reaching far beyond the administrative boundary of South Ossetia. The Report states: "in the first instance, there seems to be little doubt that if the Russian peacekeepers were attacked, Russia had the right to defend them using military means proportionate to the attack. Hence the Russian use of force for defensive purposes during the first phase of the conflict would be legal. On the second item, ... *much of the Russian military action went far beyond the reasonable limits of defence.* ... Furthermore, continued destruction which came after the ceasefire agreement was not justifiable by any means. It follows from this that insofar as such extended Russian military action reaching out into Georgia was conducted in violation of international law, Georgian military forces were acting in legitimate self-defence under Article 51 of the UN Charter. In a matter of a very few days, the pattern of legitimate and illegitimate military action had thus turned around between the two main actors Georgia and Russia."
5. Russia's claims of its action as a "humanitarian intervention" were not recognized and *Russia's actions outside of South Ossetia (including in Abkhazia) were found to be outside of the international law.*

Therefore, the report apportioned blame to both sides. Georgia violated international law in the August War's initial stages, while Russia violated it after pushing

back the Georgian military from South Ossetia. Politically, however, the report was more damaging to Georgia, personally to President Saakashvili, and to his most ardent Western backers. The narrative of brave Georgia falling victim to an aggression to its large neighbour was essentially dismissed and found to be a myth. In fact, the report's findings suggest that Russia missed an opportunity to fully comply with international law by simply stopping at the established boundaries of South Ossetia and not pushing its forces deep into Georgian territory, which would have placed Saakashvili in a difficult position, at least from the perspective of international law. The report also rejected the Russian narrative of its actions necessary for genocide prevention as a stretch. In the event, the Tagliavini Report added many colours into the black-and-white picture of aggressive Russia attacking plucky democratic Georgia, and the report's findings put Saakashvili's backers in the West and, in particular, in the US, on the defensive.

The Tagliavini Report made the greatest impact in Europe, which was eager to repair relations with Russia, mirroring Washington's "reset" of its relations with Moscow. The conclusions of the Tagliavini Report implied that Saakashvili was intentionally making false statements on CNN and other international media outlets during the hot days of August 2008, thus making it easier for the EU, which commissioned the report, to distance itself from the Georgian leader. But even in the US, despite the warm atmosphere of the Biden visit to Georgia, the underlying logic, or rather mythology, of US-Georgia relations of the Bush era was breaking down. The new US Administration clearly had little to gain from continuing to treat the flawed Georgian polity as a post-Soviet "beacon of democracy" *a la* Bush. While not formally siding with the findings of the Tagliavini Report, it could not but understand that the August War's origins had the marks of Georgia's culpability. It also saw the question of NATO enlargement in more realist terms, understanding that NATO could simply not commit to collective defence of Georgia. In addition, the perceived need to repair relations with Russia played its role. The US support to Georgia under Bush was a strong irritant to bilateral US-Russian relations, and the Obama administration was carefully working to diffuse this irritation, while not giving Russia signs that it was abandoning Georgia altogether. The relationship between the Washington and Tbilisi is still strong, and enshrined in the US-Georgian Strategic Partnership Charter. However, it is losing its ideological embellishments as well as the symbolism associated with a strong personal relationship between the presidents of the two countries.

Hence, the major change from 2008 to 2009 was the trend of convergence in US and EU policies towards Georgia. It is not that US policy necessarily became more

“European”; it simply became less “romantic,” and, thus, could not but move towards the EU’s views.<sup>10</sup> The appointment of the new US ambassador to Tbilisi was symbolic of this new approach. Ambassador John Bass has a light record of the work in the region. He arrived in Tbilisi only some nine months after Obama’s inauguration, giving an impression that Washington felt that filling an ambassadorial post in Tbilisi was among its foreign policy priorities.

The EU and the US also had to work close together on other components of the fallout of the war. Both tried in vain to overcome the Russian veto and to keep open the OSCE Mission in Georgia and the United Nations Observer Mission to Georgia (UNOMIG). The Greek Chairmanship of the OSCE made a strong effort to find a formula that would accommodate both the Russian recognition of Abkhazia’s and South Ossetia’s independence and the West’s steadfast refusal to recognize the independence of these territories. In the end, the OSCE and the UN had to close their presences in Georgia, leaving on the ground only the EU observer mission which has a far more limited mandate with no access to Abkhazia or South Ossetia.

The US and the EU have to work closer together in the framework of the Geneva talks, the product of the Medvedev-Sarkozy peace agreements. In 2009, the Geneva format that brings together representative of Georgia, Russia, the breakaway entities of Abkhazia and South Ossetia, the EU, the US, along with the UN and the OSCE has been mostly successful so far as it fleshed out the differences between the sides. After the eighth round of the Geneva talks that took place in November 2009, some progress was reported as a result of regular meetings of so-called Incident Prevention and Response Mechanisms, especially in Abkhazia.<sup>11</sup> As the EU monitoring mission remains the only legitimate international mission in Georgia, and as the Geneva discussions are destined to continue for the foreseeable future, the EU and the US are destined to work together on Georgia. This represents a shift from the situation of some years ago when even senior EU diplomats in Tbilisi complained of the failure of the US to share information with its European colleagues.

The West also had to expend political and diplomatic capital on warning third countries to refrain from recognizing the independence of the breakaway territories. On this front, the US also found that it needed EU’s help. For example, in absence of any leverage on Belarus, which is under Washington’s sanctions, the US also had

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10 The author would like to give credit for the introduction of the adjective “romantic” in analysis of the US policy towards Shevardnadze’s and then Saakashvili’s Georgia to the doyen of Georgian strategic analysts, Alexander Rondeli.

11 Press Statement, United States Delegation to the Geneva Discussions, November 11, 2009. <http://geneva.usmission.gov/2009/11/11/geneva-discussions/>

to count on the EU's combination of sticks and carrots to be applied on Belarus's charismatic strongman, Aleksandr Lukashenko, in order to thwart off recognition of Abkhazia's and South Ossetia's independence by Minsk.<sup>12</sup>

The changing character of US relations with Georgia was also underscored by the increasing number of visits to Washington by the Georgian opposition, which, under the Bush Administration, had no audience in the US even among the non-governmental actors. Ultimately, Georgia may benefit from closing the gap between the policies of Brussels and Washington. A more critical U.S. approach, along the lines of the EU, should, for example, push Tbilisi into the direction of making real rather declaratory democratic reforms and taking a more sober inward look as well as realistic assessment of its own strategic value. In the words of a U.S. expert who spent some time in Georgia,

[Georgia] would be better served ... by a strategy that recognizes the new currents in US policy and establishes a new narrative for why the United States should support Georgia. ... The new narrative needs to be more modest in its substance and goals. It is unlikely that the extraordinary level of political and financial support for Georgia from Washington will remain in place indefinitely, and therefore the new narrative should abandon the idea that Georgia will, or should, survive as a highly subsidized client of the United States. A more realistic Georgia narrative is certain to be less exciting than the old one, and is unlikely to engender the kind of close cooperation the country enjoyed during the Bush years. But it will have considerably more staying power and make it possible for Georgia to position itself in a way that is more rational and more in tune to the new realities, and realism, in Washington. The real risk for Georgia is that if it does not take action to change the narrative itself, US perceptions will evolve beyond Georgia's control and a less favorable view will triumph.<sup>13</sup>

In short, the West's policy in 2009 could be summarized in two simple statements. First, there is continuity in support for Georgia in terms of its security, territorial integrity and democratic aspirations. Second, this support is no longer necessarily synonymous, even in the United States, with the support of President Saakashvili personally and his extravagant claims about Georgia's progress since the

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12 Castle, Steven. "EU warns Belarus not to recognize Georgian separatist regions." *The New York Times*, December 3, 2009.

13 Mitchell, Lincoln. "Georgia's Story: Competing Narratives since the War." *Survival*: vol. 51, no. 4, August–September 2009. – Pp. 98-99.

“Rose Revolution” and his self-serving presentation on the origins and causes of the 2008 August War. In this way, the more realistic and less personality-driven Western policy has some potential to encourage genuine political reform in Georgia.

#### ARMENIA’S RELATIONS WITH THE WEST: TOWARDS THE CENTER OF ATTENTION?

If Georgia lost some of its luster in Washington, issues connected with Armenia have gained a slightly higher role in the Obama administration’s foreign policy than that in that of his predecessor. As a presidential candidate, Barack Obama promised to work towards recognition of the tragic events of 1915 as Armenian genocide. As an elected president, however, he fell short on this promise. However, his administration intensified the support for the process of Armenian-Turkish rapprochement as well as continuing to fulfill its role as a co-chair of the OSCE Minsk Group, trying to keep the momentum engendered by the more frequent meetings between the presidents of Armenia and Azerbaijan. On the other hand, Armenia lost a portion of the US assistance when in June 2009, in an unusual and principled move, the board of the Millennium Challenge Corporation (MCC) decided not to resume funding for any further road construction and rehabilitation under the \$236 million Millennium Challenge Account (MCA) compact, due to concerns about the status of democratic governance in Armenia.

Armenia and the Armenian-American community had high hopes that President Obama would do what presidential candidate Obama promised and recognize the 1915 slaughter of thousands of Armenians by Ottoman Turks as genocide.<sup>14</sup> However, similar to Presidents Clinton and George W. Bush who reneged on similar campaign promises once they assumed the Oval Office, he found that the strategic relationship with Turkey would be seriously damaged if he were to pursue this course. Instead he (or his speechwriters) turned to the use of an Armenian expression *Meds Yeghem* (“Great Calamity”) in his statement on the occasion of Armenian Remembrance Day.<sup>15</sup>

Obama paid an official visit to Turkey early in his presidency, in April 2009, some

14 Watanabe, Teresa and Christi Parsons. “Marking Armenian genocide, many feel snubbed by Obama.” *The Los Angeles Times*, April 25, 2009.

15 *Statement of President Barack Obama on Armenian Remembrance Day*. The White House, Office of the Press Secretary, April 24, 2009.

[http://www.whitehouse.gov/the\\_press\\_office/Statement-of-President-Barack-Obama-on-Armenian-Remembrance-Day](http://www.whitehouse.gov/the_press_office/Statement-of-President-Barack-Obama-on-Armenian-Remembrance-Day).

two weeks before Armenian Remembrance Day. The visit was primarily aimed at mending the US's damaged relationship with the Muslim world, and during his stay in Turkey, the American president was extremely careful in his language, even though he claimed his views on the events of 1915 "did not change." Instead, Obama stressed his wish for the restoration of normal diplomatic relations and the opening of borders between Turkey and Armenia. Speaking at the Turkish Parliament, the US president stated,

An open border would return the Turkish and Armenian people to a peaceful and prosperous coexistence that would serve both of your nations. So I want you to know that the United States strongly supports the full normalization of relations between Turkey and Armenia. It is a cause worth working towards.<sup>16</sup>

The message of support for the normalization of Turkish-Armenian relations was also given to Armenian President Sargsian by Vice President Biden in an April telephone call. The EU was also supportive of the process of normalization of relations between Armenia and Turkey.

The EU and the US also worked closely within the framework of the OSCE Minsk Group, co-chaired by the US, France, and Russia, which saw a high level of activity in terms of meetings between the presidents of Armenia and Azerbaijan, Serzh Sargsian and Ilham Aliev, and the adoption of high-level statements, including a statement by Presidents Obama, Medvedev, and Sarkozy issued in June 2009 at the G-8 summit.<sup>17</sup> The presidents of Azerbaijan and Armenia held six meetings in the course of the year, discussing a possible settlement based on the so-called Madrid Principles, agreed upon at the Madrid OSCE Ministerial meeting in 2007 which many commentators see as more favorable for Armenia and Nagorno-Karabakh than the principles that were articulated in the OSCE Chairman's statement at the 1996 OSCE Lisbon Summit. The Madrid principles envisage an interim status for Nagorno-Karabakh providing guarantees for security and self-governance, a corridor linking Armenia to Nagorno-Karabakh, as well as the future determination of

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16 *Remarks by President Obama to the Turkish Parliament.* The White House, Office of the Press Secretary, April 6, 2009.

<http://www.whitehouse.gov/the-press-office/remarks-president-obama-turkish-parliament>

17 *Joint Statement on the Nagorno-Karabakh Conflict by U.S. President Obama, Russian President Medvedev, and French President Sarkozy at the L'Aquila Summit of the Eight.* The White House, Office of the Press Secretary, July 10, 2009.

<http://www.whitehouse.gov/the-press-office/joint-statement-nagorno-karabakh-conflict>

the final legal status of Nagorno-Karabakh through a legally binding expression of will of the people of Nagorno-Karabakh, which would surely mean independence of Nagorno-Karabakh from Azerbaijan. This moves a long way from the principle that all OSCE states except for Armenia agreed to in 1996 at the OSCE Summit in Lisbon which afforded to Nagorno-Karabakh “the highest degree of self-rule within Azerbaijan.” The endorsement of the Madrid principles by the presidents of the US, Russia and France in 2009 can not be viewed as anything but a success of the Armenian diplomacy.

It should also be noted that the new US administration has not followed the model of the Bush Administration, where one official, Matthew Bryza, was responsible for relations with the states of the Caucasus as well as for the Nagorno-Karabakh negotiations. Some observers, especially in the Armenian community in the US, believed that due to the US interest in Azerbaijan’s energy resources, the congruence of Bryza’s responsibilities led to the Bush administration’s bias against Armenia in conflict negotiations. The Obama administration appointed Ambassador Robert Bradtke, a seasoned specialist on European security, as its co-chair of the OSCE Minsk Group while an expert on the Balkans, Tina Kaidanow, was appointed Deputy Assistant Secretary of State with responsibility for the Caucasus, Turkey, Greece and Cyprus. This configuration, which “unbundles” the Nagorno-Karabakh conflict from issues of political and economic development of the region, may ultimately be to Armenia’s benefit.

In short, 2009 could have been judged as a reasonably good year for Armenia’s relations with the West if it were not for the West’s reminders about Armenia’s democratic deficit. The most costly of these was the suspension of the road construction and rehabilitation program of the US Millennium Challenge Account (MCA) due to concerns over the country’s democratic deficit. The EU also occasionally reminded Armenia about its lack of progress in democratization. In particular, the West continued to be concerned about the perceived failure of the authorities to adequately investigate the causes of March 1, 2008 lethal violence after the troubled Armenian presidential elections.<sup>18</sup> It remains to be seen whether the Armenian authorities receive this message and speed up domestic reforms or will take a calculated gamble that the desire of the West in Armenian-Turkish *rapprochement* and in the resolution of the Armenian-Azerbaijani conflict will be sufficient to keep the West’s

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18 See, for example, the *EU Statement on 1 March commemoration in Armenia in the OSCE Permanent Council*. Vienna, 12 March 2009.

[http://www.delvie.ec.europa.eu/en/eu\\_osce/eu\\_statements/2009/March/PC%20no.754%20-%20EU%20on%20commemoration%20ARM.pdf](http://www.delvie.ec.europa.eu/en/eu_osce/eu_statements/2009/March/PC%20no.754%20-%20EU%20on%20commemoration%20ARM.pdf)

interest in the country on a sufficiently high level despite the democratic deficit. In 2009, Armenia managed to attract greater attention by the West than in previous years, but this attention may wane should the process of normalization of relations with Turkey hit a roadblock and should the development of Armenia's democratic institutions continue to be arrested.

### AZERBAIJAN MARGINALIZED?

The evolution of Azerbaijan could serve as an example of how a small, but energy-rich country could squander the goodwill of the West. Azerbaijan's importance as an energy source is becoming overshadowed by: 1) its unconstructive role in opposing the normalization of Turkish-Armenian relations, making it the only external player holding such a negative position; 2) its dramatic decline in democratic performance, best exemplified by the March 18 constitutional referendum that removed limits on presidential terms, opening a door to Ilham Aliev's life presidency and especially the sentencing on trumped-up charges of young bloggers who posted a satirical video on the youtube.com internet website after what all the impartial observers judged to be an unfair trial.<sup>19</sup> The Azerbaijan elite's narrative of justifying its democratic retrenchment on the damage and displacement the country sustained during the conflict over Nagorno-Karabakh has been wearing thin on the Western audiences. On the energy side, Azerbaijan's already declining relations with the West have not been helped by the deal signed in June 2009 in Baku by Russian President Dmitry Medvedev and his Azerbaijani Counterpart Ilham Aliev, which envisages, as of January 2010, the delivery of Azerbaijani gas to Europe via Russian pipelines, thus making the construction of the *Nabucco* pipeline, long advocated by the US State Department, highly problematic.<sup>20</sup>

Notwithstanding the intensive personal diplomacy of President Ilham Aliyev with regard to negotiations with his Armenian counterpart on the Nagorno-Kara-

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19 EU Statement on the Conviction of two Azerbaijani Youth Organization Members in the OSCE Permanent Council. Vienna, 19 November 2009.

[http://www.delvie.ec.europa.eu/en/eu\\_osce/eu\\_statements/2009/November/PC%20no.782%20-%20EU%20on%20youth%20activists%20in%20AZE.pdf](http://www.delvie.ec.europa.eu/en/eu_osce/eu_statements/2009/November/PC%20no.782%20-%20EU%20on%20youth%20activists%20in%20AZE.pdf)

United States Mission to the OSCE Statement on Verdict in the Court Case of Imprisoned Youth Activists in Azerbaijan. [http://osce.usmission.gov/media/pdfs/2009-statements/st\\_111909\\_azerbaijan.pdf](http://osce.usmission.gov/media/pdfs/2009-statements/st_111909_azerbaijan.pdf). More on the human right situation in Azerbaijan see: Frichova Grono, Magdalena. "Azerbaijan." *Nations in Transit 2010*. Freedom House, 2010.

20 Pannier, Bruce. "Russia, Azerbaijan Achieve Gas Breakthrough," *Radio Free Europe/Radio Liberty*, June 30, 2009.

bakh issue and his visits to major European countries, including the UK, France, and Germany, one gets an impression of the waning importance of Azerbaijan to the West. Foreign visitors to Baku were mostly energy emissaries, special representatives, and deputy ministers. There is a sense of Azerbaijan losing momentum as a partner for the West. The delay in appointing the new US Ambassador to Baku to succeed Anne Derse who completed her mission in 2009 reinforces this impression. The possible nomination of Matthew Bryza, who held the post of Deputy Assistant Secretary of State for European and Eurasian affairs in the George W. Bush administration, was opposed by Armenian-American groups for his alleged pro-Azerbaijani bias, and for the second half for the year, the US had no ambassador in the Azeri capital.

The democratic backsliding has led to fairly sharp statements from both the US and the European Union. There are signs that international organizations mandated to monitor the implementation of Azerbaijan's international commitments are becoming more vociferous. For example, after the March Constitutional referendum, the acting president of the Council of Europe's Congress of Local and Regional Authorities Ian Micallef went as far as outlining a possible sequence of procedures that could lead to the suspension of Azerbaijan to the Council of Europe.<sup>21</sup> And while this sequence has not been triggered, Micallef's musings are symptomatic of strong frustration with Azerbaijan's record within the bureaucracies of European organizations.

In general, it is the geographic situation of Azerbaijan as a transit country for NATO's military operations that is currently of the most serious value to West. In absence of other common interests or values, a temporary military importance is a tenuous basis for building relations, since wars eventually come to an end. If the trend of a stagnating relationship with the West continues, Azerbaijan may find itself in a difficult situation should Turkey and Armenia move towards the normalization of their bilateral relations with the support and encouragement from the US and the EU. The position of Azerbaijan as an obstacle to that process will not be appreciated or rewarded. Whereas Armenia is trying to diversify its foreign policy, Azerbaijan's foreign policy traditionally has been based on its energy wealth. Having signed a massive gas deal with Russia, Azerbaijan may have also reduced its room for maneuver on this dimension as well. In a dangerous neighborhood such as the South Caucasus, the reduction in the margin of error is not a good policy. And ab-

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21 "Council of Europe Official Says Azerbaijan Could Be Suspended over Amendments." *RFE/RL*, March 19, 2009.

sent any progress on democracy, human rights and rule of law, as common values with the West, Azerbaijan risks further losing the West's interest.

### THE EASTERN PARTNERSHIP

The survey of the West's policies towards the Caucasus in 2009 would not be complete without a brief discussion of the European Union's Eastern Partnership program. The rationale for the program was to distinguish six former Soviet states – Armenia, Azerbaijan, Georgia, Belarus, Ukraine, and Moldova – that are situated in Europe proper from the European “neighbors,” countries included in the European Neighborhood Program (ENP). There was also a political imperative to find a way to include the previously isolated Belarus into some format of cooperation with the EU, while sending a strong signal to Georgia and Ukraine that their pro-Western rhetoric in absence of real reforms has not impressed Europe sufficiently to offer these two countries closer relations with the EU. This was also a “poke in the eye” to the outgoing Bush administration that was pressing for Georgia's and Ukraine's accession to NATO over some Western objections. However, the optics of the Eastern Partnership at this stage suggests a simple repackaging of already existing programs. The Eastern Partnership's main document is a rather unexciting hodge-podge of possible activities where the potential beneficiaries have to work through the usual red tape associated with obtaining funds from the European Commission.<sup>22</sup> The first Civic Forum of non-governmental organizations, held at the end 2009 in Brussels, was a disappointment, according to many participants, and working out further progress may be a challenge, given that the European Union does not have significant experience in working with civil society, especially when the bilateral inter-governmental programs do not appear to be effective. In any event, the Eastern Partnership may simply become a vehicle for bilateral programs in different sectors going at different speeds, reflecting that the ambivalence that the European Union and the “European neighbors,” including the three states of the South Caucasus, feel towards each other.

### CONCLUSIONS

In the three years that this author has been covering the subject of relations between the West and the countries of the region for this publication, the position

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22 *Vademecum on Financing in the Frame of the Eastern Partnership*. Last update 16 December 2009. [http://ec.europa.eu/external\\_relations/eastern/docs/eap\\_vademecum\\_14122009\\_en.pdf](http://ec.europa.eu/external_relations/eastern/docs/eap_vademecum_14122009_en.pdf)

of the three countries of the South Caucasus vis-à-vis the West has not improved. George W. Bush's administration made the South Caucasus an area of competition with Russia, especially in the sphere of energy. In addition, the US's unconditional embrace of Georgia's "Rose Revolution," which fit the Bush Administration's simplistic ideas of spreading democracy, further irritated Russia (and also had a flaw of ignoring institutional development as a process while playing up revolutions as a transformational moment). However, as the Baku-Tbilisi-Ceyhan pipeline has already been built, and the prospects for the *Nabucco* pipeline appear distant at best, the energy interests of the West in the region are likely to wane, meaning the likely decrease in the West interest in Azerbaijan. As the Obama administration appears to move the US position towards the region – by accident or by design -- closer to that of the EU, skepticism in Washington about the quality of Georgia democracy is likely to grow and awareness that Georgia was not blameless in the run-up to the 2008 August War is likely to increase. This may mean that the West's interest in Georgia could continue to decrease.

The prospects for an Armenian-Turkish opening, which could redefine the political equation in the region, were of most interest to the West in 2009. However, if the process of Armenian-Turkish rapprochement were to yield no results in the short run, the region could easily find itself reduced to the margins of foreign policy in the West. As the US and the EU are facing a multitude of challenges and are frustrated with the slow pace of reforms in the countries of the Caucasus, the major regional actors – Turkey, Russia, Iran – could take up the political space which the West may vacate. Such a development may not necessarily result in greater stability or security of the region. For the West, the challenge is to keep sufficient focus on the region so that the conflicts do not flare up again and to ensure that the above-mentioned regional powers do not – intentionally or unintentionally – compound the already difficult regional security problems. The last three years should serve as a serious warning to optimists, for in the last three years the region witnessed a war, undemocratic elections and post-election violence. The Russian recognition of Abkhazia's and South Ossetia's independence meant the complete erosion of the principle of territorial integrity in the regional context. In short, the region is less secure and stable than it has been for some time. And, if the leaders of the countries of the South Caucasus believe that the West's engagement in the region is critical to its security, they would be well-advised to take stock of their policies and find ways to keep the West's interest in the troubled region.