

EXPLORING THE LIMITS OF THE EU'S NORMATIVE POWER TOWARDS THE SOUTH CAUCASUS

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Rezumat: Uniunea Europeană (UE) a fost descrisă ca o putere normativă, un actor care nu numai că este construit pe o bază normativă, constituită din norme precum democrația, statul de drept, respectul pentru drepturile omului, economie de piață, dar cel mai probabil manifestă o predispoziție în a acționa într-o manieră normativă în relațiile internaționale și într-un mod altruist. Un astfel de instrument de promovare al setului său de norme și de convingere a altor actori să le accepte este Politica Europeană de Vecinătate (PEV). Articolul examinează dimensiunea estică a PEV și promovarea normelor UE în statele din Caucazul de Sud. Articolul evidențiază faptul că din cauza modului în care sunt construite interesele UE și din cauza mai multor factori precum contextul regional și ambiguitatea politicilor UE în zonă, capacitatea UE de a purta o politică externă normativă este redusă.

Cuvinte-cheie: *putere normativă, Politica Europeană de Vecinătate, Caucazul de Sud, politică externă normativă, obiective și mijloace normative, impact normativ*

Abstract: The European Union (EU) has been described as a *normative power*, an actor that not only is constructed on a normative basis, such as democracy, rule of law, respect for human rights, market economy, but most likely has a predisposition in acting in a normative way, and also in an altruistic manner in the international relations. One such tool of promoting its set of norms, and convincing others to accept them is the European Neighbourhood Policy (ENP). The article examines the Eastern dimension of the ENP and the EU's norm promotion towards South Caucasus countries. The article highlights the fact that due to the way the EU's interests are constructed and due to several factors such as the regional environment, and the ambiguity of the EU's policies towards this area, the European Union's capacity to conduct a normative foreign policy is low.

Key words: *normative power, European Neighbourhood Policy, South Caucasus, normative foreign policy, normative goals and means, normative impact*

1. THEORETICAL APPROACH

Using Ian Manners term of normative power Europe, and Nathalie Tocci's concept of normative foreign policy, the article tries to examine if the European Union is able to act in a normative manner towards the South Caucasus area.

In both the academic and the political discourse the European Union has been labelled as a *sui generis*, different type of international actor, being described over the years as a civilian, a soft power, or more recently as a normative power. Duchene's term of civilian power, relied on the idea of pursuing the domestication or "normalization" of internal relations by tackling problems within the sphere of contractual politics¹. Also Joseph Nye's concept of soft power has been associated with the European Union, thus soft power being defined as the "the ability to get what you want through attraction rather than coercion or payments. It arises from the attractiveness of a country's culture, political ideas, and policies" (Nye 2004, x; 5; 77). According to Ian Manners (2002, 239) the notion of a normative power Europe is located in a discussion of the "power over opinion" , *idée force*, or ideological power, and the desire to move beyond the debate over state like features through and understanding of the EU's international identity. Manners also defined the EU as a power of example, by arguing that the most important factor shaping the international role of the EU is not what it does or what it says but what it is (Manners 2002, 239).

In the academic literature the *sui generis* nature of the EU is based on the EU's institutional setup, meaning that the multiple layers of the EU authority (member states, governments, parliaments, courts, EU institutions and public opinion) create a set of constraints that make the pursuit of a *realpolitik* foreign policy less likely (Tocci 2008, 2). On the other hand, other scholars have argued that the EU's normative foreign policy is the result of the different way the European Union views the world. After centuries of wars and conflict, the EU members appreciate that the cooperation and integration are the only route shared by security, peace and prosperity. This worldview is then exported in

¹ See D uchene, F. 1973. "The European Community and the Uncertainties of Interdependence", in M. Kohnstamm and W. Hager (eds), *A Nation Writ Large? Foreign Policy Problems before the European Community*, London: Macmillan *apud* Tocci 2008, p.2.

the realm of foreign policy, promoting a normative foreign policy conduct (Tozzi 2008, 3; Leonard 2005). Manners identifies five core norms within the European *acquis communautaire* and *acquis politique*: peace, liberty, rule of law, democracy, human rights and fundamental freedoms, and in addition to those core norms, it is possible to suggest four minor norms within the constitution and practices of the EU, although these are far more contested, such as social solidarity, anti - discrimination, sustainable development and good governance (Manners 2002, 241-242). Such principles can be found in the Treaty of the European Union, Articles 3 - paragraphs 1 and 5 - and Article 21. More than that, in terms of foreign policy action, the Treaty of Lisbon adds the notion of *responsibility*, meaning that the EU should be directly involved in managing international crisis. This principle is also highlighted in the EU's 2003 Security Strategy: "Europe should be ready to share in the responsibility for global security and in building a better world" (European Council 2003, 1).

However, Manners offer little information when it comes to what kind of interests and goals a normative power has. To fill this gap, Tozzi (2008) argues that a normative power must pursue a normative foreign policy, based on normative goals, normative means and must have normative impact (Tozzi 2008). While normative goals might be the promotion of peace, democracy, human rights, rule of law, strategic goals would include the protection of commercial interests, migration management or energy security (Tozzi 2008, 6). Drawing on Wolfers' definition of *milieu* goals which, while indirectly related to a particular actor's specific interests, are essentially concerned with the wider environment within which international relations unfold. *Milieu* goals may contribute to the advancement of possession goals but unlike the former they are pursued consistently over time, and not only at the time when they also represent immediate possession goals (Tozzi 2008,7).

Moreover, in order to be normative a foreign policy must pursue normative goals through normative means. Instruments such as joint ownership, persuasion, cooperation, engagement are considered to be more normative than coercive methods such as conditionality, sanctions or military actions due to the fact that they hedge against the dangers of imposing allegedly "universal" norms through sheer power and against the needs and desires of local populations in third countries (Tozzi 2008, 8-9). However, this aspect might be problematic. For example, persuasion on the one hand may be the result of a weakness rather than a virtue and on the other hand it may fall

victim to power political context in the sense that a strong party may be not perceived as such by the weaker third party. In order to cover this gap, Tocci (2008, 10-11) defines normative policy means as instruments that are deployed within the confines of the *law*. Legality in the deployment of foreign policy instruments relates first to the legal commitments of a foreign policy actor towards itself, i.e., the deployment of foreign policies in respect of internal legal standards of democracy, transparency and accountability, and second to the external legal commitments, that is, acting multilaterally where possible and within UN authorization and more generally respecting international law. Legal foreign policy means can be considered as normative firstly because they preserve a minimal level of equity within the international society and they set the rules governing choices when different normative/ non normative goals compete. A final variable of a normative foreign policy focuses on its results. A normative impact is one where a traceable path can be drawn between an international player's direct or indirect actions and inactions on the one hand and the effective building and entrenchment of an international rule-bound environment on the other (Tocci 2008, 11-12). Moreover, this normative impact must be an intended one (Tocci 2008, 15).

Furthermore, Tocci (2008, 17-21) identifies three conditioning factors for the pursuit of a normative foreign policy. A first conditioning factor is the internal political context in which a foreign policy actor conceptualizes, interprets, prioritises and operationalises its foreign policy goals. A second conditioning factor is the internal capability of a foreign policy actor, shaping above all its chosen foreign policy means, although also the scope of its foreign policy goals. The third factor is the external environment. For example factors such as the impact between the foreign policy and the domestic dynamics within the targeted third state or the way in which this foreign policy interacts with the foreign policy of another international actor within the third state or in specific area, have an important role on the impact of a normative foreign policy.

In the next section the EU's attempt to export its political model to the South Caucasus region will be examined. In order to examine the ENP one should look at the way the EU's goals and means towards the region are constructed and at the impact of this foreign policy.

2. THE EU'S GOALS AND MEANS TOWARDS THE SOUTH CAUCASUS

The EU's commitment towards the South Caucasus area is based on the values highlighted above and on the principle of acting responsible in the field of foreign policy. Brussels might have been determined to export its political model towards the South Caucasus due to the region's vulnerability. As it will be shown later, there are several EU initiatives and programs with the aim to strengthen democracy, rule of law and human rights in the area. In terms of security threats, due to its geographical proximity, the South Caucasus might pose a challenge for the EU's Eastern border. A possible re-emerging warfare in the area, due to the existence of several frozen conflicts might result in a humanitarian crisis and migration flows, but other threats linked to organized crime or illegal migration (Cornell and Starr 2006, 15-21; Shafgatov 2012, 52). While this last category might be considered a *milieu* goal, clear strategic goals stemming from South Caucasus geopolitical importance are also visible. There are several European programs for the area linked to transport issues, such as TRACECA (TRANsport Corridor Europe Caucasus Asia) program, or linked to energy security issues such as INOGATE (Interstate Oil and Gas Transport to Europe), or the more important Baku – Tbilisi Ceyhan Pipeline (BTC) and South Caucasus Gas Pipeline (SCP). The last two energy project increases the importance of South Caucasus states, especially Georgia as a transit state and Azerbaijan as an energy supplier for the European Union (Cornell and Starr 2006, 20). Moreover, Azerbaijan is also an important element of the Nabucco project – a pipeline designed with the aim to reduce the Russian gas dependency.

Georgia, especially through the voice of president Saakashvili expressed its desire to integrate in the European Union, and its accession to the EU is considered to be a long-term goal (Gogolashvili 2009, 90). The country fell itself to be an object of Russian power politics and presented its relations with the Western partners as a way of emancipation from Russian predominance in the South Caucasus (Halbach 2012, 307). Moreover, after the august 2008 five days war, Georgia sees the EU as a guarantee for its territorial integrity. Armenia is interested in the cooperation with/integration in the EU for three main reasons: the EU's involvement in the region might prove a guarantee for a democratic and secure future, the prospect of economic relations, but also

due to the fact that the Armenians believe they are part of European civilization (Mkrtchyan 2009, 14-18). But on the other hand, Azerbaijan focuses more on pragmatic and strategic interests, thus seeing the EU rather as a market for its natural resources. In a 2006 interview, Ilhan Alyev, the president of Azerbaijan said that Baku will not beg for favours from the EU, and the EU needs Azerbaijan as much as Azerbaijan needs the EU (Huseynov 2009, 71). To sum up, it can be said that the three South Caucasus countries were looking for a closer approximation with the EU.

In the beginning of the 1990s the EC/EU paid little attention to the South Caucasus due to the fact that the region was geographically too far away from the EU and its problems apparently hard to manage, while the EU was undergoing internal reforms and developments (Popescu 2012, 318). This situation changed, but not very much, in 1996 when the European Union signed Partnership and Cooperation Agreements (PCAs) with Armenia, Azerbaijan and Georgia, agreements which came into force in 1999. Briefly, the aims of those PCAs were to provide cooperation between the EU and the three South Caucasus Countries by developing political relations, by promoting the respect for the democratic principles, the rule of law, human rights and transition to a market economy and by providing trade relations between the parties as well as legal, social, economic, financial, scientific, civil and cultural relationships and partnerships¹. Another program which incorporated the South Caucasus Countries was the "Technical Assistance to the Commonwealth of Independent States (TACIS)", a foreign and technical assistance program implemented by the European Commission in order to help members of the Commonwealth of Independent States, in their transition to democratic market oriented economies². However, despite those aspects it could be said that EU's interest for the area was still low.

One step forward was made in 2003 when the European Commission published the considerations on a "Wider Europe Neighbourhood". In the document it was mentioned that "*The EU has a duty, not only towards its citizens*

¹ For further details see on the PCA provisions see *European Union External Action Service* http://eeas.europa.eu/eastern/index_en.htm , accessed on 28.02.2013.

² TACIS program 2000 - 2006 , available at http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/eastern_europe_and_central_asia/r17003_en.htm accessed 28.02.2013.

and those of the new member states, but also towards its present and future neighbours to ensure continuing social cohesion and economic dynamism" (European Commission 2003, 3). However, the three South Caucasus states were not mentioned in this document, but in the EU's security strategy adopted several months later it was mentioned that: "We should now take a stronger and more active interest in the problems of the Southern Caucasus, which will in due course also be a neighbouring region" (European Council 2003, 8). Also, at the institutional level the emergence of the EU's Special Representative for the South Caucasus increased the interest for the region. Its role was to help increase the EU's position in the conflict settlements of Abkhazia, Nagorno Karabakh and South Ossetia. The 2004 "Rose Revolution" from Georgia also challenged the assumption that the Caucasus states were irreversibly stalled in the slough of post-Soviet fake democracy, corruption or outright authoritarianism (Popescu 2012, 320).

One year later, in May 2004 the South Caucasus states were officially included in the newly created European Neighbourhood Policy, aimed at stabilizing and democratizing the EU's Southern and Eastern neighbours (European Commission 2004). As a consequence of this event, Armenia, Azerbaijan and Georgia have signed ENP Action Plans with the EU which are long term reform agenda with several priority areas ranging from the strengthening democracy, rule of law, human rights, market economy to conflict resolution¹. The ENP's objective is to share the benefits of EU's enlargement with neighbouring countries in strengthening stability, security, and well-being for all concerned. It is designed to prevent the emergence of new dividing lines between the enlarged EU and the neighbouring countries around the Union, and to offer these states the chance to participate in various EU activities, through greater political, security, economic, and cultural cooperation (European Commission 2004, 1-2).

It is important to mention that the ENP Action Plans between the EU and the South Caucasus states are based on the principle of *positive conditionality*. According to Tocci (2007, 11) *positive conditionality entails the promise of a*

¹ For a comparative analysis of the three ENP AP see "Analysis of European Neighbourhood Policy (ENP Action Plans for South Caucasus: Armenia, Azerbaijan and Georgia)" available at http://pdc.ceu.hu/archive/00003063/01/Analyses_of_European_Neighbourhood_Policy.pdf accessed on 28.02.2013.

benefit, in return for the fulfilment of a predetermined condition. Both the promise and the obligation are specified in the contract. It is most frequently used in the delivery of economic assistance, as well as within the context of EU accession. As the ENP 2004 Strategy Paper mentions, progress will be monitored and the Commission will periodically report on the progress accomplished. On the basis of this evaluation, the EU, together with partner countries, will review the content of the Action Plans and decide on their adaptation and renewal (European Commission 2004, 3). In February 2008, the EU launched the Black Sea Synergy (BSS), a complementary policy for the ENP. The purpose of the BSS is the development of cooperation within the Black Sea region and also between the region as a whole and the EU. The BSS aims at: stimulating democratic and economic reforms, supporting stability in the area, encouraging the peaceful resolution of conflict in the region, but also addresses several other domains such as transport, energy security and environment (European Commission 2007).

The Eastern Partnership (EaP) completes the EU's foreign policy towards Eastern Europe and Southern Caucasus countries as a specific Eastern dimension of the European Neighbourhood Policy (ENP). Launched in May 2009 at the Prague Summit, the EaP fosters the necessary conditions to accelerate political association and further economic integration between the European Union and Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. This new policy would imply new Association Agreements including also a Deep and Comprehensive Free Trade Area (DCFTA) among the EU and the EaP members, and it would also allow for an easier travel to the EU through the visa liberalization process. The Partnership will also promote democracy and good governance, strengthen energy security, promote sector reform and environment protection, encourage people to people contacts, support economic and social development and offer additional funding for projects to reduce socio-economic imbalances and increase stability (European Council 2009). The policy has both a bilateral track and a multilateral track focusing on four thematic platforms: Democracy, good governance and stability; Economic integration and convergence with the EU policies; Energy Security and Contacts between people. Moreover, the EaP is a policy based on a differentiated approach with each partner, it has increased funding and it establishes stronger channels of communication through the launching of Summits at a higher political level which represents also the

beginning of a “socialization process” among the partners (Tsantoulis 2009, 3). The EaP also comes with a Comprehensive Institution Building (CIB) initiative designed to help partner countries strengthen the capacities of key institutions involved in preparing, negotiating and implementing the new Association Agreements with the EU, the creation of free trade areas and the management of enhanced mobility opportunities in a secure environment. It also establishes a Civil Society Forum with the aim of promoting contacts among civil society organizations within EaP countries and it facilitates their dialogue with public authorities. The ENP type of conditionality principle is maintained here as well, meaning that the level of the partnership’s strength will continue to depend on the progress made by the partners in their reform and modernization efforts. It can be said that the EaP has stronger incentives such as the prospect of integration in the European economy and visa free travel in the EU for the citizens of the EaP states.

In conclusion, as highlighted above, in terms of EU’s goals towards the South Caucasus, it is hard to distinguish between *milieu* and strategic goals, and it is not wrong to say that the Union might pursue possession goals through normative means. Despite the nature of the ENP which focuses on the EU’s core norm promotion both the BSS and the EaP tackles clear strategic interests such as energy security. Nevertheless, the means seems to be rather normative due to the fact that they rely on persuasion and positive conditionality and not on coercion, the intention to spread universal norms underlined in international documents such as the UN Charter, or human rights conventions, and due to the three South Caucasus countries’ desire to associate with the EU. However, returning to the initial definition of the normative foreign policy, the fact that Brussels’ goals are unclear raises a serious problem for the EU’s capacity to act in a normative way towards the South Caucasus area.

3. THE NORMATIVE IMPACT: REFORMS AT A LOW PACE

A normative foreign policy must have a normative and intended impact, meaning that the European Union’s actions must cause several normative changes in the South Caucasus countries. As the ENP 2011 progress report mentions, *despite many achievements, the limited progress and, in some countries, regression in democracy, the rule of law and human rights remains a challenge which*

must be faced in the years ahead (European Commission 2012a, 1). This means that the EU has several limits in promoting its set of norms in the three countries and the three countries do not fully embrace the Union's political standards.

According to the European Commission documents, Armenia has several problems related to the EU democratic standards. For example, the corruption is one of the country's biggest problems, Transparency International 2011 report ranking Armenia on 129th place out of 183 in the Corruption Perception Index of 2011. Other problems are related to poverty, the freedom of expression and media, the judiciary system, labour rights, children rights (European Commission 2012b). Azerbaijan has problems related to democracy and human rights, such as freedom of assembly, gender equality of property rights or the independence of the judicial system. There is also a concern related to the freedom of the press, and also corruption is a major problem. However, despite those aspects made progress towards achieving the economic objectives of the ENP Action Plan (European Commission 2012c). In Georgia, there is a concern related to the freedom of expression and media due to the lack of media independence, the limitations on TV broadcasting and the continuation of lawsuits for insult and defamation. Also ethnic minorities remain poorly represented in state administration and Georgia has not signed yet the European Charter for Regional or Minority Languages. Additionally, there is an increasing concern that property rights are not being fully respected (European Commission 2012d). A representative document describing the internal aspect of those three countries and their approximation towards democracy, rule of law and respect for human rights is the Freedom House *Nations in Transit* 2012 report. According to this document, Azerbaijan is considered a consolidated authoritarian regime, Armenia a semi - consolidated authoritarian regime and Georgia a Transitional or Hybrid regime (Freedom House 2012). None of the three countries is considered a democracy and not even a semi consolidated democracy.

On the other hand, all the three countries made significant progress in the economic field, and more than that Armenia and Georgia launched with the EU negotiations on the Deep and Comprehensive Free Trade Area (European Commission 2012b, 9-10 ; European Commission 2012d, 11-13). Azerbaijan on the other hand, despite the progress made could not launch such negotiations due to the fact that the country is not a World Trade Organizations member

yet, which is a precondition for the DCFTA negotiation (European Commission 2012c, 9-11). However, this aspect reflects rather a pragmatic and selective approach towards the approximation with the EU *acquis* and not a fully acceptance of European standards.

4. CONDITIONING FACTORS

As Tocci mentions, three types of conditioning factors such as the internal political context, the internal capability and the external environment have an impact on one actor's normative foreign policy.

a) Internal context

There is a clear EU demand to bind the three South Caucasus countries implementing reforms in order to strengthen democracy, rule of law, market economy and human rights. On the one hand, clear normative goals stemming from the philosophy of the EU's Neighbourhood Policy and the idea of sharing European prosperity and creating a "ring of friends" in the neighbourhood (European Commission 2004, 3), but on the other hand possession interests are also visible. Because of its dependence on Russian energy, especially gas imports and due to Kremlin's foreign policy conduct and the several gas crisis, who reached a peak in 2009, Brussels is determined to look for energy alternatives in order to decrease its dependence on Russian resources (Green Paper 2000, Green Paper 2006). Moreover, the EU Security Strategy considers energy supply as a security issue which must be dealt with inside the CFSP (European Council 2003). Thus the South Caucasus, but especially Azerbaijan as an energy supplier and Georgia as a transit state are important to several EU projects such as the Southern Gas Corridor or the Nabucco pipeline.

b) Internal capability

In terms of internal capability, Brussels' policy towards the area has several shortcomings which might affect the EU's norm promotion in the area. For

example, the Black Sea Synergy is not based on a differentiated approach with each partner and this is a challenge for its future success in the area. Armenia and Azerbaijan have little sense of belonging to the Black Sea region and Georgia portray itself as a country with more democracy and closer proximity to the EU and the fact that it is put in the same basket with its South Caucasus neighbours is an impediment for its European ambitions (Huseynov 2009, 55). While the EaP has greater incentives and a differentiated approach, enlargement has never been part of its purpose (European Commission 2004; European Council 2009). Thus the term “partnership” to some degree is misleading, due to the fact that normally it should imply a relation of equality among its members. This is not the case of the Eastern Partnership, where the EaP states have to adopt the *acquis communautaire* but without the membership perspective.

Also, the EU documents speak about “approximation” towards the EU *acquis*, and not alignment to the *acquis* which reflects the fact that the South Caucasus countries don’t have the same status as the Central and East European states before integration in the EU. Vachudova for example, argues that that the greater the benefits of membership, the greater the potential political will to satisfy importunate membership requirements on the part of a future membership (Vachudova 2005). Moreover, in their study about the EU’s transformative power, Gawrich, Melnykovska and Schweickert (2009) identify three stages of “Europeanization”: *Membership Europeanization* in which the incentives are for example the avoidance of penalties by the EU Court of Justice and the result is a continuous political change deeply rooted; *Accession Europeanization* – in which the incentives are represented by the prospect of integration in the EU and the result is a rapid political change with extensive effects; and *Neighbourhood Europeanization* – in which the incentives are represented by a closer cooperation with the EU and an illusion of integration and the result is given by a continuous political change but superficial. In the case of the ENP states there is no clear prospect of a future integration in the European Union, which might determine the political leaders within those states to adopt a relaxed implementation of EU standards.

c) External environment

One last conditioning factor which might underlie the conduct of a normative foreign policy is the external environment.

Armenia, on the one hand seeks closer ties with the European Union in order to surpass its political isolation, but it is also highly dependent on Russia, both economically and militarily. Because of the frozen conflict of Nagorno Karabakh and the rocky relation with Turkey, Armenia has closed borders with those two countries. Moreover, due to the relation between the parties, Azerbaijan has acted to exclude Armenia from a number of important regional projects, such as the Baku-Tbilisi-Erzurum gas pipeline, the Baku-Supsa oil pipeline and the planned Nabucco gas pipeline (Mkrtkyan 2009, 32).

Due to this isolation, Armenia seeks a greater cooperation with the European Union and the West in general. But on the other hand, Yerevan has a solid relation with Moscow in both economic and military terms. Firstly, Armenia is highly dependent on its economic relation with Russia. For example, telecommunication companies, the banking system, energy plants and gas suppliers, the metal industry, and the railway system are under Russian control (Mkrtkyan 2009, 25). Moreover, in October 2011, an agreement between the parties, in order to create a free trade area within the Commonwealth of the Independent States has been signed, and one year later, in October of 2012 a Long - Term economic cooperation program until 2020 between the Republic of Armenia and the Russian Federation was adopted¹. Secondly, due to the Nagorno Karabakh conflict, Armenia depends on Russian military support. The country is a founding member of the Collective Security Treaty Organization (CSTO). This organization includes Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan and similar to NATO's Article V, it has security guarantees to its members against external threats. Judging by this aspect, Russia is a security guarantor for Armenia. So, due to those aspects Armenia should carefully look at its bilateral relation with Russia when negotiating with the European Union.

¹ Armenian Ministry of Foreign Affairs, "Bilateral Relations with Russia", available at <http://www.mfa.am/en/country-by-country/ru/> accessed on 03.03.2013.

Due to its large amount of energy resources, Azerbaijan has been able to pursue a much more independent foreign policy, acting according to a principle of a “balanced foreign policy” (Nuriyev 2007, 7; Makili - Aliyev 2013, 3, Rafgatov 2012, 54). Moreover, the Western interest in the region for the sake of energy security is portrayed as conflicting with the ambition to build democracy in these states (Cornell and Starr 2006, 21). Since the 1990s, Azerbaijan has aspired towards a greater cooperation with the European Community and later the EU in order to promote the country’s independence and security and to offset the Russian influence in the region. The country is surrounded by three big players in the international relations, Russia (which is Armenia’s ally), Turkey, Iran (the home of two thirds of Azeri population and a competitor for Azerbaijan for access to Caspian deposits), and also a hostile Armenia. However, Baku decision makers try to avoid antagonizing Russia, mainly for two reasons. The decision makers from Baku believe that by doing so, Russia would introduce a visa regime for almost one million Azeri who work in that country, as it did for Georgia in 2006 and thus further complicating the state’s internal situation by massively raising unemployment and much worse it could further lead to an increased Russian support for Armenia on the issue of Nagorno-Karabach (Huseynov 2009, 62-63). Baku is mostly interested in securing a position in the European energy market, and is also interested in the presence of the EU and the US in the region in order to keep the stability in the area, but is less interested in a possible integration in the European Union (Nichol 2013, 46).

Georgia on the other hand, is in a different position than the other two South Caucasus states. Georgia’s foreign policy has two primary goals (Kogolashvili 2011, 193). First, is to permanently leave Russia’s sphere of influence; second, to integrate with the West. On the long term, according to experts, European integration is a way for Georgia to reach political, economic and social stability and prosperity. Georgia sees Russia as the main threat to its security and territorial integrity. Moscow has supported the separatist ambitions of Abkhazia and South Ossetia, and as a result of the 2008 war it recognized the independence of the two regions. As revealed by the then-President Medvedev in 2011, Russia’s actions in 2008 were primarily designed to curtail NATO’s ambitions to expand into the South Caucasus (Snetkov 2013). Due to this aspect, the country wants to present itself to the Westerners as a regional pioneer for democratic, economic and institutional reforms, and as a transportation

link between Europe and the hydrocarbons-rich Caspian Sea and Central Asia (Kogolashvili 2011, 193). But after the October 2012 elections preferences towards Russia have risen, and the new prime minister seeks to “reconcile” with the Northern Neighbour¹.

Briefly, this is the geopolitical profile of the three South Caucasus countries, and this, according to Tocci’s theory might have an impact on the EU’s attempt to spread its set of norms in the area. But when speaking about the geopolitical situation, the frozen conflicts within the area and the EU’s position should also be examined. Starting with the Nagorno Karabakh it has to be said that the EU has a weak approach on this conflict, lacking a clear strategy. As it is highlighted in the official documents the European Union lacks a clear strategy for the Nagorno Karabakh. For example, in the Azerbaijan Country Strategy Paper it is said that: *If the Nagorno-Karabakh conflict is settled within the timeframe of the present CSP [country strategy paper], the EC will provide further specific assistance to help consolidate the settlement... Under the appropriate financial instrument, the EC could also provide support for confidence-building initiatives in the South Caucasus region* (European Commission 2006a, 7). In the Armenia Country Strategy Paper it is mentioned that: *Depending on developments regarding the peaceful settlement of the conflict over Nagorno Karabagh, the EC will provide specific assistance related to all aspects of peaceful conflict settlement and settlement consolidation* (European Commission 2006b, 14). This is more a “wait and see” approach towards the conflict (Huseynov 2009, 78) which highlights the fact that the EU is not prepared to assume a more active role in the peace process, unless a political agreement is reached. Another hot dossier for the South Caucasus is the situation of Abkhazia and South Ossetia. Despite the fact that the EU has a policy of non recognition for the two entities, no further steps on solving the conflicts have been made. Besides maintaining stability on the ground around the conflict zones, through the European Union Monitoring Mission, the EU lacks other clear and sustainable policy goals. The conflicts have become less and less of a priority for member states, which do not want to hamper their bilateral relations with Russia because of the conflicts in Georgia².

¹ *The Economist*, “Bidzina Ivanishvili: Popular only at home”, March 5, 2013.

² European Council of Foreign Relations (2012), “Resolution of the Abkhazia and South Ossetia dispute”, available at <http://ecfr.eu/scorecard/2012/wider/51> accessed on 13.03.2013.

Armenia is the poorest country in the South Caucasus, and it relies on foreign aid. But on the other hand, if the EU's presses to hard it might be possible that the country will redirect its policy towards the Russian economic project of Eurasian Union¹. This project aims at creating a stronger and mutually-beneficial, regional institutional arrangements with key regional economic players such as Ukraine or Kazakhstan (until now Russia has failed to successfully integrate Ukraine into its regional institutional arrangements) and its closest allies, such as Belarus and Armenia (Snetkov 2013). Azerbaijan on the other hand, being the most pragmatic player seems to remain faithful to its balanced foreign policy, and despite the fact that Georgia seems to be committed to the EU reforms, on the long run the foreign policy conduct of the country remains unclear.

5. CONCLUSIONS

As it has been shown, the South Caucasus area became a priority for the EU in 2004, when the three countries were included in the ENP. In terms of goals, the EU pursues on the one hand normative/milieu goals, stemming from its nature of a *sui generis* state, acting responsible in the International Relations and willing to share its political and economical model with third states, and on the other hand clear strategic goals, especially when it comes to energy security. In terms of means the EU has adopted normative means based on persuasion and the principle of volunteering. In terms of normative impact, despite a relative progress, all three countries have problems related to democratization, human rights and even rule of law. As it has been shown, the EU's normative power has several limitations, due to the internal context in which the EU goals have been shaped, due to the ambiguity of the EU programs addressed to the area which lacks the perspective of a future integration within the EU, and due to the external environment within the South Caucasus, such as the countries foreign policy orientations, or Russia's presence in the area, makes the three countries not to be fully committed in

¹ For further details on the project of the Eurasian Union see *Stratfor*, "Russia's Customs Union to Eurasian Union: An Evolution", July 24 2012.

terms of EU reforms implementation. Also the EU's weak approach towards the frozen conflicts within the area affects its credibility. Thus, it can be concluded that for the moment the EU is unable to fully persuade Armenia, Azerbaijan and Georgia implementing its set of core norms.

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