



COOPERATION IN EURASIA: LINKING IDENTITY, SECURITY, AND DEVELOPMENT

Edited by Carlo Frappi and Gulshan Pashayeva



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ISPI

The logo for SAM (Strateji Arařdirmalar Mərkəzi) features a stylized, multi-colored arc above the letters 'SAM'. The arc is composed of segments in blue, green, and red. Below the 'SAM' text, the full name 'STRATEJİ ARAŞDIRMALAR MƏRKƏZİ' is written in a smaller, grey, sans-serif font.**SAM** STRATEJİ
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Foreword

The end of the Cold War seemed to mark a milestone in international relations: the end of history. In an increasingly globalised world, a new era of international cooperation built upon interdependence should have put an end to the logic of competition and confrontation of the bipolar system. Twenty-five years later, history proved such assumptions to be flawed. Quite on the contrary, power relations seem still to dominate international relations. The traditional factors of state security – sovereignty and territorial integrity – still ranks high in the agenda of political leaders. At the same time, the international system looks profoundly different from the one of the bipolar period as it is increasingly marked by fragmentation into highly differentiated – yet interconnected – regional and sub-regional arenas.

Against this backdrop, the volume “Cooperation in Eurasia: Linking Identity, Security, and Development” is a timely and useful tool to shed light on the drivers and on the rationale behind regional cooperation in Eurasia. In particular, it investigates and ponders the weight of identity issues, security perceptions, and economic development needs for interstate cooperation in the Eurasian context, by taking into account both supra-national frameworks and regional scenarios.

The volume is the result of the latest research project jointly carried out by the Institute for International Political Studies (ISPI) and the Center for Strategic Studies under the President of the Republic of Azerbaijan (SAM), entering their 7th year of cooperation in 2018. It follows two previous research projects and publications focused respectively, on the EU Eastern Partnership (2012) and Caspian Sea regional dynamics (2014).

Thanks to the contribution of a qualified research team, this volume aims at contributing to the debate concerning regionalization and area studies, while providing political and economic national decision makers with insights and inputs on the evolving dynamics shaping the Eurasian region.

Paolo Magri
ISPI Executive Vice-President and Director

Farhad Mammadov
SAM Director

Introduction

The dissolution of the Soviet Union and the contextual end of the Cold War represented a major watershed in modern international relations, whose ramifications would affect world politics for decades. The shift to the post-bipolar international system gave rise to a series of complex, interconnected transition-related issues that have been manifesting on every level – domestic, sub-regional, regional and systemic – and across virtually every policy domain. The magnitude of the processes involved – e.g. the state-building of post-communist countries, or the re-invention of Cold War era international and regional mechanisms for cooperation – was such as to attract an attention from practitioners and experts that has not diminished after more than twenty-five years.

Besides its enormous purview, the systemic 1991 transformation was exceptional in that, unlike most post-conflict scenarios, it did not ensue from, nor afterwards implied, a major upheaval in the material conditions of the international system. This is not to play down the importance of aspects like security and economics – in fact, they were at least as crucial as ideological factors in the transition towards the international system's new structure. Actually, the collapse of the Soviet Union may well be regarded as the effect of the incremental pressures put on the country's economic and security systems by a combination of domestic decline and aggressive competition from abroad. What is argued here is that the material component did play a pivotal role, but for the most part in a *cumulative* manner. Certainly, a number of specific factors come to mind that have given momentum to this progressive effect – e.g. the economic and political impact of the war in Afghanistan on

the Soviet Union and the Eastern bloc, or the strain put on the Soviet armament system by the Reagan administration's "second Cold War". Nevertheless, none of these circumstances seem to have dealt a proper deathblow to the Soviet system – whose timing had hardly been predicted by anyone. After all, until the "fall", a largely non-resistant population seemed to have come up with paradoxically efficient ways to cope with the flaws of the economic system. Analogously, the massive size of conventional and nuclear arsenals, combined with the bloc's favorable geopolitical position, suggested the persistence of a strong "material" base. Thus, the sudden demise of a system that had hitherto relied on a somewhat stable – if very suboptimal – equilibrium indicates a relentless and undramatic shift in its structural premises. This continuity, at least in the short period, set the stage not only for the "implosion" of the Soviet power, but also the (apparently) smooth transition of the international liberal order from an eminently Western scope to a virtually global one.

Nevertheless, this cumulative effect could not have played out the way it did if it had not involved a corresponding adjustment in the ideational component of the international system's (and in the main actors') internal structure. The change in the economic and military domain that led to the end of the Cold War also happened *through* a major re-elaboration of the actors' self-images, their perception by partners and interlocutors, and the way to conceive the international system as a whole. This "identity challenge" would in many cases help shape – or even determine – the foreign policy of the international actors of the time, engaged in the arduous task of coming to terms with a systemic transformation that had altered their very material foundations and overturned their ideological boundaries.

The present volume is premised on the assumption that the filter provided by ideational factors like identities and values does not make cooperation a more likely condition than competition in international politics. As the case studies will show, the significance of non-material aspects – e.g. the self-image

and the *raison d'être* of regional organisations like the EU, the Eurasian Economic Union (EAEU), the Collective Security Treaty Organisation (CSTO) or NATO, or the “role” (self)-assigned to certain countries as “federators” – does not rule out the (possibly dominant) role played by interests and selfish considerations in determining foreign policies’ priorities and strategies. Therefore, the work is going to focus on more traditional economic and security issues – such as trade, infrastructures, border protection, ethno-territorial conflicts, etc. – and will examine them also factoring in identity-related aspects as far as they may provide a finer rationale for the variations that can be observed in each actor’s behavior and to identify more accurately the *cultural model* – e.g. enmity, rivalry, friendship, integration, merely systemic interaction – that each bi/multilateral relation or system tends to inform.

Book structure and chapters

On this backdrop the present work aims at analysing the nexus between identity, security and development in the post-bipolar Eurasian landmass, focusing on multilateral organisations and regional complexes. Accordingly, the book has been divided into two parts, focusing respectively on “Cooperation and Competition at the Multilateral Level” and on “Regional Case Studies”.

The first part of the book starts from the assumption that a remarkable upshot of the collapse of the bipolar international order was the more or less automatic “scaling up” of originally regional/Western institutions like the European Union, NATO and the Bretton Woods system. These institutions, each based on its own rationale, stepped up to spread on an interregional-to-global scale the declaredly universal values and proceedings of the (Western) liberal order. While this increase in scope went largely uncontested in the Washington Consensus years, the current shift towards an increasingly complex and multi-centric international system has been laying bare a number of

under-addressed issues concerning the identity, security and development of those regional actors that, over the last twenty-five years, have come to be under the sway of the EU, NATO and other institutions of the Bretton Woods system. Noticeably, the latter have witnessed the surfacing of roughly equivalent groupings – i.e. the EAEU, the CSTO, the New Development Bank (NDB), the Asian Infrastructure Investment Bank (AIIB) – often promoted by emerging and/or regional powers, that pose a more or less direct challenge to their authority and legitimacy. The development of these alternative fora, in line with the de-centering effect generated by the emergence of the BRICS, can be regarded as a crucial factor in the definition of new major trends in (inter)regional cooperation and competition – especially in the area addressed by this book. The Eurasian context is the locus of crucial, long-standing identity questions, regarding for instance Russia's and Eastern countries' European-ness (not only in cultural but also in political and institutional terms) or the extent and the reasons according to which Europe's identity can be conflated with the EU's. Security issues are also central as the quasi-global reach that the Western Alliance had built up until the early 2000s has been scaled down to a more regional scope also as a result of regional actors' new assertiveness and the development of institutional arrangements like the CSTO. Finally, as far as the development aspect is concerned, regional trends have been key in bringing to the fore the imbalances and inertia permeating the Bretton Woods system, and have led to the formation of institutions aimed at recalibrating priorities and practices in regional (and global) development policies. Therefore, a focus on supranational integration projects, security alliances and financial organisations seem all the more necessary to understand current dynamics, both at the global and regional level.

In this view, the first chapter compares the EU's European Neighbourhood Policy/Eastern Partnership (ENP/EaP) and the EAEU not just in institutional and political terms, but also as identity/normative projects. The goal of Enrico Fassi and

Antonio Zotti is to deconstruct the usual narrative of the EU as a “normative actor” – driven by values – opposed to Russia, considered as a classical “geopolitical actor” driven by rational calculation of interests. A more critical understanding of the differences and relations between norm-driven policies and interest-driven policies seems crucial to analyse those areas that both the EU and Russia consider their “neighbourhood” – and especially their respective integration projects. To the extent that the ENP/EaP can still be reasonably regarded as an effort by the EU to act as a normative power (although in its implementation a number of provisos and compromises with alternative rationales and targets may have to be made), Russia’s (re)engagement in Eurasian regionalism appears not only motivated by “realist” considerations about power distribution, but also informed by normative elements – though of a very specific kind.

The process of incremental construction of consistent *versus* conflicting identities is addressed in chapter 2 by Gulshan Pashayeva, who engages in an historical analysis in order to address the current prospects and limits of security alliances in Eurasia. Starting from the analysis of the establishment and evolution of NATO and the Warsaw Pact during the Cold War, the author uses the lens of identity to detect the specific factors that in the post-bipolar context impeded the creation of a *pan-European* security system involving all countries of Greater Europe, including Russia. Developments in the Kremlin, US positions within NATO, as well as European aspirations to both sustain a meaningful transatlantic relationship and create a distinctly European defence identity under the EU – with the Common Foreign and Security Policy (CFSP)/Common Security and Defence Policy (ESDP) processes – are considered to explain how NATO and Russia ended up trapped in a classic security dilemma, where each side sees the other side’s efforts to improve security as coming at its own expense.

The failure of the process of automatically “scaling up” the Bretton Woods system to encompass former communist and less developed countries is the main focus of the chapter authored by

Orkhan Baghirov. Here the author shows how liberal economic ideas advocated by the “champions” of the Bretton Woods system – i.e. the IMF and the WB – fell short in adapting to the complex reality of the target countries, generating imbalances within economic and social structures which were not ready for a rapid transition towards a free market. Such shortcomings spawned a creeping contestation of the Washington Consensus, which surfaced along with the steady development of new poles of economic power, i.e. new economic “gravitational centres” for less developed countries at the regional level – the BRICS grouping being the most evident case. Here emerge the linkages between the economic dimension of the competition among IFIs, on the one hand, and the security and ideational ones, on the other. While the traditional security needs and perceptions of less developed countries’ leaderships stood as a key hurdle for the neoliberal policies to settle in, at the same time the rise of new regional economic powerhouses came with the rupture of the traditional binomial between economic growth and liberal system, providing the competition among IFIs with a substantial normative dimension.

The second section of the book looks at how the post-bipolar “identity challenge” also concerned specific regions. As a matter of fact, in the wider Eurasian context the need to build a post-bipolar and post-ideological order among partners, allies or simply geopolitical neighbours naturally implied an important identity dimension which cut across membership in the supranational institutions seen in the first section. This approach moves from the Regional Security Complex Theory (RSCT) advanced by Barry Buzan and Ole Waever in their 2003 work *Regions and Powers: The Structure of International Security*, adding a specific focus on the identity dimension. In its original formulation, the concept of Regional Security Complexes starts from the recognition that there is an often intense security interdependence within a region, but not between regions: security concerns do not travel over distances and threats are therefore most likely to occur within a region, where the security of each regional actor

interacts with the security of the others. This dynamic involves an important process of identity-building: the way threats are conceived and perceived, how neighbouring states compete or cooperate to respond to these threats are all important aspects that contribute to defining a region and make regional security complexes an interesting area of study also in terms of identity. Therefore, the second part of the book shifts the focus to Central Europe, the South Caucasus and Central Asian areas to investigate the concrete interplay of material and ideational elements, and their variance, within different regional contexts.

The idea of a “light and ancillary” regionalism proposed by Serena Giusti with respect to the Central-European integration path to the West, sheds a different light on the interplay between interests and identities. Indeed, for Central European countries (CECs) regionalism was mainly intended as the possibility to join the European Union, a powerful regional organisation, rather than as the opportunity to engage in the regionalisation process, understood as an active process of change towards increased cooperation, integration, convergence, coherence, and identity. Nonetheless, identity mechanisms were not absent, as the CECs emphasised their geographical and ontological “centrality” as a distinctive feature from other countries (e.g., Eastern Europe and the Balkans) in order to gain a rapid inclusion into the EU. Accordingly, the Visegrad Group, created in 1991 by Poland, Hungary, and Czechoslovakia, was exactly conceived as a format where the CECs could discuss EU-related issues and align positions in order to smooth their accession to the organisation. In this view, the phenomenon of regionalisation in Central Europe remains ancillary to the process of European integration either when the first was meant as “propaedeutic” to the latter or when the CECs have used strategically their regional convergence – and its related identity – as a tool to count more in the EU or to play a critical role within it, or to impose a certain vision.

Farhad Mammadov and Azad Garibov’s article on the South Caucasus, interestingly, rejects the label of “region” for

the area in terms of identity, security and development. As a matter of fact, Armenia, Azerbaijan and Georgia as the South Caucasian states have different foreign policy orientations. While Azerbaijan has a strategic partnership with Georgia, it is embroiled in a war with neighbouring Armenia due to the Armenian-Azerbaijani conflict over Nagorno-Karabakh. As a result, neither common and inclusive economic and security cooperation, nor any kind of regional integration framework has been built up in this “broken region” for the moment. At the same time, due to its aggression towards Azerbaijan, and informally held territorial claims against Georgia and Turkey, Armenia has been excluded from strategic multilateral partnerships (Azerbaijan-Georgia-Turkey; Azerbaijan-Iran-Russia trilateral cooperation frameworks) which have been developed within the South Caucasus and beyond

Finally, Carlo Frappi’s chapter aims to demonstrate how the peculiar conception of security of the Central Asian players (i.e. security of the regimes) and the related logic of competition between them, have prevented the formation of effective cooperation mechanisms and any functioning regional structure “from within”. The only forms of cooperation that are vaguely effective come from outside the region: however, the perception of the latter as instruments of interference in the internal affairs of the countries is inversely correlated to their likelihood to take root. For this reason, the “Western” recipes (EU and US) have failed and the Russian tends to be not very effective, fostering a “virtual regionalism” scheme. The Chinese cooperation recipes, on the contrary, show great effectiveness, not only in deepening bilateral relations, but also in linking together the actors of the Central Asian area and, not secondarily, the area itself with the surrounding regions. As a result, the “most de-politicised” of the regional cooperation recipes (the Chinese) is the one that paradoxically advocates the most effective recipe for “regionalisation from above” and, together with it, a new “model” of development far from Western schemes and new forms of dependency.

All together, these chapters offer a wide and in-depth look at the security and development dynamics in the wider Eurasian region, though the lenses provided by identity and Regional Security Complexes. Particularly in light of the predicament of the current US administration, these distinctive dynamics do not appear isolated, but are better understood as part of a wider change in the international system, which seems to have abandoned the goal of globally expanding a relatively principled liberal order – and therefore to a certain extent homogeneous – and to be directed towards a “multiplex order” where regional contexts (re)gain importance and relative autonomy, also at the normative level.

Carlo Frappi and Gulshan Pashayeva

PART I

**COOPERATION AND COMPETITION
AT MULTILATERAL LEVEL**

1. The EU and EAEU: Normative Power and Geopolitics in EU-Russia “Shared Neighbourhood”

Enrico Fassi, Antonio Zotti

A point frequently raised in the debates that accompanied the formulation of the 2016 European Union Global Strategy (EUGS) was the need for the EU to finally come to terms with the harsh evidence that, outside of its pacified remit, “geopolitics still matter”¹. On that account, the document presented by the High Representative of the Union for Foreign Affairs and Security Policy (HR) has been frequently assessed in terms of its “realist adequateness” – that is, in order to ascertain whether the usual emphasis on value-laden goals and preventive, comprehensive and multilateral means had been effectively complemented by a robust geopolitical analysis of the EU’s regional and global environment and a set of corresponding strategic decisions². In this sense, the EUGS was particularly welcomed by those who saw in it a salutary downsizing on democracy promotion and transformative goals, and a “return to Realpolitik” (though “with European characteristics”).

This new analytical approach to the EU’s strategy is representative of a more general trend emerged over the last few years in foreign policy analysis and international relations – one that has been frequently addressed as “resurgence of geopolitics”. This take on the EU’s strategic role and identity defies, at

¹ S. Biscop, *The EU Global Strategy: Realpolitik with European Characteristics*, Egmont Security Policy Brief, no. 75, June 2016.

² D. Zandae, *EU Global Strategy: From design to implementation*, Cligendael Analysis no. 3, April 2016; B. Ujvari, *The EU Global Strategy: going beyond effective multilateralism?*, European Policy Centre (EPC), June 2016.

least in principle, the very notion of “normative power”, which had once been saluted as a distinguishing new way of conceiving and managing foreign affairs. Today, the concept is widely dismissed as fuzzy and behind its time or, at best, a rhetorical instrument designed to conceal the harsh realities of power politics – and the Union’s related frustrations.

Despite its faltering reputation and several undeniable conceptual inconveniences, we argue that the notion of normative power – appropriately construed – may prove still useful to grasp some EU foreign policy’s specific features and ambitions, even in an era when the reasons of geopolitics seem to be at an advantage. Actually, one of the aims of this chapter is to argue that the relationship between the geopolitical and the normative rationales is not (only) one of mutual exclusion. As a matter of fact, even the crucial distinction between interests and norms – upon which the usual opposition is built – appears problematic and conditional on very strong assumptions if not taken at face value³.

A more critical understanding of the differences and relations between norm- and interest-driven policies seems crucial to analyse those areas that both the EU and Russia consider their “neighbourhood” – and whose countries are therefore regarded as “natural” partners and designated participants of their respective integration projects. The overlap between the European Neighbourhood Policy (ENP)/Eastern Partnership (EaP)⁴ promoted by the EU and the Eurasian Economic Union (EAEU) advanced by Russia is particularly interesting because the “helpless-ness” and the alleged geopolitical “inconsistencies” of the former are played out by contrast with the alternative

³ T. Diez, “Normative Power as Hegemony”, *Cooperation and Conflict*, vol. 48, no. 2, 2013, pp. 194-210.

⁴ Although there are significant differences between the two initiatives, the Eastern Partnership is conceived in this paper as inextricably linked to the framework of the European Neighbourhood Policy, from which the former is born. From here on we will use the acronym “ENP/EaP” to refer to this specific understanding. See section 3 for further details.

approach of Russia's project, which seems quite comfortable on its part to comply with the "spatial conditions" of power politics. Without downplaying the differences between the two approaches, what we argue is that the ENP/EaP and the EAEU cannot be adequately grasped as long as they are analysed and assessed based on the degree to which they strictly abide by the principles they are assumed to embody – normativity as selfless implementation of general rules on the one hand, and strategy as pursuit of interests through a purely instrumental rationality on the other. If that proves to be the case, the ENP/EaP can still be reasonably regarded as an advanced effort by the EU to act as a normative power although in its implementation a number of provisos and compromises with alternative rationales and targets may have to be made. Correspondingly, we also argue that Russia's (re)engagement in Eurasian regionalism can be regarded as being not only motivated by material factors and "realist" considerations about power distribution. In fact, normative elements – though of a very specific kind – seem to inform its actions too: ideas about Russian identity, as well as the effort to maintain "normative pluralism" in its near aboard – if not to promote a veritable "Russian model" – shape the progress and content of regionalisation in Eurasia and the prospect of the EAEU alongside strategic calculations.

The chapter is organised as follows. In the first part, an account of the revived relevance of the notion of geopolitics is provided, with reference to the theoretical premises and the conceptual difficulties inherent to it. The second section builds on Ian Manners's seminal definition of Normative Power Europe and reviews the ensuing debate in order to single out conceptualisations and arguments relative to "the normative", and present an analytical framework that set the path for the empirical analysis. Tensions and overlaps of normative and strategic behaviour in the EU foreign policy are then explored in the third part, focused on the ENP/EaP. The fourth section applies the same analytical framework to the Eurasian Economic Union, highlighting the normative elements that seem to

inform Russian approach towards it. In doing so, we aim to see whether and to what extent the two institutional experiments of regional integration of their common “near abroad” signal not only a strategic rationale oriented to maximising their influence in neighbouring areas, but also to pursue two equally veritable – although diverging and under several aspects inconsistent – normative logics and ambitions.

The geopolitical challenge and the call for a more nuanced notion of normative power

Over the last few years, public and academic discourses have frequently been dwelling upon the notion of a surge of geopolitical competition in current world affairs⁵. From the territorial squabbles in the South China Sea to the rush on Africa’s natural resources, from the involvement of “great powers” in the Syrian conflict to the repercussions of a prospective protectionist stance of the US’s commercial policy, a number of world politics issues have been deemed to be the expression of a revived geopolitical rationale. Since its “resurgence” in public debates and common parlance, experts have been extensively debating on the meaning of “geopolitics” and its actual impact on current international politics. This discussion signalled a renewed interest of the Western academic world in the spatial aspects of power, which had rekindled starting in the 1970s⁶. In very rough terms, contemporary geopolitics may be presented as consisting of two major strands. On the one hand, the “neoclassical” theory aims at exploring the “factual” empirical

⁵ W.R. Mead, “The Return of Geopolitics. The Revenge of the Revisionist Powers”, *Foreign Affairs*, May/June, vol. 93, no. 3, 2014. J. Mearsheimer, “Why the Ukraine Crisis Is the West’s Fault”, *Foreign Affairs*, vol. 93, no. 5, September/October 2014.

⁶ T. Klin, “Conducting the Study of Geopolitics: Three Approaches”, *Political Studies Review*, 29 March 2016.

relationship between geographic factors and state politics, that is, the material spatial setting within which agents make their decisions – often with an explicit prescriptive goal as regards foreign policymaking. This component appears to be the most popular today not only within the media and policy-oriented circles, but is also gaining relative visibility, if not scientific salience, in more sophisticated international politics analysis. On the other hand, there is “critical geopolitics”, which focuses on the politics and ideologies of spatial representation of power, i.e. how geographical imagination and/or politics influence the understanding and practice of world politics and foreign policies⁷. Without going any deeper into disciplinary debates, it can be pointed out that criticism directed against certain foreign policies – included the EU’s action in the Eastern neighbourhood – usually comes from the “neoclassical” geopolitical front⁸. The systematic pre-eminence granted to certain physical and human geographic factors – “the ‘objective necessities’ within which states compete for power and rank” – create a bias in the geopolitical analysis of actors like the EU⁹. The Union is an obvious object of geopolitical attention – and reproval – given its alleged attempt to subvert the “factual” realities of the space within which it operates¹⁰. The breaking point of this process has been the implementation of policies, such as the ENP, purposed to design experimental relations with bordering countries that would reshape the spatial rationale of the EU’s frontiers. This reading sees the advance of the EU in Central and Eastern Europe as a subtle encroachment into Russia’s legitimate sphere

⁷ S. Guzzini, *Which geopolitics*, in S. Guzzini (Ed.), *The Return of Geopolitics in Europe? Social mechanisms and Foreign Policy Identity Crisis*, Cambridge, Cambridge University Press, 2012.

⁸ N. Nováky, “Why so Soft? The European Union in Ukraine”, *Contemporary Security Policy*, vol. 36, no. 2, 2015; G. Pridham, “EU/Ukraine Relations and the Crisis with Russia, 2013-14: A Turning Point”, *The International Spectator*, vol. 49, no. 4, 2014, pp. 53-61.

⁹ S. Guzzini (2012), p. 43.

¹⁰ S. Auer, “Carl Schmitt in the Kremlin: the Ukraine crisis and the return of geopolitics”, *International Affairs*, vol. 91, no. 5, 2015, pp. 953-968.

of influence. It was only a matter of time before the security threat posed by the trespass brought to an end the fortuitous suspension of “normal” geopolitical competition in Eurasia – something the European states should have seen coming, had they known their “geopolitics 101”, as Mearsheimer has it¹¹. According to this view, the European integration process is but an over-elaboration of a process of mere international integration, one that generated “the illusion” of strategic actorness, coupled by the “delusion” of a strategic culture characterised by non-competition and the harmonised behaviour of states deferential to international institutions, supported by the abnormal weakness of potential rivals¹². Rule-based EU is actually a short-sighted bureaucratic hulk that has lived in a (geo)political vacuum until (Putin’s) Russia “made us blink our eyes” and showed that “geopolitics matter and power politics is going on everywhere around us” through its intervention in Ukraine¹³.

In order to respond to this line of reasoning, addressing the question of what “strategic” means as far as the EU is concerned is crucial¹⁴. For the sake of the argument, “strategic” is going to be referred as the ability of the Union – both as its own institutional system, and a multilevel governance system – to apply instrumental rationality in the pursuit of a set of objectives, including “power politics” interests. The latter encompass, for instance, the goals listed in the EU Global Strategy, as well as the interests that can be deduced from the major challenges facing European societies as well as the EU’s profile within major international organisations¹⁵. Rather than on the objectives,

¹¹ J. Mearsheimer (2014).

¹² J. Grygiel, “The Geopolitics of Europe: Europe’s Illusions and Delusions”, *Orbis*, vol. 59, no. 4, 2015, pp. 505-517.

¹³ S. Biscop (2016), p. 3.

¹⁴ The subject has been indirectly explored, among others, through the intensive debates about the hypothesis of the EU having been acquiring a strategic culture. See A. Biava, M. Drent and G.P. Herd, “Characterizing the European Union’s Strategic Culture: An Analytical Framework”, *JCMS-Journal of Common Market Studies*, vol. 49, no. 6, 2011, pp. 1227-1248.

¹⁵ P. Vimont, *The strategic Interests of the European Union*, Carnegie Europe, 20 April 2016.

however, the emphasis here is put on the rationalist logic that may inform the EU external action – albeit in coexistence with a normative, ideational rationale¹⁶. Also based on this conception of strategy, we propose to review some of the usual terms of today’s discourse on normative power – in particular, the opposition between “postmodern/normative Europe/EU” and “neo-sovereign/pragmatic” Russia as embodied in the ENP and the EAEU respectively.

The multifaceted relevance of normative power

Since it was first defined by Ian Manners in his 2002 seminal article, the concept of normative power has been at the centre of a lively debate concerning the visions, ideations, values and principles of the EU¹⁷. Manners came up with the idea of Normative Power Europe (NPE) in order to overcome the longstanding discussion concerning the EU’s role as a civilian *vs* military actor, focussing instead on its ideological power or – as he famously put it – “the ability to shape conceptions

¹⁶ R. Youngs, “Normative Dynamics and Strategic Interests in the EU’s External Identity”, *JCMS-Journal of Common Market Studies*, vol. 42, no. 2, 2004, pp. 415-435; R. Youngs, *The European Union: Inclusion as geopolitics*, in K. Kausch (Ed.), *Geopolitics and Democracy in the Middle East*, Fride, Madrid, 2015.

¹⁷ I. Manners, “Normative Power Europe: A Contradiction in Terms?”, *Journal of Common Market Studies*, vol. 40, no. 2, 2002, pp. 235-258; H. Sjursen, “The EU as a ‘normative’ power: how can this be?”, *Journal of European Public Policy*, vol. 12, no. 2, 2006, pp. 235-251; R. Whitman (Ed.), *Normative Power Europe. Empirical and Theoretical Perspective*, London, Palgrave Macmillan, 2011; T. Diez, “Normative power as hegemony”, *Cooperation and Conflict*, vol. 48, no. 2, pp. 194-210, 2013; T. Forsberg, “Normative Power Europe, Once Again: A Conceptual Analysis of an Ideal Type”, *JCMS Journal of Common Market Studies*, vol. 49, no. 6, pp. 1183-1204, 2011; I. Manners, “Normative Power Europe Reconsidered: Beyond the Crossroads”, *Journal of European Public Policy*, vol. 13, no. 2, pp. 182-199, 2006; N. Tocci (Ed.), *Who is a Normative Foreign Policy Actor? The European Union and its Global Partners*, Centre for European Policy Studies, Bruxelles, 2008; S. Lucarelli and I. Manners (Eds.), *Values and Principles in European Union Foreign Policy*, London, Routledge, 2006.

of the normal". In his view, unlike most other actors, the EU has a normative quality stemming from "its historical context, hybrid polity and political-legal constitution". That being so, Manners's original concept of NPE encapsulated both an ontological dimension (what the EU *is*), a positivistic one (what it *does*) and a normative horizon (what it *should do*)¹⁸. Ever since, scholars have discussed and redefined the idea of NPE, which also received some enthusiastic endorsements among EU policy circles¹⁹. This success transformed NPE into a "contested concept", to the point that a recent review of the literature has identified as many as five different criteria (identity, interests, behaviour, means of influence, achievements) and four mechanisms (persuasion, activation of international norms, shaping the discourse, setting an example) associated with normative power²⁰. On the other hand, NPE has also been dismissed as a "political more than analytical concept", a "suspicious camouflage for European imperialism", or as "idealistic", "indiscriminate", "empty signifier"²¹. Overall, even supporters of this approach have admitted that the "oversupply of conceptual definitions affiliated with NPE" sometimes "resembles dissonant '*a cappella*' singing of a chorus lacking operationalisation of the actual role that the EU plays through actions and impact"²².

Nonetheless, a number of attempts have been made to operationalize the concept and make it a more feasible analytical instrument of empirical research, not necessarily on the EU alone. One of the most fruitful efforts in this direction is provided in *Who is a Normative Foreign Policy Actor?*, a volume

¹⁸ I. Manners, *The European Union's Normative Power: Critical Perspectives and Perspectives on the Critical*, in R. Whitman (Ed.), *Normative Power Europe. Empirical and Theoretical Perspectives*, London, Palgrave Macmillan, 2011.

¹⁹ C. Carta, "The EU's International Image as Seen by the Commission's Diplomats", *European Foreign Affairs Review*, vol. 13, no. 4, 2008, pp. 473-491.

²⁰ T. Forsberg (2011), pp. 1183-1204.

²¹ *Ibid.*

²² R. Whitman, *Norms, Power and Europe: A New Agenda for Study of the EU and International Relations*, in Whitman (Ed.) *Normative power Europe: empirical and theoretical perspectives*, London, Palgrave Macmillan, 2011, p. 3.

edited by Nathalie Tocci in 2008²³. In order to identify what a “normative foreign policy” consist of, the authors focus on three questions: what an actor wants (its *goals*), how it acts (the deployment of its policy *means*), and what it achieves (its policy *impact*)²⁴. Starting from Worlfer’s definition (1962) of “milieu goals” – as opposed to “possession” ones – *normative goals* are defined as those goals which, while indirectly related to a particular actor’s specific interests, are “essentially concerned with the wider environment within which international relations unfold”²⁵. Moreover, normative goals are characterised by their aim to shape the milieu “by regulating it through international regimes, organisations and law”, in a way that “binds the behaviour of all parties”, including that of the actor itself²⁶. As for the definition of *normative means*, the authors suggest to shift the attention from the question of *which* policy instruments are used, to *how* they are employed. Normative foreign policy means are thus defined as “instruments (regardless of their nature) that are deployed within the confines of the law”, where the concept of “legality” refers to both the respect of internal legal standards of democracy, transparency and accountability, and external legal commitments – that is, acting respecting international law, and with UN authorisation or multilaterally as far as possible. Finally, the analysis of an actor’s *normative impact* should tell how effective its foreign policy is in fulfilling its normative intents. Taking into consideration foreign policy actions and in-actions, a normative impact is defined as “one where a traceable path can be drawn between an international player’s direct or indirect actions and inactions [...] and the effective building and entrenchment of an international rule-bound

²³ N. Tocci, *Profiling Normative Foreign Policy: The European Union and Its Global Partners*, in N. Tocci (ed.) *Who is a Normative Foreign Policy Actor? The European Union and Its Global Partners*. Bruxelles, Centre for European Policy Studies (CEPS), 2008, pp. 1-23.

²⁴ *Ibid.*, p. 5.

²⁵ *Ibid.*, p. 7.

²⁶ *Ibid.*, p. 8.

environment”²⁷. In the next section, this analytical framework is used to explore the relationship between “strategic” and “normative” approaches within the European Neighbourhood Policy/Eastern Partnership (ENP/EaP). In particular, following Manners’ original formulation, for each dimension we are considering both the promotion of specific norms – in our case: democracy – and the broader idea of “shaping conceptions of the normal”, in order to highlight potential misinterpretation as well as the heuristic opportunities that the normative power concept opens up to.

The EU European Neighbourhood Policy and the Eastern Partnership (ENP/EaP)

The European Neighbourhood Policy (ENP), officially launched in March 2003, can be argued to be a prototypical product of the arrangement of the international system of the early 2000s’, with the EU’s international engagement shifting (if tentatively) from a uniquely economic to a political one too, and a growing emphasis on its inter-regional/global scope. The “big enlargement” to seven former Eastern Bloc countries, plus one former member of the Socialist Federal Republic of Yugoslavia and two former British Mediterranean colonies can be certainly ascribed among the distinctive features of the time, one that was to mark the successful conclusion of a very delicate phase of the post-Cold War era transition. At the same time, the geopolitical accomplishment presented the EU with the inescapable need to come to terms with the challenges – and opportunities – arising from the deeply new political circumstances the new common borders were going to come into contact with. The European Security Strategy, drafted in 2003, already acknowledged how new threats, such as illegal immigration, organised crime, state failure and terrorism, would become more pressing as a result of the new conditions created by the enlargement,

²⁷ *Ibid.*, pp. 10-11.

and therefore demanded a “comprehensive approach”, capable of addressing the root causes of these issues by linking the security, economic and political dimensions²⁸. The ENP was a central component of the document, and very much imbued of the transformative intents of the time. The policy was designed “to create an area of shared prosperity and values”, based on deeper economic integration, intensified political relations, enhanced cross-border cooperation and shared responsibility for conflict prevention between the EU and its neighbours. The policy involves 16 countries at the EU’s borders: Belarus, Moldova and Ukraine eastwards; Armenia, Azerbaijan, Georgia in the South Caucasus; and Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, the occupied Palestinian Territories, Syria and Tunisia southwards. Coming up with the “neighbourhood” concept, the Union was devising a policy that was not to be entirely “foreign”, as its governance model drew heavily from the enlargement policy, and its primary aim was exactly to prevent that the relationships with bordering countries would be defined based on a clear-cut within/without distinction. At the same time, the ENP was to bring to an end the process of unlimited “internalisation” that had thus far characterised so much of the Union’s relationship with its near abroad. The enlargement policy would be continued – for instance in the Western Balkan region – but it would no longer be considered as the default approach to issues emerging beyond the borders of the Union. Bordering countries would remain an “Other” relative to the EU, but a very significant one, which would (be made to) share in an enlarged policy space based on common interests and values. Accordingly, the policy was designed to encompass both a relational dimension – aimed at directly influencing the behaviour of neighbouring countries’ governments and other actors – and a structural one – which seeks to sustainably influence/shape political, legal, economic, social security

²⁸ European Council, 12-13 December 2003, [European Security Strategy - A Secure Europe in a Better World](#).

or other structure in the “neighbourhood space”²⁹. Even as far as sole security issues are concerned, the basic objective of creating a multiplex, fluid “non-dividing” line in Europe between “insiders” and “outsiders” was premised on a dual concept: on the one hand, the EU set out to create new spaces of amicability through socialisation and the participated transformation of the very interests and identities of the countries involved; on the other hand, the partially integrated neighbouring countries were also to serve as a “buffer zone” between the EU and the issue arising from farther contexts, according to a much more “traditional” security rationale.³⁰

In practice, the equilibrium between the diverging dimensions encompassed by the ENP proved to be very demanding and prone to the more or less deliberate misunderstanding about the both final goal and the day-to-day functioning of the polity. One-sidedness by part of the EU, and limited engagement in the ENP system of governance by the neighbouring countries are among the more conspicuous shortcomings of the original arrangement³¹. Admittedly, the steps made so far by the EU to amend these weaknesses have proved to be effective only to a certain extent. Nevertheless, after only a few years, the EU did make an effort to address the problem, among others by adjusting the weight that the external governance model, derived from the enlargement experience, had on the ENP. Though aimed at overcome the “transformation of external problems into domestic issue” *modus operandi*, the ENP had ended up inhering much of the asymmetry built in the enlargement policy, the EU just disseminating – if not imposing – its rules, practices and views. As a way to counter this unbalanced relation, in May 2009, under the auspices of Poland and

²⁹ S. Keukeleire and T. Delreux, *The Foreign Policy of the European Union*, London, Palgrave Macmillan, 2014, pp. 27-30

³⁰ K. Smith, “The Outsiders: the European Neighbourhood Policy”, *International Affairs*, vol. 81, no. 4, 2005, pp. 757-773.

³¹ E.A. Korosteleva, *The European Union and its Eastern Neighbours Towards a more ambitious partnership?*, London, Routledge, 2012.

Sweden, the Eastern Partnership (EaP) was launched, directed specifically at the six countries of Eastern Europe and the South Caucasus – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Its goal was to tighten the relationship between the EU and Eastern partners by deepening their political cooperation and economic integration, in an effort to “regionalise” the ENP and focus it on specific issues (regional stability, governance and development) – therefore de-emphasising the “hub and spoke” framework emerging from the set of bilateral agreements between the EU and each neighbouring country³². The EaP was premised on a new rationale for cooperation with countries that lacked the (immediate) prospect of EU membership. Implicit in the idea of partnership was the purpose for compliance to no longer be unquestionable in the process of top-down transference of EU rules and norms, but rather *negotiated*, affording some forums for discussion, opportunities of joint actions and a more conspicuous exercise of reciprocity. As a result, the “significant others” that are neighbouring country would have a great impact in constructing the EU’s self, but remaining nonetheless “others”, entitled to their own priorities and views³³. Based on functional and sector-based cooperation (e.g. energy, security, mobility), the EaP was perceived by both parties as an opportunity for a relaunch of the ENP on more pragmatic premises. Although it initially produced limited result, in 2014 the EaP emerged as an important turning point with the signing of Deep and Comprehensive Free Trade Agreements with Georgia, Moldova and Ukraine – despite all the difficulties incurred by the latter in securing the transition toward democracy and market economy³⁴.

³² P. Manoli, “A structural foreign policy perspective on the European neighbourhood policy”, in S. Gstöhl and S. Schunz (Eds.), *Theorizing the European Neighbourhood Policy*, London, Routledge, 2017, pp. 124-142.

³³ E.A. Korosteleva (2012).

³⁴ T. Penkova, *EU Eastern Partnership Policy: a Second Chance for the EU Transformative Power?*, in C. Frappi and G. Pashayeva (Eds.), *EU Eastern Partnership: Common Framework or Wider Opportunity?*, Milano, Egea, 2012, pp. 19-41.

ENP/EaP: normative goals

As it is often the case in policy analysis, a number of reasons can be identified behind the creation and implementation of the ENP/EaP. On the one hand, there is the specific concern, going back to the very beginning of the policy, with the new security challenges resulting from the enlargement – illegal migration, organised crime, terrorism, the thawing of “frozen conflicts” in particular³⁵. More generally, the launch of the ENP was seen as an initiative aimed at the *geopolitical goal* of stabilising the areas surrounding the Union, especially its new eastern flank³⁶. On the other hand, the promotion of the EU’s principles and normative standards, as well as the establishment of relationships with neighbouring countries based on “shared values” like “liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law” also comes out as a major goal of the EU’s approach to the region³⁷. In fact, the promotion of democracy has been largely recognised as a defining feature of the ENP, which marked a significant development compared to the previous relationships the EU developed with these same countries³⁸. Especially in the East, the Partnership and Cooperation Agreements (PCAs) established in the 1990s have defined the EU’s relationships with these countries almost exclusively in terms of economic cooperation. The political and norm-driven dimension brought in by the ENP, on the other hand, can be regarded as “an explicit attempt to structure the immediate neighbourhood along the dominant principles and norms of

³⁵ M. Ceccorulli, *Eastern Partnership Framework: Border Security*, in C. Frappi and G. Pashayeva (Eds.), *The EU Eastern Partnership: Common Framework or Wider Opportunity*, Milano, Egea, 2012, pp. 89-104.

³⁶ R. Aliboni, “The Geopolitical implications of the ENP”, *European Foreign Affairs Review*, vol. 10, no. 1, 2005, pp. 1-16.

³⁷ European Commission, COM (2004) 373 final, Bruxelles, 12 May 2004.

³⁸ E. Baracani, *The EU and Democracy Promotion: A Strategy of Democratization in the Framework of Neighbourhood Policy?*, in F. Attinà and R. Rossi (Eds.), *European Neighbourhood Policy*, Centro Jean Monnet “Euro-Med”, Dipartimento di Studi Politici, Catania, 2004, pp. 37-57.

the EU”³⁹.

The idea, epitomised by then president of the European Commission Romano Prodi, was precisely to re-shape the European neighbourhood aiming at the creation of “a circle of friends”, with which the EU was ready to “share *everything*, but the institutions”. Echoing the logic of the enlargement, the ENP was expected to promote a convergence towards *EU values* in the countries of the neighbourhood through a similar process of legal, economic and political approximation⁴⁰.

The ENP’s normative agenda is often seen in stark contrast with the pragmatic approach embraced by the EaP⁴¹. While differences between the two policies are undeniable, their similarities and overlapping should also be recognised: not only the EaP is born and is still developing *within* the ENP framework – funds channelled through the ENP are three times more than those devoted to the EaP agenda – but the EaP itself shows a normative horizon. So, for example, in the EaP democracy promotion does not completely disappear from the picture, but becomes one of the four thematic platforms (“Platform 1. Democracy, good governance & stability”) that constitutes the bulk of the multilateral dimension of the EaP - Platform 2 being, significantly, “Economic integration & convergence with EU policies”⁴².

In this view, the ENP, and its latest relaunch in the eastern region through the EaP, can be considered the best embodiment of the EU’s “structural approach”, i.e. the effort to influence or shape *structures* – “relatively permanent organising principles,

³⁹ T. Casier, *The European Neighbourhood Policy, Assessing the EU policy towards the Region*, in F. Bindi (Ed.) *The Foreign Policy of the EU*, The Brookings Institutions, 2010, pp. 101-102. Quoted in T. Penkova (2012), p. 20.

⁴⁰ E. Fassi, *Which Friends? The Content of EU’s Democracy Promotion in its Neighbourhood*, in F. Demier and E. Musiani (Eds.) *La démocratie européenne à l’épreuve des changements économiques et sociaux XIXe, XXe siècle*, Bologna, Bonomia University Press, 2011, pp. 287-304.

⁴¹ T. Penkova, (2012).

⁴² European Union, External Action, http://ceas.europa.eu/eastern/platforms/index_en.htm

institutions and norms that shape and order the various inter-related sectors” – in a “permanent”, “sustainable” way in a given area, region or space⁴³. Thus, according to Tocci’s definition previously proposed, to the extent that ENP/EaP aim was to transform “the international environment” (in this case, specifically the regional one), particularly “by regulating it through international regimes, organisations and law”, ENP/EaP can thus be considered to pursue *normative goals* both in general and specific terms.

ENP/EaP: normative means

The ENP draws on both the instruments and the logic of enlargement – i.e. “conditionality”. Accordingly, norm transfer and democracy promotion in particular were originally conceived as the result of “a bargaining strategy of reinforcement by reward, under which the EU provides external incentives for a target government to comply with its conditions”⁴⁴. The crucial difference with the enlargement policy, though, is that the ENP lacks those powerful incentives that had so effectively induced compliance in the candidate countries – especially the prospect of full EU membership. With that motivation off the table, the Commission has been trying to set off demanding reforms and the convergence towards EU standards offering as a reward “the deepening of trade relations” and the rather vague formula of “a stake in the internal market”, which so far have not proved to be very attractive goals to the neighbouring countries⁴⁵. That being so, conditionality appears to be a blunted instrument, and “the level of ambition of the relationship” – also in normative terms – depends almost completely on the neighbour’s government choice and commitment, leaving little room to the EU for

⁴³ S. Keukeleire and T. Delreux, “Competing structural powers and challenges for the EU’s structural foreign policy”, *Global Affairs*, vol. 1, no. 1, 2015, pp. 44-45.

⁴⁴ F. Schimmelfennig and U. Sedelmeier, “Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe”, *Journal of European Public Policy*, vol. 11, no. 4, 2004, p. 662.

⁴⁵ European Commission, COM (2004)..., cit., pp. 12-13.

concrete action: if the “carrot” is not tremendously appealing, the “stick” is not so effective either. On the other hand, in order to make conditionality more compelling, the EU has often coupled it with a general commitment by the EU to advance political dialogue and norm socialisation as complementary forms of democracy assistance, based on a long-term approach.

Whether and to what extent the ENP approach to democracy promotion can be actually be regarded as resting on normative premises is open to debate. On the one hand, “soft methods” based on joint ownership, engagement, persuasion and cooperation have been classified as more “normative” than coercive methods such as conditionality, sanctions or military action⁴⁶. Accordingly, even the “conditionality-lite” approach characterising the ENP – based on limited incentives and limited demands – might be regarded as non-normative⁴⁷. On the other hand, although a distinction between “positive conditionality” – based on incentives – and “negative conditionality” – based on the threat of sanctions – has often been made, it has also been noted that, in practice, positive and negative incentives hinge upon similar coercive logics; moreover, whether or not they can be viewed as normative often depends to a large extent on the context in which they are applied rather than their nature⁴⁸. Based on a definition of normative foreign policy means as those instruments “that are deployed within the confines of the law”, where legality relates both to the respect of internal legal standards and respecting international law, then the ENP process, based on legal acts such as the Association Agreements and the National Action Plans, and implemented through detailed bureaucratic and legal measures, can reasonably be regarded as normative means.

⁴⁶ N. Tocci (2008), p. 9.

⁴⁷ G. Sasse, “‘Conditionality-lite’: The European Neighbourhood Policy and the EU’s Eastern Neighbours”, in N. Casarini and C. Musu (Eds.), *European Foreign Policy in an Evolving International System*, London, Palgrave Macmillan, 2007.

⁴⁸ D. Ethier, “Is democracy promotion effective? Comparing conditionality and incentives”, *Democratization*, vol. 10, no. 1, 2003, pp. 99-120; N. Tocci (2008).

As mentioned, the limited effects of conditionality-lite in promoting of structural change among neighbours were addressed through the creation of the EaP, which emphasised “reforms” through “the establishment of a network of free trade agreements that can grow into a Neighbourhood Economic Community, the progressive liberalisation in a secure environment, the deeper cooperation to enhance energy security of both the partners and of the EU; and the support for economic and social policies designed to reduce disparities within each partner country and across border”⁴⁹. Transformation was also planned to be achieved in the domain of non-universal norms through a “structured approximation process” with EU rules. Accordingly, convergence on technical issues and standardisation were also devised as instrument of implementation of the transformative purposes of the Union, together with the engagement of partner countries’ bureaucracies and civil societies, inclusion of stakeholders (public or otherwise) and enhanced access to EU institutions. Whether and the extent to which the “complement” provided by the EaP has enhanced the effectiveness of neighbourhood policy’s tools is still open to debate.

ENP/EaP: normative impact (?)

According to some scholars, the “open-ended nature” of the ENP itself, built on a weak conditionality, rules out the possibility of achieving clear-cut effects⁵⁰. Given the constellation of the EU’s and neighbouring countries’ varying interests, conditions and commitments, the scope for policy, institutional and normative change under ENP conditionality appear to have been limited from the outset. Any lasting institutional, policy or behavioural “lock-in” effect would have probably required a deeper grounding in domestic politics than the one provided

⁴⁹ P. Manoli (2017).

⁵⁰ G. Sasse, *The ENP and the EU’s Eastern Neighbours: Ukraine and Moldova as Test Cases*, in R. Whitman and S. Wolff (Eds.), *The European Neighbourhood Policy in Perspective*, London, Palgrave Macmillan, 2010, p. 200.

under the current framework. Perhaps not surprisingly, medium term analyses also signal that, almost 15 years into the ENP/EaP, not much has changed in Eastern countries in terms of democratic scores⁵¹.

As for the mechanisms involved, it is clear that in this context, the “democratisation through integration model” of the enlargement could not work. In fact, the model risked to be detrimental, at least in some cases, since the imposition of benchmarks and the strict monitoring of reforms necessary to make full use of the conditionality mechanism, summed to a scarce sense of ownership, may provoke anger and resentment more easily than compliance and commitment. In this context, the EU was not in position to “demand democracy with strident voice”⁵². On the other hand, the long-term process of socialisation of ENP/EaP countries to EU norms has proved to be relatively more effective. The “net outcome”, though, is somewhat hazy, as socialisation is not a unidirectional process, and may in fact weaken as much as strengthen EU-oriented foreign and domestic policies and produce unintended consequences, as argued, among others, by Gwendolyn Sasse with reference to the relationships with Ukraine and Moldova. Even though the EU is committed to avoiding the “rhetorical entrapment” ensuing (weak) enlargement promises, it is still prone to a “procedural entrapment”, originating in the functionalist underpinnings of the ENP process: the more the latter proves effective and sets off a process of approximation to the EU standards, the more difficult it becomes to rule out future enlargements *vis-à-vis* the aspiration of the neighbours⁵³. Consequently, both parties have tried to redefine the ENP/EaP as a step toward membership, thus signalling that in the process of being projected outwards, EU policies and norms are constantly reinterpreted by different actors across the “wider EU”. Far from being the alleged passive

⁵¹ Freedom House, *Freedom in Transit*, 2017.

⁵² R. Youngs, *The European Union and the Promotion of Democracy*, Oxford, Oxford University Press, 2001.

⁵³ G. Sasse (2010), pp. 200-201.

recipient of EU value promotion efforts, social and political actors in ENP/EaP countries thus emerge as constitutive element of Normative Power Europe – an expression of the “power of the local” as Gordon and Pardo put it⁵⁴. While the normative impact of the ENP appears rather limited in terms of democratisation – at least in its mainstream meaning – these *unintended* consequences need to be taken into account for an overall evaluation of the policy.

On the other hand, any attempt at measuring the effects of the EU’s efforts to exert its normative pull in the region should take into account that, starting with the establishment of the EaP up to the 2015 review, the Union’s structural power has been conceived ever less as a leverage to instrumentally generate specific outcomes. In other words, the EaP is not regarded as a “robotic arm”, much less the functional equivalent “sphere of influence”⁵⁵. The EaP is handled by the EU – conceptually and in terms of policy-making – as a slow and long-term process, consisting of a progressive and monitored approximation of EU benchmarks, which can be oriented, but not micro-managed. Accordingly, the EaP’s results are highly contingent on the specific condition of each policy area, responding differently across policy (sub)domains and through time to internal factors like the role of local governments and elites, or external ones like the impact of Russia’s pressure. Having acknowledged that its practice and policy had been regarded by other partners as too prescriptive, and not sufficiently reflecting the partner countries’ aspirations, the Commission has expectedly proposed that “differentiation and mutual ownership will be the hallmarks of the new ENP”, and recognised that “the new ENP will now seek to involve other regional actors, beyond the neighbourhood,

⁵⁴ N. Gordon and S. Pardo, “Normative Power Europe and the Power of the Local”, *JCMS Journal of Common Market Studies*, vol. 53, no. 2, 2015, pp. 416-427.

⁵⁵ D. Cadier, “Eastern Partnership vs Eurasian Union? The EU–Russia Competition in the Shared Neighbourhood and the Ukraine Crisis”, *Global Policy*, vol. 5, Supplement 1, October 2014.

where appropriate, in addressing the regional challenges”⁵⁶. As emerged in EaP 2015 summit in Riga, and reaffirmed by the EaP 2017 summit in Brussel, this approach has led to a *de facto* differentiation between the three EaP countries which already have agreed an Association Agreement and the creation of DCFTAs with the EU (Ukraine, Moldova, Georgia), and “the others” (Armenia, Azerbaijan and Belarus) for which this perspective is unlikely in the short/medium term – but with which cooperation is nonetheless developing through a case-by-case approach⁵⁷. As a result, Armenia and the EU signed a Comprehensive and Enhanced Partnership Agreement (CEPA) in 2017, while Azerbaijan is currently in the process of negotiations with the EU a comprehensive Partnership Agreement based on specific Partnership Priorities⁵⁸; in addition, both countries have established visa facilitation regimes with the EU. Negotiation on visa facilitation started in 2014 also with Belarus, but enhanced cooperation with Minsk appears more challenging, as highlighted by the fact that EU restrictive measures (including arms embargo, asset freeze and travel ban) have been prolonged until 28 February 2018⁵⁹.

The Eurasian Economic Union

The Eurasian Economic Union (EAEU) was established in January 2015 by Russia, Belarus and Kazakhstan, swiftly joined by Armenia (January 2015) and Kyrgyzstan (August 2015). According to its promoters, the initiative was aimed at the development of a functional, rules-based framework to encourage

⁵⁶ E.A. Korosteleva, “Eastern partnership and the Eurasian Union: bringing ‘the political’ back in the eastern region”, *European Politics and Society*, vol. 17, no. 1, 2016, pp. 67-81.

⁵⁷ H. Kostanyan, *The Fifth Eastern Partnership Summit: Between hyperbole and understatement*, CEPS commentary, 8 November 2017.

⁵⁸ EC/EEAS, *Report on EU – Azerbaijan relations in the framework of the revised ENP*, Joint Staff Working Document Brussels, 19.12.2017, SWD(2017) 485 final.

⁵⁹ European Council, [EU relations with Belarus](#).

the development of deeper economic ties between its members, which would integrate into a new cohesive economic entity – the first such body in the post-Soviet region⁶⁰.

The EAEU can be argued to be the culmination of a multi-step project in deep economic integration that dates back to the Commonwealth of Independent States (CIS) in so far as it was also designed to create an institutional framework promoting economic cooperation and integration after the collapse of the USSR. More specifically, the EAEU's roots can be traced back to the Customs Union agreement that Russia, Belarus, Kyrgyz Republic and Kazakhstan signed in 1995, but that never really came into being, and the more recent Eurasian Economic Community (EurAsEC), a fully-fledged regional organisation established in 2000 by the same five countries plus Tajikistan, planned to step from mere zone of economic cooperation to a customs union, a single market and possibly a currency union⁶¹. In January 2010, EurAsEC effectively created a customs union including Belarus, Kazakhstan, and Russia, later renamed the Eurasian Customs Union (EACU), and in 2012 the Single Economic Space (SES), established to guarantee the “four freedoms”, that is, free circulation of goods, capital, services and people across the three countries. The common market envisaged by the EAEU entails policy coordination, removal of non-tariff trade barriers, and an ambitious regulatory harmonisation agenda. This integration is to be delivered by a common, rules-based regime, grounded on the principle of the formal equality among member states, as well as an institutional architecture closely resembling that of the European Union⁶². The EAEU is conceived by some of its proponents as a

⁶⁰ R. Dragneva and K. Wolczuk, *The Eurasian Economic Union. Deals, Rules and the Exercise of Power*, Chatham House Research paper, May 2017.

⁶¹ A. Libman, *Commonwealth of Independent States and Eurasian Economic Community*, Center for the Study of Federalism, 2011, pp. 10-12. See also Y. Vymyatnina and D. Antonova, *Creating a Eurasian Union. Economic Integration of the Former Soviet Republics*, London, Palgrave, 2014.

⁶² R. Dragneva and K. Wolczuk (2017).

“functional alternative” to the EU in the Balkan area (with Serbia as a bridgehead) and the “shared neighbourhood” area – containing all the EaP member countries, but also a platform for structuring relations with other regional groupings (EU, Asean) or single countries (Vietnam, Israel, Egypt, Iran). A closer scrutiny of this initiative reveal other integration drivers apart from those included in the “grand narrative” of a functional, rules-based economic integration project – among which the “geopolitical” factor has been largely identified as one of the most relevant. Accordingly, the EAEU ought to be regarded as another instrument through which assertive Russia has been trying to establish its hegemony on the region, also in order to reaffirm its status on the wider international stage⁶³. Compelling as this reading of the EAEU-centred integration process may be, it seems to have almost completely overlooked the normative dimension of the project, arguably on the assumption that Russia’s hegemonic purpose *per se* rules out the possibility of such a dimension to exist. Contesting the idea that hegemony is necessarily incompatible with normativity – although it is quite clear that the manifestation of this dimension are bound to be at variance with the mainstream conception of international/global justice – in what follows the framework applied to the analysis of the ENP is used to investigate whether and under what conditions normative *goals, means* and *impact* can also be identified in the EAEU integration project of the “shared neighbourhood”.

EAEU: normative goals

The concept of a Eurasian Union was first mentioned by Kazakh President Nursultan Nazarbayev during a speech at a Moscow University in May 1994, less than three years after the breakup of the Soviet Union. The declared goal was not the restoration of a Russia-dominated system of regional dominance,

⁶³ H. Zahorka and O. Sargsyan, “The Eurasian Customs Union: an alternative to the EU’s Association Agreements?”, *European View*, vol. 13, 2014, pp. 89-96.

but a closer economic integration with Russia and other former USSR members through “a mutually beneficial union of mutually respectful partners”⁶⁴. A better understanding the goals scope and ambitions of the initiative are to be searched for in the positions expressed by the actual promoter and pre-eminent member of Union, i.e. Russia. In fact, it is only with the switch from the post-URSS collapse to path that would lead to today’s “assertive attitude” that the Russian government shifted from “declaratory regionalism” to an effective commitment to the project – in line with the idea, shared by a large share of the observers, that the latter is better understood as a way to exert power over the Eurasian space. As it has been argued, “neo-imperial Russia” would seek power, security and wealth by exercising its supremacy over the former soviet states, gaining both regional hegemony and a position of strength *vis-à-vis* the West and other powers such as Iran and China⁶⁵.

Russia’s decision to (re-)engage in Eurasian regionalism, however, appears to be motivated not only by material factors and power distribution, but also by normative elements – despite remaining hegemonic in nature. Ideas about Russian identity, and the willingness to maintain a “normative pluralism” in its near aboard – through the (more or less forcible) promotion of a veritable “Russian model” against the “homogenising” western normative agenda – seem to shape the actual content, progress and prospect of the EAEU. As with the concept of Normative Power Europe before, the social constructivism approach help draw a link between Russia’s goals and its identity. Russian identity, like any other polity’s, it is not a given, but has changed significantly over time due to domestic developments and variations in the international scenario. This is particularly true of Russia, much as it was of the EU as well as

⁶⁴ J. Kilner, “Kazakhstan welcomes Putin’s Eurasian Union concept”, *The Telegraph*, 6 October 2011.

⁶⁵ L. Delcour, “Between the Eastern Partnership and Eurasian Integration: Explaining Post-Soviet Countries’ Engagement in (Competing) Region-Building Projects”, *Problems of Post-Communism*, vol. 62, no. 6, 2015.

other “regional entities” such as the “(shared) neighbourhood”. According to Kairat Moldashev and Mohamed Aslam in particular, Russian identity in the post-bipolar system can be better understood by looking at the domestic debate and the three positions dominating at the same time the politico-institutional and intellectual spheres: the “Westernist”, the “Statist” and the “Civilisationalist” approaches⁶⁶. These intellectual developments had a major impact on Russia’s policy-making, and were able to influence the orientations of the country’s relationship with the post-soviet region, especially through the Eurasian project. Based on these approaches, three major phases of Russia’s foreign policy in the post-Cold War period can be singled out.

The first half of the 1990s can be identified with a “Westernist momentum”. This phase was characterised by the preponderance of westernizers within the Russian political system, especially in the executive. Significantly, this was also the period in which Yegor Gaidar and his team of neoliberals were applying their “shock therapy” to national economy. In terms of foreign policy, Westernist ideas translated into Russia’s efforts to integrate as much as possible into the global institutions derived from the Cold-war period’s western liberal order, without ruling out the possibility of re-joining the great powers of the time – US, Europe and Japan – also through the adoption of a democratic political regime. At the same time, Russia showed much less interest in the economic integration of the post-soviet states, perceived for the most part as too taxing a “burden”.

Starting with the Russian parliamentary election of December 1993 until the mid-2000s, a shift towards a more “Statist” and civilisational approach to Russian identity can be detected. Supporters of this view advocated for a strong centralised state that would revive Russia’s great power status in the international arena; accordingly, integration with post-soviet countries was seen as a necessary step to reinforce Russia’s hegemonic role

⁶⁶ K. Moldashev and M. Aslam, *Russia in the Pursuit of Eurasian Integration: Developmental Regionalism or Identity Project?*, paper presented at the ISA Global South Conference, 8-10 January 2015, Singapore.

within the region and the establishment of a genuinely multipolar world order. While at first this view, hinging on Russia's dominance and embodied in the Primakov's Doctrine, troubled post-soviet countries, the shift toward the more pragmatic language of "multi-speed integration" in Putin first presidential term (2000-2004) paved the way to the (partial) success of the Eurasian integration process in the early 2000s.

The growing influence of the civilisational approach to Russian identity provides a compelling understanding of the relaunch of the process and the path towards the creation of the EAEU. Civilisationalists viewed Russia as a distinct civilisation whose borders exceed those of the current Russian state, and thus argue for an expansionist foreign policy agenda, and the ensuing creation of wider polity along the lines of the former Soviet Union. These theoretical and political outlook, usually defined in opposition to "the West", found new strength after the mid 2000s' wave of "coloured revolutions" – a series of attempted democratic transitions that took place in Ukraine, Georgia and Kyrgyzstan – which civilisationists held to be the upshot of a Western aggressive agenda of democracy promotion. Putin resolution to provide economic, security and normative alternatives to the ever extending sway of the EU and NATO on the one hand, and China's growing influence on the other dovetailed with the relaunch of the Eurasian integration process, so that the creation of the EAEU became "a call for close integration based on *new values* and a new political and economic foundation"⁶⁷.

EAEU: normative means

The EAEU can be regarded as the outcome of a process of institutionalisation and juridicalisation of economic and political cooperation in the Eurasian space; if that is true, the organisation can be reasonably considered as belonging to the category

⁶⁷ M. Elder, "Putin's grand vision: a new Eurasian bloc with old Soviet neighbours", *The Guardian*, 4 October 2011.

of ‘normative means’, according to the least demanding notion identified before – i.e. “instruments deployed within the confines of the law”.

The Treaty establishing the EAEU (signed on 29 May 2014) codifies the hitherto fragmented and messy legal basis of the EACU and the SES and introduces the “ambitious” concept of “the law of the Union”, premised on the principle of formal (institutionalised) equality of all member states⁶⁸. This regime is underpinned by a comparatively sophisticated institutional architecture, where common regulatory and judicial bodies – e.g. the Eurasian Economic Commission (EEC) as a technocratic, permanent regulator of the integration process (based in Moscow) and a Court of the Eurasian Economic Union (based in Minsk) – hold a certain degree of independence from the member countries. The similarities with the EU system are quite evident and, compared to the merely quasi-legal system of the ENP/EaP, the EAEU might even appear to be more advanced as a normative tool. Nonetheless, a closer scrutiny reveals a number of weaknesses at the level of the organisation’s institutional structure, organising principles and actualisation. As argued by De Gregorio, the imitation of the EU model is quite “selective” and contradictory, and a careful analysis of the EAEU Treaty and Annexes reveals a typical structure of economic organisations, more similar to the World Trade Organisation than the EU. The main deficiency of the EAEU pertains its decision-making mechanism and the implementation of the decisions: exceptions to the unanimity rule are very limited, and no mechanisms are in place to ensure implementation or penalize the non-implementation, neither at the discretion of supranational or the intergovernmental “political” bodies. Expectedly, with no infringement proceedings, the incentive to respect basic principles is very weak. The real masters of the treaties thus remain the member states through their presidents; and in such a context a genuine transition from an intergovernmental

⁶⁸ R. Dragneva and K. Wolczuk (2017).

decision-making approach to a supranational one is doubtful, as is the free and conscious delegation of sovereignty by member states.

On the other hand, the institutionalisation of the EAEU's legal order seem to be better understood as part of the wider agenda pursued by Russia in the region. Regardless of the specific goals of the organisation, the project signals Russia's effort to not accept passively Western initiatives – notably European and the EU's ones. In line with this view, Russia has deployed the EAEU (primarily) as an alternative project of integration that is an item of a wider array of instruments: diplomatic pressures, economic incentives, sanctions, military threats and *also* competing institutional projects. This “counter-balancing” endeavour has gone through several phases, which has signalled a progressive intolerance of European perceived interference by Russia, culminated in the Ukrainian crisis of 2013-2014. Already in 2008, the Russian-Georgian War had sent a rather explicit signal of Russia's capacity – and willingness – to use the full spectrum of available means, including the military option, and the complete lack of remorse in making use of it when other instruments turn out to be inadequate. In this view, the EAEU emerges as one of the manifold tools incorporated in a Russian grand strategy developed on different levels and according to different logics.

EAEU: normative impacts (?)

Russia's international behaviour has generated a debate about whether, how and under what conditions autocratic powers can export their political model as democracies do. To this regard, Russia, together with China and Saudi Arabia have been regarded as the champions of international “authoritarian cooperation”⁶⁹. This projection can be argued to signal the willingness of non-democratic great powers to pursue a specific agenda – that is normative, despite being linked to “power politics”

⁶⁹ D. Kalingaert, [Exporting Repression](#), Freedom House blog, 26 march 2013.

because aimed at contrasting the liberal-democratic model with a viable alternative that includes values, (self-)images and ideas. Moreover, the literature has often considered the presence of great autocratic power in a region as a potential obstacle to democratic dissemination, thus suggesting the presence of explicit or implicit effects of that model on neighbouring countries' domestic political development – no matter what its causes, normative or merely tactical⁷⁰. As for Russia, it has been pointed out that the country's democratic stagnation has gone hand in hand with that of its neighbourhood, showing a trend of autocratic resilience – if not entrenchment – that seems to have a marked regional dimension⁷¹. Furthermore, through the concept of “sovereign democracy”, Moscow seems to claim its own definite identity and a specific political model, while at the same time contending the Western monopoly of the democracy concept⁷². According to Nelly Babayan, there is in fact a model, a Russian style of government – therefore dubbed “Putinism” – which has several followers in the post-Soviet area and even in the same EU (think of the project of the illiberal democracy of Viktor Orban in Hungary). That being the case, Russia is not so much interested in promoting a specific type of political regime, as in defending its own interests – particularly in terms of status – and for this purpose it has opposed the Western agenda of democratic promotion, perceived as attempts to intrude into its “near abroad”⁷³. According to the thesis of this article, though, the normative and the “strategic” aspects, are not to be seen as (strictly) mutually exclusive. As showed with the ENP/EaP case, there is not always a perfect coincidence between

⁷⁰ T. Ambrosio, *The Authoritarian Backlash. Russian Resistance to Democratization in the Former Soviet Union*, Burlington, Ashgate, 2009.

⁷¹ Freedom House, *Nations in Transit 2017*, www.freedomhouse.org.

⁷² J. Tolstrup, “Studying a negative external actor: Russia’s management of stability and instability in the ‘Near Abroad’”, *Democratization*, vol. 16, no. 5, 2014, pp. 922-944.

⁷³ N. Babayan, “The return of the empire? Russia’s counteraction to transatlantic democracy promotion in its near abroad”, *Democratization*, vol. 22, no. 3, 2015, pp. 438-458.

normative *goals* and normative *impact*, and the lack of the latter does not entail the absence of the normative dimension at large. Russia's effectiveness in contrasting western normative agenda – evident in the Russia-induced U-turn of Armenia and Ukraine on the signature of the Association Agreement with the EU in 2013 – has certainly increased the credibility of the country, showing its readiness to use any means necessary to maintain a “normative pluralism” in the Eurasian region. Consequently, the political élites of the area are likely to be even more willing to engage – even just in “declaratory” terms – in Russia-led regionalism in order to secure their regimes and oppose possibly destabilising western agendas of good governance and democratisation⁷⁴. On the other hand, the institutionalisation of this “alternative to the Western way” – in economic, security and normative terms – embodied by the creation of the EAEU might actually end up leading to that “close integration based on *new values* and a new political and economic foundation” invoked by Putin, thus altering the “conceptions of the normal” not only at the regional but also at the global level: a normative impact by definition, which may well go beyond the goals of its creator.

Conclusion

The critical conditions of today's EU-Russia relations and the limited achievements of the Eastern Neighbourhood policy in terms of diffusion of the EU's values and norms (democracy and good governance above all) call for a critical assessment of the very idea of normative power, all the more urgent in light of today's “geopolitical turn”. The competing integration projects directed to the Eastern European and South Caucasian regions – EU's ENP/EaP and Russia-sponsored EAEU – offer a remarkable opportunity to review the concept, especially in light of its descriptive *and* prescriptive nature and its relationship

⁷⁴ K. Moldashev and M. Aslam (2015), pp. 1-23.

between values and interests. The classification of normative foreign policy here adopted allows for an accurate account of whether the EU lives up to its vocation of shaping conceptions of the normal – i.e. whether its foreign policy actually conforms with the rules, norms and practices assumed to be at its core, while also achieving its normative goals and being able to act as a “normative leader” – while at the same time shading new light on Russia’s actions and motivations⁷⁵.

In fact, the qualification as normative of the UE foreign policy may appear an outdated concern, seeing how many observers have greeted the contents of the 2015 review of the European Neighbourhood Policy by the European Commission as a (long overdue) realisation of the need to overhaul the EU’s idealist strategic paradigm. Reflecting the increased importance of interests in contemporary foreign policy-making, the document states that “the EU will pursue its interests which include the promotion of universal values”, with the significant specification that “not all partners aspire to EU rules and standards”. As a consequence, *stabilisation* is elevated to the new ENP political priority, while more traditional goals like the promotion of democratic, accountable and good governance are made conditional on an explicit and negotiated shared commitment by the partners. It remains to be seen whether on the longer term the more “political” (i.e. “negotiable”) EaP – compared to the more “technocratic” (based on rigid compliance) ENP – will enable the EU to strike a new balance between its two ingrained objectives. On the one hand, there is the Union’s traditional aspiration – which has evolved in a bona fide practice, almost a reflex – to externalise the interests and rules underpinning its established internal order. On the other, there is the prospect of a more “discerning” approach to the EaP partner countries, and Russia, in order to understand their needs and prospective difficulties, and to send the right signal to the eastern neighbourhood.

⁷⁵ N. Tocci (2008).

The analysis of EAEU, on the other hand, shows that Russia too can be viewed as a normative power – despite the common depiction of the country as a paradigmatic “geopolitical interest-driven” actor. In this sense, the pluralistic logic underlying the integration project advanced by Russia can be regarded as part and parcel of a more general process of transformation of the universalistic traits of the international global order, which seems under many aspects to be making way to a “multiplex” world⁷⁶. Within this new emerging arrangement of power and values, single regions may well go by different logic – which remain normative even though they contest the traditional liberal universalistic model of which the EU has been not only a fundamental hub and an active local agent, but also the advocate on an (inter-)regional and global scale. When observed from an institutional perspective, the frictions in the shared neighbourhood area can be argued to be not only a new manifestation of traditional “spheres of influence”, but also the outcome of normative dynamics that may be shaping not only the equilibria of this critical area, but the forthcoming international order at large.

⁷⁶ A. Acharya, *The End of American World Order*, Cambridge, Polity Press, 2014.

2. Security Alliances in Eurasia through the Lens of Identity

Gulshan Pashayeva

Throughout the history of humankind, security has always been a core issue. At the same time, national security, with *the state* embedded at its heart, undoubtedly developed with the rise of nation-states and continues to play a central role in the political structure of the modern world. The Peace of Westphalia (1648) established the concept of state sovereignty (Westphalian sovereignty), which contributed to the foundation of a new system of international order in Europe, where each state was able to exercise sovereign power over its territory while acknowledging each other's domestic structures and religious vocations as well as refraining from interfering in one another's domestic affairs.¹ This also led to the notion of *balance of power*, which is one of the main concepts in the theory and practice of international relations.

The balance of power theory reflects the aim of states to create defensive coalitions in order to strengthen their own military capacities and defend themselves against any serious external threat emanating from another, much stronger, state. In the European context, due to its naval supremacy and virtual immunity from foreign invasion, Great Britain played the role of the *balancer*, or *holder of the balance*, from the end of the Napoleonic Wars until World War I (WWI)² – the so-called *Pax Britannica*. Eventually, the concept of Westphalian sovereignty and the principle of balance of power largely waned after the Twentieth century's world wars³.

¹ H. Kissinger, *World Order*, Penguin Press, New York, 2014, p. 3.

² *Balance of power*, Encyclopedia of Britannica.

³ H. Kissinger (2014), pp. 86-87.

After World War II (WWII), which was the deadliest military conflict in the history of humankind in terms of total casualties, with over 60 million people killed, constituting approximately 3% of the total world population in 1940 (estimated at 2.3 billion)⁴, a number of multilateral organisations came into existence. The United Nations (UN), established on 24 October 1945, was one of them. The UN's remit was "to save succeeding generations from the scourge of war [...] to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small"⁵.

In those days, the USA played a major role in restarting the European economy through the Greek-Turkish aid program of 1947 and the Marshall Plan of 1948, and, for the first time in its history, entered a peacetime alliance through the North Atlantic Treaty of 1949.

The European equilibrium, historically authored by the states of Europe, had turned into an aspect of the strategy of outside powers. The North Atlantic Alliance established a regular framework for consultation between the United States and Europe and a degree of coherence in the conduct of foreign policy. But in its essence, the European balance of power shifted from internal European arrangements to the containment of the Soviet Union globally, largely by way of the nuclear capability of the United States⁶.

Thus, the world was split into two antagonistic camps and the East-West order was established by the Cold War that brought the North Atlantic Treaty Organization (NATO) and the Warsaw Pact countries, two security alliances, face to face. However, with the demise of the Soviet Union in 1991, the Cold War ideological barriers collapsed and the countries of

⁴ World Population, Historical Estimates of World Population, U.S. Census Bureau.

⁵ Preamble of the Charter of the United Nations, <http://www.un.org/en/sections/un-charter/preamble/index.html>

⁶ H. Kissinger (2014), p. 89.

the former Eastern Bloc as well as newly independent states that emerged in the post-Soviet space began to confront a number of political, economic, security, and other state-building related challenges over the following years.

At the same time, the collapse of the Soviet Union fundamentally transformed the geographic nature of the European order, giving rise to three security-related questions: 1) *the pan-European question* on how to build and maintain a security system involving all countries of Greater Europe, including Russia, the successor states of the Soviet Union, and the more westward-oriented states of Central and Eastern Europe; 2) how to sustain a meaningful transatlantic relationship; and 3) how to create a distinctly European defence identity within the European Union (EU) through the Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (ESDP) processes⁷. Unfortunately, they still remain unanswered, despite the attempts to sort them out over the years.

Due to other priorities of the West in the early 1990s, Russia was seemingly taken for granted. As a result, a unique opportunity to achieve pan-European security was lost then. The launch of the NATO *Partnership for Peace* (PfP) initiative at NATO's Brussels summit held on 10-11 January 1994, was a turning point in the relationship between the West and Russia. Subsequently, NATO enlargement – with the admission of Eastern European countries as members – complicated matters even further.

Moreover, there were also other Western policies to which “Russia objected in vain, including the US-led wars in Bosnia, Kosovo, and Iraq and the unilateral US withdrawal in 2002 from the 1972 Anti-Ballistic Missile Treaty, an agreement that had restricted the number of missile defence systems the Soviet Union and the United States could build”⁸. Together,

⁷ M. Perrin de Brichambaut, “The Return of the Pan-European Security question”, *Turkish Policy Quarterly*, Spring, 2009, p. 14.

⁸ M. Mandelbaum, “Pay Up, Europe. What Trump Gets Right About NATO”, *Foreign Affairs*, 15 August 2017.

these initiatives persuaded Russia to assume that NATO in its decision to spread east has muscled in on Russia's traditional turf. Meanwhile, it also believes that the USA "seeks to subvert the Putin regime by promoting democracy in and around the country"⁹.

This led to Russia's increased assertiveness and the rise of what might be called the *Russian challenge* in the following years. With Russia's policies and activities in recent years, including the annexation of Crimea in 2014 and its continued destabilisation of eastern Ukraine, Moscow is now perceived by many observers as "a revisionist, neoimperialist, and expansionist power determined to overturn the post-Cold War European security order, destroy NATO's cohesion, and restore its sphere of influence throughout the former Soviet Union"¹⁰. However, as claimed by Putin, Russia's actions were necessary since the Euromaidan revolution emerged from a Western conspiracy to isolate, humiliate, and ultimately destroy Russia. The Russian public mostly believed him¹¹. Thus, in Russia's view "the buildup of the military potential of the North Atlantic Treaty Organisation (NATO) and the endowment of it with global functions pursued in violation of the norms of international law, the galvanisation of the bloc countries' military activity, the further expansion of the alliance, and the location of its military infrastructure closer to Russian borders are creating a threat to national security"¹².

In fact, this is a reality from a geographic perspective because, on the one hand, all former European members of the Warsaw Pact, along with the three Baltic states and Slovenia, Croatia, and Montenegro, have already joined NATO and, on the other hand, Bosnia and Herzegovina, Georgia, and the

⁹ R. Sokolsky, "Not Quiet on NATO's Eastern Front. How the Alliance Can De-escalate With Russia", *Foreign Affairs*, 29 June 2016.

¹⁰ *Ibid.*

¹¹ M. Mandelbaum (2017).

¹² *Russian National Security Strategy*, December 2015 – Full-text Translation, 31 December 2015.

former Yugoslav Republic of Macedonia are currently NATO's aspiring members.

Thus, NATO, although a relic of the Cold War, is still alive today and its mission seems unchanged: continuation in the fulfilment of three core tasks: collective defence, crisis management, and cooperative security. These are fully relevant and complementary, and are contributing to safeguarding Alliance members, always in accordance with international law. At the same time, the greatest responsibility of the Alliance remains that to protect and defend the territories and populations of NATO members against attacks, as set out in Article 5 of the Washington Treaty¹³.

However, following the costly wars in Afghanistan and Iraq and the chaos after the intervention in Libya, Barack Obama has recalibrated the United States' international role and consistently encouraged allies in Europe and the Middle East to take on greater responsibility for their own security¹⁴. US President Donald Trump has also targeted the high cost of the United States' overseas commitments in his comments, "complaining that the country's allies have broken their promises to spend more on their militaries and joint exercises"¹⁵.

According to Jonathan Eyal, the Trump Administration's complaints are largely accurate because "the Europeans can and must do more to support the transatlantic alliance. In 2014, for instance, NATO member states pledged to increase their defence spending to two per cent of GDP by 2024, but so far only Estonia, Greece, Poland, and the United Kingdom have reached that threshold"¹⁶.

¹³ [Active Engagement, Modern Defence](#), Strategic Concept for the Defence and Security of the Members of the North Atlantic Treaty Organization. Adopted by Heads of State and Government at the NATO Summit in Lisbon, 19-20 November, 2010, pp. 7-8.

¹⁴ R. Niblett, "[Liberalism in Retreat. The Demise of a Dream](#)", *Foreign Affairs*, vol. 96, no. 1, January/February 2017.

¹⁵ D. Bandow, "[Ripped Off. What Donald Trump Gets Right About U.S. Alliances](#)", *Foreign Affairs*, Snapshot, 12 September 2016.

¹⁶ J. Eyal, "[The Real Problems With NATO. What Trump Gets Right, and](#)

At the same time, the 2016 Global Strategy for the EU's Foreign and Security Policy, *Shared Vision, Common Action: A Stronger Europe* (EUGS), confirms that "an appropriate level of ambition and strategic autonomy is important for Europe's ability to foster peace and safeguard security within and beyond its borders"¹⁷, even though NATO remains the primary framework for most EU Member States when it comes to collective defence¹⁸.

High Representative of the Union for Foreign Affairs and Security Policy / Vice-President of the Commission and Head of the European Defence Agency (HRVP/head of agency) Federica Mogherini presented an Implementation Plan on Security and Defence (IPSD) setting out proposals to implement the EUGS in the area of security and defence for consideration and ratification at the Foreign Affairs Council on 14 November 2016. It is worth noting in particular that the plan envisions that, in carrying forward its actions, the EU will work together with its international and regional partners in security and defence while strengthening its own ability to take responsibility and share the burden wherever possible, while being able to operate autonomously when and where necessary.

Member States have a "single set of forces" which they can use nationally or in multilateral frameworks such as the United Nations, NATO, EU or ad hoc coalitions as well in support of regional organisations such as the OSCE. The development of Member States' capabilities through CSDP and using EU instruments will thus also help to strengthen capabilities potentially available to the United Nations and NATO. Mutual reinforcement, complementarity and coherence will be ensured, including through the implementation of the Joint Declaration signed by the leaders of the Institutions of EU and NATO in Warsaw on 8 July 2016 as well as through the framework of the EU-UN cooperation on crisis management¹⁹.

Wrong", *Foreign Affairs*, Snapshot, 2 March 2017.

¹⁷ *Shared Vision, Common Action: A Stronger Europe*, A Global Strategy for the European Union's Foreign And Security Policy, June 2016, p. 19.

¹⁸ European Union, *Countries*, EU official website.

¹⁹ *Implementation Plan on Security and Defence*, Council of the European

Three core tasks – responding to external conflicts and crises when they arise, building the capacities of partners, and protecting the EU and its citizens through external action – have been identified, as well as several concrete actions such as: the endorsement of procedures to establish the Coordinated Annual Review on Defence (CARD)²⁰; a search for incentives and enablers aiming at strengthening the European Defence Agency²¹; the identification of necessary capabilities to be pooled together by EU Member States; and the examination of political, technical, and financial rationales for the deployment of EU Battlegroups²². All these actions have been singled out within the IPSD in order to deepen defence cooperation²³.

The EU has also currently deployed six military and nine civilian missions and operations²⁴ in different regions of the world. At the same time, Military Planning and Conduct Capability (MPCC)²⁵ has been established within the EU Military Staff (EUMS)²⁶ of the EEAS in 2017.

A joint notification on the Permanent Structured Cooperation (PESCO) in the area of defence security and defence policy has been signed by the Ministers from 23 EU Member States²⁷ and handed over to the High Representative and the Council on 13 November 2017. The notification envisages “the possibility of

Union, 14 November, 2016, p. 17.

²⁰ European Defence Agency, [Coordinated Annual Review on Defence \(CARD\)](#).

²¹ <https://www.eda.europa.eu/>

²² European Union, External Action, Common Security and Defence Policy, [EU Battlegroups](#), April 2013.

²³ Common Security and Defence Policy (CSDP), [Implementation Plan on Security and Defence](#), 18 May 2017.

²⁴ *Ibid.*

²⁵ The Military Planning and Conduct Capability (MPCC), https://eeas.europa.eu/sites/eeas/files/mpcc_factsheet.pdf

²⁶ European Union, External Action, EU Military Staff (EUMS), “[Providing Military Expertise & Capabilities to the EU](#)”, Spring/Summer 2015.

²⁷ Austria, Belgium, Bulgaria, Czech Republic, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Romania, Slovakia, Slovenia, Spain and Sweden.

a number of EU member states working more closely together in the area of security and defence. This permanent framework for defence cooperation will allow those member states willing and able to jointly develop defence capabilities, invest in shared projects, or enhance the operational readiness and contribution of their armed forces²⁸.

On the other hand, new regional security relationships arose in the post-Soviet space over the years. The Collective Security Treaty (CST) was signed by six post-Soviet states – Armenia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan – in Tashkent on 15 May 1992. Azerbaijan joined CST on 24 September 1993, Georgia on 9 December 1993, and Belarus on 31 December 1993. Set to last for a 5-year period unless extended, CST came into effect on 20 April 1994. However, Azerbaijan, Georgia, and Uzbekistan refused to renew their commitments and withdrew from CST on 2 April 1999, when the Presidents of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan signed a protocol renewing the treaty for another five-year period²⁹.

Furthermore, on 7 October 2002, in Chisinau, Moldova, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan signed a Charter that renamed CST and expanded it into a full-fledged military alliance, the Collective Security Treaty Organization (CSTO). According to Article 3 of the CSTO Charter, the goals of this organisation are to strengthen peace and international and regional security and stability; to protect independence on a collective basis; and to ensure the territorial integrity and sovereignty of the member states, in the

²⁸ Defence cooperation: 23 member states sign joint notification on the Permanent Structured Cooperation (PESCO), <http://www.consilium.europa.eu/en/press/press-releases/2017/11/13/defence-cooperation-23-member-states-sign-joint-notification-on-pesco/>

²⁹ A. Obydenkova, “Comparative regionalism: Eurasian cooperation and European integration. The case for neofunctionalism?”, *Journal of Eurasian Studies*, vol. 2, no. 2, July 2011, pp. 87-102

attainment of which the member states prefer political means³⁰.

Thus, this chapter seeks to contribute to a better understanding of the security alliances established in Eurasia nowadays. In the first part of this chapter, the security and identity nexus will be analysed in the framework of the bipolar world. The second part is devoted to the security alliances developed in the post-bipolar world. The key trends of security cooperation and/or competition in contested neighbourhood will be evaluated in the third part of this chapter. Taken together, these three parts aim to shed light on security alliances in Eurasia through the lens of identity.

The bipolar world: security and identity through ideological lenses

Despite the fact that the United States and the Soviet Union were allies during WWII, after that war they confronted each other as superpowers. This brought about a bipolar world, where security and identity-driven characteristics were sharply divided through primarily ideological lenses.

Thus, NATO was established by its 12 founding members³¹ as a multilateral organisation based on the North Atlantic Treaty (NAT)³² signed on 4 April 1949 to promote liberty, rule of law, and democracy. “In its first 40 years, the preponderance of the Alliance’s multilateral activities was primarily focused on building/rebuilding its member nations’ militaries and making them interoperable. Efforts to promote the principles of democracy, individual liberty and the rule of law were reserved for strengthening these systems within its own membership”³³.

³⁰ [Charter of the Collective Security Treaty Organisation](#) dated 7 October 2002.

³¹ Belgium, Canada, Denmark, France, Great Britain, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, and the United States.

³² [The North Atlantic Treaty](#), Washington, D.C., 4 April 1949.

³³ Colonel P.T. Warren, *US Army. Alliance History and the Future NATO: What the Last 500 Years of Alliance Behavior Tells Us About NATO’s Path Forward*, 21st Century Defense Initiative Policy Paper, Foreign Policy at Brookings, 30 June 2010, p. 20.

NATO is a collective defence alliance in line with Article 5 of the NAT, because this article pledges that all members defend the others:

The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognised by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area³⁴.

On the other hand, NATO can also be considered as a collective security alliance, which has “to settle any international dispute in which [countries] may be involved by peaceful means in such a manner that international peace and security and justice are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations”, in line with Article 1 of the NAT³⁵.

Throughout the years, the number of NATO members has gradually increased. First, Greece and Turkey both joined NATO in 1952; West Germany³⁶ followed in 1955. The inclusion of Germany in NATO came about after the decision, made at the

³⁴ Article 5. *The North Atlantic Treaty*, Washington D.C., 4 April 1949.

³⁵ Article 1. *The North Atlantic Treaty*, Washington D.C., 4 April 1949.

³⁶ It should be underlined in this context that since 1945 Germany had been divided between the Cold War opponents where American, British, and French zones of occupation covered Western Germany and West Berlin and the Soviet zone Eastern Germany and East Berlin. The Federative Republic of Germany was established in 1949 due to the combination of the zones of occupation of the Americans, British, and French. On the other hand, the German Democratic Republic was established in the Soviet zone of occupation in East Germany on 7 October 1949. However, Soviet forces remained in this country throughout the Cold War.

London and Paris Conferences, on the determination of the status of West Germany (September-October 1954), on the basis of which full sovereignty was granted to West Germany along with the end of its occupation and consent for its admission to NATO. Thus, on 5 May 1955, after the American, French, and British forces formally ended their military occupation, West Germany became an independent country and on 9 May 1955, it joined NATO, the Western European defence system.

The Soviet Union was opposed to the remilitarisation of West Germany and its reaction was swift. On 14 May 1955, the Warsaw Pact, formally the *Treaty of Friendship, Cooperation, and Mutual Assistance between the Soviet Union and Certain East European Communist Governments*³⁷, was signed in Warsaw to establish a mutual defence organisation (Warsaw Treaty Organization) comprising, originally, the Soviet Union and Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania. The pact provided for a unified military command and for the maintenance of Soviet military units on the territories of the other participating states³⁸.

Thus, NATO and the Warsaw Pact were established as the corresponding security alliances of a East-West international order filtered through ideological lenses. At the same time, a certain degree of balance of power had been established between these two military alliances. Since NATO remained united and the United States maintained its commitment to defend Europe, conflict between the Soviet Union and the United States was largely avoided in the first decades following WWII, despite the outbreak of the Korean War of 1950 as well as the Berlin and Cuban missile crises of the early 1960s.

By the late 1970s and early 1980s, the Soviet Union's officially proclaimed expectations of surpassing the United States in both

³⁷ Treaty of Friendship, Co-operation and Mutual Assistance Between the Soviet Union and Certain East European Communist Governments, Signed at Warsaw, 14 May 1955.

³⁸ <https://www.britannica.com/event/Warsaw-Pact>

economic and military power had begun to look hollow, and strains within the Soviet Union itself – intensified by Mikhail Gorbachev’s perestroika – began to mitigate Western fears that growing Soviet strategic power might make Europe vulnerable to nuclear blackmail. In that setting, both sides became more willing to actively explore such issues as arms control, human rights, and even troop reductions. By the end of the decade, the rapidly growing disarray in the Soviet bloc – spearheaded by the success of the Solidarity movement in Poland and prudently exploited in its final phase by NATO (and particularly by closely cooperating US, German, British, and French leaders) – had gotten out of hand. Before long, both the Soviet Union and the Soviet bloc became history³⁹.

After Spain joined NATO on 30 May 1982, the total number of NATO member states became sixteen, two of which were located in North America (Canada and the United States), one in Eurasia (Turkey) and 13 in Europe. On the other hand, among the 8 founding members of the Warsaw Pact Organisation, only the Soviet Union was located in Eurasia, while the other 7 members were located in Europe. Thus, both NATO and the Warsaw Pact Organisation, as security alliances established on the basis of the East-West ideological conflict within a bipolar framework, should have ceased to exist with the dissolution of the Soviet Union in 1991.

Thus, after 40 years, the Cold War ended peacefully. At the same time, NATO has played an instrumental role in the process of reconciliation with the former Axis powers, Germany and Italy, as well as in the termination of Franco-German hostility in the European continent. “The French at first strongly opposed any formula for German rearmament, even within a common European defence community. But gradually, farsighted French and German leaders cultivated a political reconciliation that eventually flowered into a genuine entente”⁴⁰. In this context, the EU has also contributed to promoting peace

³⁹ Z. Brzezinski, “An Agenda for NATO. Toward a Global Security Web”, *Foreign Affairs*, September/October 2009.

⁴⁰ *Ibid.*

and reconciliation between France and Germany as well as advancing democratic governance and human rights in Central and Eastern Europe over the last sixty years and, as a result of this remarkable achievement, it was awarded the Nobel Peace Prize in 2012.

The post-bipolar world: security and identity through the complex mix of liberal values and post-Soviet mentality

With the end of the Cold War, the ideological lenses which divided the world on an East-West axis disappeared. Simultaneously, Eastern and Central European countries lost their identity-driven ideological characteristics. Following the democratic revolutions of 1989 in Eastern Europe, the Warsaw Pact was formally declared *nonexistent* on 1 July 1991, at a final summit meeting of Warsaw Pact leaders in Prague⁴¹. With the gradual withdrawal of Soviet troops from the former member states of the Warsaw Pact the new post-bipolar world had become a reality.

Meanwhile, with the fall of the Berlin Wall on 9 November 1989, the European states, the USA, and the Soviet Union started intense diplomatic activity with an initial focus on the reunification of Germany and its retention inside NATO. They worked in parallel with the activities of the Conference on Security and Cooperation in Europe (CSCE) in overseeing the transition towards a new post-Cold War European security architecture.

Within the CSCE, the 1990 Paris Charter and the follow-up 1992 Helsinki Summit set forth an inclusive framework for pan-European security. The 1990 Treaty on Conventional Armed Forces in Europe (CFE Treaty) strengthened the pan-European trends further by limiting conventional weapons and aggressive postures by the members of the two security alliances, and also by developing political-military confidence- and security-building measures (CSBMs), which brought in all Euro-Atlantic and

⁴¹ [Warsaw Pact](#), Encyclopedia of Britannica.

Eurasian states. Thus, despite CSCE's aim to provide a pan-European security framework for the collective management of Europe's problems after the end of the Cold War, these endeavours did not mature sufficiently quickly for CSCE to assume responsibility even with the crises that emerged after the dissolution of Yugoslavia. This led the UN to take primary responsibility in the area, "working later after facing serious challenges on the ground with the support of NATO. The OSCE (as successor to the CSCE) came to focus on managing conflicts in the former Soviet Union, deploying field operations with mandates for conflict prevention and democracy support"⁴².

On the other hand, NATO's role changed in the post bipolar world. First and foremost, NATO came to play a stabilising role in the newly-incorporated Central and Eastern European countries. "Although the army's eventual withdrawal was all but inevitable, the uncertainties regarding regional security, border issues, and fundamental political identity in the former Soviet bloc were complex. With the emerging EU in no position to offer reassuring security, only NATO could stably fill the void"⁴³.

Throughout the years, seven former Warsaw Pact members (Czech Republic, Hungary, Poland, Bulgaria, Romania, Slovakia, and Albania) along with the three Baltic states (Estonia, Latvia, and Lithuania), and three new countries emerging from the dissolution of former Yugoslavia (Slovenia, Croatia, and Montenegro) became full members of NATO. They did so because the Alliance offered "aggregate capabilities which were greater than any other potential allies (especially with the US as a primary security guarantor)" as well as because it was also seen as "a stepping stone to eventual membership in the European Union"⁴⁴. Currently, Bosnia and Herzegovina, Georgia, and the former Yugoslav Republic of Macedonia are aspiring members of NATO⁴⁵.

⁴² M. Perrin de Brichambaut (2009), pp. 15-16.

⁴³ Z. Brzezinski (2009).

⁴⁴ Colonel P.T. Warren (2010), p. 12.

⁴⁵ Member countries, https://www.nato.int/cps/en/natohq/topics_52044.htm

However, suffice to say that this was not a straightforward process. In the initial stages, Russia accepted NATO's eastward expansion and the Russian President, Boris Yeltsin, admitted in Warsaw in summer 1993 that Russia would have no objections to Poland joining NATO. But when the United States pushed in parallel the *Partnership for Peace* (PfP) program while aiming for *pan-European* security structures, the Russian Federation remained quite cool, only signing the PfP status of forces agreement in April 2005⁴⁶.

Established in 1994, the PfP programme aims at increasing stability, diminishing threats to peace, and building strengthened security relationships between NATO and non-member countries in the Euro-Atlantic area. Currently, there are 21 countries in the PfP programme and each of them has developed an individual relationship with NATO, choosing its own priorities for cooperation, and the level and pace of progress⁴⁷. The PfP program came to include political and military reform agendas designed for some European partners to facilitate their accession into the Alliance, and the majority of Europe's former Warsaw Pact nations went through this programme from 1992 through 2009, with ten ultimately joining NATO⁴⁸.

Today, the number of NATO members has increased from 16 to 29 after admitting an additional 13 European countries in the framework of the post-bipolar world. At the same time, NATO and the EU currently share 22 member states: Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and the United Kingdom.

Thus, with the close integration of the former Central and Eastern European countries into the Western structures (EU and NATO), a new identity, *European-ness*, has emerged in the 1990s.

⁴⁶ M. Perrin de Brichambaut (2009), p.16.

⁴⁷ Partnership for Peace programme, https://www.nato.int/cps/en/natolive/topics_50349.htm

⁴⁸ Colonel P.T. Warren (2010), p.19.

At the same time, the pan-European aspirations of former Warsaw Pact member states were based on the ideals of democracy, liberalism, individual human rights, a rule-based security order, etc.

On the other hand, new alliances have been established in the post-Soviet space since 1991, and the Commonwealth of Independent States (CIS) is the first long-running international organisation in this region so far.

The CIS was established by the leaders of the Soviet Republics of Russia, Ukraine, and Belarus, which, on 8 December 1991, came together in the “Belovezhskaya Pushcha” natural reserve in Belarus to sign the Agreement Establishing the Commonwealth of Independent States⁴⁹. According to this Agreement, the USSR was dissolved, and the CIS was created as a successor entity.

On 21 December 1991, the leaders of the eight former Soviet Republics of Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova, Turkmenistan, Tajikistan, and Uzbekistan also agreed to join the organisation. Although Georgia joined the CIS two years later, in December 1993, three Baltic States – Estonia, Latvia, and Lithuania – have never shown any interest in being part of the organisation.

On 15 May 1992, another regional organisation, the CST, was formed by six CIS member states – Russia, Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan – on the basis of the Collective Security Treaty. Three other CIS members, Azerbaijan, Belarus, and Georgia, joined this treaty in 1993, which entered into force in 1994. Five years later, six of the nine CST members agreed to renew the treaty for another five years; however, Azerbaijan, Georgia, and Uzbekistan withdrew from the organisation in 1998.

In order to further develop and intensify their military and political cooperation, in 2002, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan agreed to establish the

⁴⁹ Soglasheniia o sozdanii sodruzhestva nezavisimykh gosudarstv (Minsk, 8 dekabria 1991 goda), https://www.cvce.eu/en/obj/agreement_establishing_the_commonwealth_of_independent_states_minsk_8_december_1991-en-d1e-b7a8c-4868-4da6-9098-3175c172b9bc.html

CSTO, setting as its goal “to continue and increase the close and all-round allied relations in foreign policy, military and technical areas, as well as in the sphere of counteraction to the transnational challenges and menaces to the safety of states and peoples”⁵⁰. Uzbekistan joined again CSTO in 2006; however, it suspended its membership in 2012.

To achieve these objectives, the CSTO member states agreed to undertake a number of joint initiatives:

to form thereunder the efficient system of collective security providing collective protection in case of menace to safety, stability, territorial integrity and sovereignty and exercise of the right to collective defence, including creation of coalition (collective) forces of the Organization, regional (united) groups of armies (forces), peacekeeping forces, united systems and the bodies governing them, military infrastructure. The Member States shall also interact in the spheres of military and technical (military and economic) cooperation, supplying of armed forces, law enforcement agencies and special services with necessary arms, military, special equipment and special means, as well as in the spheres of training of military cadres and experts for the national armed forces, special services and law enforcement agencies (Article 7)⁵¹.

Moreover, Article 8 of the CSTO Charter states that:

the Member States shall co-ordinate and unite their efforts at struggle with international terrorism and extremism, illicit trafficking of drugs and psychotropic substances, weapon, organized transnational crime, illegal migration and other menaces to safety of the Member States. The Member States shall take measures to creation and getting function within the framework of the organisation of the system of response to crisis situations menacing to safety, stability, territorial integrity and sovereignty of the Member States. The Member States shall co-operate in the spheres of protection of state frontiers, exchange of information, information security, protection of the population and territories from emergency situations of natural and technogenic

⁵⁰ Charter of the CSTO, 7 October 2002, cit.

⁵¹ *Ibid.*

character, as well as from the dangers arising when maintaining or owing to the hostilities. The Member States shall carry out their activity in these directions, including in close cooperation with all the interested states and international organisations with UN dominating⁵².

According to Article 11 of the CSTO Charter, the CSTO's bodies are the Council for Collective Security (the Council); the Council of Ministers for Foreign Affairs (CMFA); the Council of Ministers of Defence (CMD); the Committee of Secretaries of Security Council (CSSC); and the Permanent Council. The permanent working bodies of the CSTO are the Secretariat and the Joint Staff of the Organization, and the body of inter-parliamentary cooperation is the Parliamentary Assembly of the Organization⁵³.

At the same time:

Resolutions of the Council, CMFA, CMD and CSSC on the issues, except for the procedural ones, shall be adopted by consensus. When voting, any Member State shall have one vote. The voting procedure including on the procedural issues shall be regulated by the Rules of the Procedure of the Organization Bodies approved by the Council. Resolutions of the Council and the resolutions of CMFA, CMD and CSSC adopted for execution thereof shall be binding for the Member States and shall be executed in accordance with the procedure established by the national laws (Article 12)⁵⁴.

In accordance with Article 22 of the CSTO Charter, "the organization may cooperate with the states which are not its members, keep in touch with the international intergovernmental organizations operating in the field of security, conclude international treaties with them focused at establishment and development of such cooperation"⁵⁵.

⁵² *Ibid.*

⁵³ *Ibid.*

⁵⁴ *Ibid.*

⁵⁵ *Ibid.*

Moreover, according to Alexander Nikitin, the CSTO is similar in its functions to NATO and the EU. Both of these two major Western institutions have, to varying degrees, combined political and military integration. This, in turn, may lead to a higher degree of coordination with the CSTO⁵⁶.

However, there are no institutionalised relations between the CSTO and NATO so far. The CSTO has never been mentioned in any NATO Summit documents, as well as within the 2010 NATO Strategic Concept. Thus, seemingly, NATO has been reluctant to work with the CSTO, and does not want to recognize its role as a regional security organisation, which is “perceived by its members as a purely ideological Cold War holdover. NATO members have also not seen significant results from CSTO activities and tend to think it easier to negotiate significant issues bilaterally with Russia, which dominates the organization”⁵⁷. At the same time, there are three areas where limited NATO-CSTO cooperation may be implemented, including information exchanges about general activities and collective forces; tackling the consequences of natural and man-made disasters; and post-conflict peace-building and state-building⁵⁸.

Certain cooperation can also be put into practice in the fields of crisis management and peacekeeping. However, since the CSTO will not let NATO participate in conflict resolution or crisis management on CSTO territory, cooperation could only occur in UN-mandated out-of-area peacekeeping operations, upon an official request from conflicting parties. Afghanistan is the most obvious example in which cooperation between the CSTO and NATO would be feasible, but neither organisation has rushed to work together.

⁵⁶ A. Nikitin, *CSTO and NATO: From Rivalry to Dialogue to Regional Security Integration Structures*.

⁵⁷ Y. Nikitina, *How the CSTO can (and cannot) help NATO*, PONARS Eurasia Policy Memo no. 285, September 2013, p. 1.

⁵⁸ *Ibid.*, p. 4.

NATO prefers bilateral negotiations with individual CSTO members for military transit and bases. For a long time, the same was true for the CSTO. Only in 2011 did CSTO members agree that the deployment of non-CSTO military bases on the territory of CSTO members requires collective approval. For its part, Russia prefers to cooperate with NATO and the United States on Afghanistan on a bilateral basis. In general, CSTO political declarations tend to mention Afghanistan separately from other possible spheres of cooperation with NATO⁵⁹.

Current relations between NATO and Russia are quite complicated due to the policies pursued by Moscow in recent years, mostly relating to the crisis in and around Ukraine, which is “the first topic on NATO’s agenda. At the same time, a modernisation of the Vienna Document should be negotiated between Russia and the OSCE in order to improve stability and security in the Euro-Atlantic area”⁶⁰.

At the same time, it should also be underlined that, on the one hand, since the Ukrainian crisis in 2014, the NATO’s Baltic and Eastern European members are ostensibly more preoccupied with a potential Russian aggression (due to their proximity to Russia) compared to NATO’s Western European members. Even before the onset of the Ukrainian crisis, these countries believed that a belligerent Russia was replacing the Soviet threat. In particular, Latvia, Lithuania, Estonia, and Poland all view Russia’s bellicose behaviour as motivated by a desire to reclaim *great power* status, discredit NATO in the eyes of its neighbours, and use the Baltic countries to divide the EU and NATO⁶¹.

Meanwhile, the majority of NATO’s Western European and North American nations opposed this view, preferring to maintain *an island of détente* with Russia, and the majority of NATO

⁵⁹ *Ibid.*, p. 3-4

⁶⁰ Warsaw Summit Communiqué, Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Warsaw 8-9 July 2016, https://www.nato.int/cps/en/natohq/official_texts_133169.htm

⁶¹ Colonel Patrick T. Warren (2010), p. 29.

members viewed attempts to vilify Russia as counterproductive to the stability and security of Europe⁶².

Some analysts have also differentiated between the situation in Ukraine and that in the Baltic countries: according to Richard Sokolsky, for example, the Kremlin takes NATO's Article 5 very seriously and does not envisage the same fate for the Baltic States as the one it reserved to Ukraine. In fact, Russia considers the Baltic states "lost" because they are already NATO members⁶³.

Nevertheless, it is impossible not to agree that currently

NATO and Russia are trapped in a classic security dilemma: each side sees the other side's efforts to improve security as coming at its own expense. Meanwhile, each interprets its own measures as defensive. And so, both sides build up their forces along their shared border, each assuming it will have a deterrent effect on the other and thus stabilize their standoff. In reality, the opposite is true. The situation has become less rather than more stable, and tensions will continue to grow unless both sides find ways to climb down from the escalatory ladder they are on⁶⁴.

Security cooperation and/or competition in contested neighbourhood

Quite recently a new term, *intermediate Europe*⁶⁵, has been introduced to define the region that lies between the Baltic and the Caspian Sea. It covers six post-Soviet states (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine), all of which have restored their independence in 1991.

⁶² *Ibid.*

⁶³ R. Sokolsky (2016).

⁶⁴ *Ibid.*

⁶⁵ W. Schneider Deters, P.W. Schulze, and H. Timmermann, "Die Europäische Union, Russland und Eurasien: Die Rückkehr der Geopolitik", BWV - Berlin Wissenschafts - Verlag GmbH, Berlin, 2008; P. W. Schulze, *Die EU, Russland und die GUS*, Auseinandersetzungen über das nahe Ausland, IPG 3/2005, p. 153.

From a geopolitical standpoint, these six sovereign states are close to both the West (EU and NATO) and Russia. They are participants of the NATO's PfP programme and the EU's *European Neighbourhood Policy* (ENP) and *Eastern Partnership* (EaP) programmes. Armenia and Belarus are currently also members of the Russia-led CSTO. On the opposite, Azerbaijan, Georgia, Moldova, and Ukraine are not involved in any above-mentioned security alliances in Eurasia so far.

Tbilisi officially declared its intention to join NATO at the Prague Summit in 2002 and, since then, it has been steadily advancing its standing with the alliance. NATO leaders agreed at the 2008 Bucharest Summit to admit Georgia into the club. However, "despite the country's growing contribution to global security and its progress toward military and political reform, NATO member countries have remained reluctant to issue a Membership Action Plan (MAP), a standard mechanism for aspirant countries to prepare for membership"⁶⁶.

The latest developments in Ukraine show once more the degree of vulnerability of countries that experience a breach in their territorial integrity. The crisis in and around Ukraine is also a reminder that one fifth of the internationally recognised territories of Azerbaijan and Georgia are currently not under the control of the respective countries, and that over one million people have become refugees and internally displaced persons (IDPs) as direct consequences of these conflicts. At the same time, these unresolved conflicts create constant security risks, which can destabilize the immediate neighbourhood of both the EU and Russia.

According to Mr. Elmar Mammadyarov, Minister of Foreign Affairs of the Republic of Azerbaijan, it is also important to single out political stabilisation as the most urgent challenge in many parts of the European Neighbourhood, because "today the sovereignty and territorial integrity of four out of six

⁶⁶ T. Zurabashvili, "Let Georgia Join NATO. Tbilisi's Case", *Foreign Affairs*, 12 April 2016.

EaP countries continue to be undermined due to the existing conflicts. Failure to eliminate consequences of the ongoing violation of the principles of international law, as well as misinterpretation and selective application of these principles in the context of the conflict resolution undermines rules-based European order⁶⁷.

On the one hand, NATO strongly condemns Russia's aggressive actions against Ukraine and supports not only Ukraine's sovereignty and territorial integrity within its internationally recognised borders, but also the territorial integrity, independence, and sovereignty of Armenia, Azerbaijan, Georgia, and the Republic of Moldova. It continues to support "efforts towards a peaceful settlement of the conflicts in the South Caucasus, as well as in the Republic of Moldova, based upon these principles and the norms of international law, the UN Charter, and the Helsinki Final Act"⁶⁸.

However, the EU's inconsistent approach towards the unresolved conflicts in the internationally recognised territories of Azerbaijan, Georgia, Moldova, and Ukraine has been counterintuitive so far, in terms of the principles of both sovereignty and territorial integrity. The EU should use unambiguous, clear, and concise wording in all its official documents and statements in regard to the above-mentioned four states by expressing full respect towards the resolution of the protracted Georgian-Abkhaz conflict, the Georgian-Ossetian conflict, the Armenian-Azerbaijani Nagorno-Karabakh conflict, the Transnistrian conflict, and the prolonged crisis in Ukraine. Such statements should be based on the principles of respect for territorial integrity and sovereignty of states within internationally recognised borders, as enshrined within the EUGS⁶⁹.

⁶⁷ F.M. Mammadyarov, [Azerbaijan has been reliable EU partner and growing number of strategic partners among EU member states](#), Azertag.az, 31 August 2017.

⁶⁸ Warsaw Summit Communiqué..., cit.

⁶⁹ [Shared Vision, Common Action: A Stronger Europe](#), A Global Strategy for the European Union's Foreign and Security Policy (EUGS), 28 June 2016, p. 33.

Mr. Elmar Mammadyarov, has also noted in one of his speeches that

it is already third decade that Armenia – a member of the EaP has been using force against the sovereignty and territorial integrity of another member of the EaP and continues to keep the one-fifth of Azerbaijan's internationally recognised territories under military occupation. Armenia carried out notorious ethnic cleansing on all seized lands of Azerbaijan which totally contradicts to the code of conduct adopted in Europe and the world. The unlawful presence of the armed forces of Armenia in the territories of Azerbaijan remains the main cause of violence in the conflict zone and is the major impediment to political settlement of the conflict⁷⁰.

In this context, a comprehensive and coherent approach to the settlement of conflicts, such as that included in the latest *Joint Declaration of the Eastern Partnership Summit*, held in Brussels on 24 November 2017, was highly appreciated in Azerbaijan. According to this document,

the Summit participants call for renewed efforts to promote the peaceful settlement of unresolved conflicts in the region on the basis of the principles and norms of international law. The resolution of conflicts, building trust and good neighbourly relations are essential to economic and social development and cooperation. The Summit participants welcome efforts and the EU's strengthened role in conflict resolution and confidence building in the framework or in support of existing agreed negotiating formats and processes, including through field presence, when appropriate⁷¹.

Due to Russia's annexation of Crimea and its continued destabilisation of eastern Ukraine, multiple rounds of economic sanctions against Moscow have been imposed by the EU and the US. These have mainly targeted Russia's energy, defence,

⁷⁰ F.M. Mammadyarov (2017).

⁷¹ *Joint Declaration of the Eastern Partnership Summit*, Council of the European Union, Bruxelles, 24 November 2017, 14821/17.

and financial sectors. In addition, penalties were imposed on individuals, including government officials close to Russian President Vladimir Putin. It is envisaged that Ukraine will regain control over its entire territory, including Crimea, through such measures.

Although little progress has been made so far in this context, it is obvious that some cooperation between the West and Russia is urgently needed to overcome current disagreements. At the same time, NATO and the EU need to define new approaches and long-term strategic goals to rekindle relations with Russia.

Conclusion

Today, NATO and Russia may or may not be locked into a new Cold War, but in order to get out of the escalatory spiral,

NATO may need to go beyond the narrow, military-centric approach to bolstering deterrence and defence on its eastern flank. As Breedlove has recommended, the alliance needs to reopen a *line of communication* with the Kremlin. Both sides also need to show more mutual and verifiable restraint in their military activities and exercises along their shared borders. Toward this end, NATO and Russia should launch serious exploratory discussions on the negotiation of new arms control and confidence-building measures to limit and reduce the risk of war in Europe⁷².

At the same time, Russia's aggression against Ukraine remains the biggest threat to European security. NATO allies stand firm and support Ukraine's territorial integrity and sovereignty.

On the other hand, some diplomatic work has been going on around Russian President Vladimir Putin's proposal to deploy a UN peacekeeping contingent to eastern Ukraine to protect the OSCE monitoring mission. German Chancellor Angela Merkel has expressed her support, adding that "the

⁷² R. Sokolsky (2016).

peacekeeping mission should not be limited only to the contact line separating Kiev's forces from the Donbass rebels, but that they should be empowered to accompany members of the Organization for Security and Cooperation in Europe (OSCE) monitoring mission to every region in which they operate"⁷³. Vladimir Putin agreed that the international force could be deployed not just along the contact line but within the conflict zone as well, something which gave Western governments confidence that a genuine negotiation with Moscow was possible. At the same time, a true UN peacekeeping plan would be the best hope to return to Minsk II, a peace agreement that both Ukraine and Russia pledged to follow⁷⁴.

A new constructive approach to conflict resolution should be developed further by the EU/ NATO and Russia to resolve protracted and new ethno-territorial conflicts in intermediate Europe. If a genuine rapprochement between EU/NATO and Russia were achieved, it could also enhance cooperation between security alliances and build trust in their future relationship. Thus, avoiding exclusionary tactics and adopting inclusive policies by the two main regional blocs may transform intermediate Europe from a "contested" region into an area of effective cooperation⁷⁵.

⁷³ "Merkel welcomes Putin's initiative on sending UN peacekeepers to Eastern Ukraine", Rt.com, 11 September, 2017.

⁷⁴ J. Rogin, "Putin's proposal for Ukraine is another trap for Trump", *Washington Post*, 26 November 2017.

⁷⁵ G. Pashayeva, "Security Challenges and Conflict Resolution Efforts in the South Caucasus", in *The South Caucasus Between Integration and Fragmentation*, Bruxelles, SAM, pp. 43-44.

3. The New Development Bank and Traditional Multilateral Development Banks: A New Level of Competition

Orkhan Baghirov

After the Bretton Woods system was established, international financial institutions (IFI) such as the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) began to be the main drivers of global economic development and reconstruction of economies after World War II (WWII). The Soviet Union decided not to ratify the Bretton Woods Agreement and accused the newly formed institutions of serving mostly the interests of the USA and other powerful European countries¹. This difference in views on the international order between the West and the Soviet Union, stemming from the divergence on Bretton Woods, shaped the bipolar environment for decades. In this period, the liberal order strengthened, supported by the ideal of the Washington Consensus, spreading its influence not only in Europe but also in the Asian continent. During the cycle of poor economic performance and high poverty accompanied by the post-war restoration of European economies, accepting the liberal order was the only option for many developing countries, including those in the East and South-East Asian region, in order to get financial support for development from the West: the doors of Soviet Union were closed to them.

¹ O. Stone and P. Kuznick, *The Untold History of the United States*, New York, Simon & Schuster, 2012, p. 112.

The dissolution of the Soviet Union and the end of the Cold War created a vacuum in newly independent countries, enabling liberal ideas to be spread more broadly and strengthening the position of the United States as global power². This post-bipolar international order increased the influence of Western-led development institutions, making them a lender last resort for the developing world. The increasing role of these institutions also stemmed from the fact that in the first years of the bipolar order, many regional players in the non-Western world did not have sufficient power not to agree with the Washington Consensus, for fear of being prevented access to international financial resources.

However, the development strategies promoted by the IMF and the World Bank – based on liberal economic ideas – did not help many newly-independent post-communist and developing countries to solve their economic and social problems and develop efficient market economies. Hasty actions and recommendations by the IFIs for these countries, whose economic structures were not ready for this kind of rapid transition, led to undesirable results. Therefore, attempts of fast capitalism in Eastern Europe and the ex-Soviet Union, the failure of the neo-liberal experiment in Latin America and the highly circumspect nature of the evidence on global growth, inequality and poverty have turned out to be influential in restraining the rise of neo-liberalism which made policies of IFIs inefficient³.

Failure of Washington Consensus policies was related to the false assumption that only liberal powers can provide sustainable growth and development. Advocates of this idea celebrated the end of Cold War as an everlasting victory of liberal order. One of these advocates in his famous article wrote that “What we may be witnessing is not just the end of the Cold War or the passing of a particular period of post-war history; that is the

² A. Wenger and D. Zimmermann, *International Relations: From the Cold War to the Globalized World*, New Delhi, Viva Books, 2004.

³ M. Beeson and Iy. Islam, “Neoliberalism and East Asia: Resisting the Washington Consensus”, *Journal of Development Studies*, vol. 41, no. 2, 2005, pp.197-219.

end point of mankind's ideological evolution and the universalisation of Western liberal democracy as the final form of human government"⁴. However, next decades accompanying by financial crises and social problems that resulted from capitalist policies proved this traditional assumption wrong paving way to the rise of illiberal powers.

Nonetheless, not all the countries fully followed policy recommendations of IFIs. Some East-Asian countries including China and South Korea cooperated with them. At the same time, they never gave up their national interest on rapid liberalisation policies, which enabled them to get high economic growth figures. Within the framework of the development of the South-East Asian region, in a short period of time, South Korea became an industrialised country, and China gradually became the second economy in the world. The high rate of economic growth in these countries was made possible by the patient approach and the effective control of governments while liberalising domestic markets and foreign trade. Despite these effective strategies, these countries were not able to fully avoid the negative effects of liberal economic policies, as they all faced financial crises in 1997. Because of crisis IMF was criticised by some scholars for its neoliberal conditionality which allegedly built upon on one-size-fits-all principles and aggravated the situation by disregarding the fundamentals of "Asian capitalism"⁵. However, high savings rates and effective investment policies helped them overcome each crisis and return to their previous growth rate.

Development of South-East Asian region without full liberal policies, Asian financial crisis, 2008 financial crisis, increased inequality and other factors weakened position and credibility of Washington Consensus policies creating efficient environment for rise of illiberal powers such as Russia and China. Rise of them along with other developing countries challenges

⁴ F. Fukuyama, "The End of History?", *The National Interest*, no. 16, 1989, pp. 3-18.

⁵ P. Clemens, "Between 'Washington Consensus' and 'Asian Way'", *Journal of Contemporary Japan*, vol.15, no. 1, 2004, pp. 281-314.

traditional global governance. Even though big rising states has its own national interests they also sees itself as a defender and promoter of the collective concerns of the global South and as a bridge between the top tier, to which it has now moved, and the bottom rungs which such represents a serious limitation to collaborative global governance⁶. It seems that Russia's entrance to the global stage as revisionist force attempting not only to destabilize the system of international governance, but also to discredit Western principles and norms during a time when the liberal democracies have lost their normative mission⁷ can be applicable to other emerging countries. Unlike the Russia China implementing this strategy for its empowerment ambitions more cautiously and less aggressively without being noticeable spoiler of global order as it excessively benefited from globalisation.

The formation of BRICS and New Development Bank (NDB) of this association was the result of this global processes. Focusing mostly on sustainable development and renewable energy in member countries, the NDB aims to bolster its investments and become a powerful regional financial institution. The launch of the NDB spurs questions such as whether the NDB will be a complement or a substitute to traditional IFIs and multilateral development banks (MDB), and whether it will be able to compete with these institutions. This study aims to answer these questions and determine the future relations between development organisations. On this purpose descriptive approach is used. This will enable us to understand the rise and fall of Bretton Woods system and Washington Consensus policies that created environment for the creation of NDB. Afterwards comparing action strategies of NDB with the strategies that have been used by traditional IFIs we will try to find answers to the before mentioned questions.

⁶ A.S. Alexandroff and A.F. Cooper, *Rising States, Rising Institutions*, Washington, D.C., Brookings Institution Press, 2010, p. 7.

⁷ L. Shevtsova, [What Should the World Fear: The Rise or Decline of Illiberal Powers?](#), Brookings, 2 December 2014.

The development and collapse of the Bretton Woods system and the Washington Consensus policies

The Bretton Woods system and the formation of development institutions

The Establishment of the Bretton Woods system was meant to solve the problems that were experienced in the period of the gold standard and the Great Depression and to rebuild the global economy after WWII. To reach these goals, the system aimed to increase cooperation between countries on monetary and development issues in order to maintain global economic stability and prosperity. The Bretton Woods system was created after the United Nations Monetary and Financial Conference was held in July 1944 at the Mount Washington Hotel in Bretton Woods, New Hampshire, where delegates from forty-four nations created a new international monetary system⁸. Even though the Bretton Woods system was established close to the end of the World War II, the reasons that called for the existence of such system go back to the interwar period. After World War I, when the global economy and monetary systems were damaged, countries rushed to restore financial and economic stability and saw gold standard as a best option. During the 1920s the vast majority of the major countries succeeded in returning to gold standard⁹. To achieve these goals, after many discussions the gold standard was re-established in many leading economies, requiring countries to back their circulating money by reserves of gold and foreign currencies. However, the gold standard became inefficient as the main currencies were overvalued or undervalued. This volatile situation disrupted the

⁸ S. K. Ghizoni, *Creation of the Bretton Woods System*, Federal Reserve History, 22 November 2013.

⁹ R.G. Hubbard, *Financial Markets and Financial Crises*, Chicago, University of Chicago Press, 1991, p. 35.

global economy and financial relations and paved the way to the Great Depression, which began in 1929. In order to reduce the balance of payment deficit and increase export potential, countries began to deflate their currencies. The countries that used this strategy earlier than the others were able to get some benefits. However, after some time, when many countries began to adopt the same strategy, this led to high levels of unemployment and inflation, which resulted in bankruptcy of financial institutions and enterprises. After the Great Depression, the economic situation forced many countries to abandon the gold standard.

Creation of a new international monetary order at Bretton Woods was predicated on the belief that the mistakes related to wildly fluctuating exchange rates after World War I and the collapse of the short-lived gold exchange standard of the interwar period were to be avoided¹⁰. Along with international monetary system two important financial institutions were established: the IMF and the IBRD (which later became part of the World Bank Group). To make the monetary system efficient, the exchange rate targeting system allowed for parities with a maximum deviation of 1%. All countries were required to peg their currencies to a reserve currency (the US dollar). They had to buy and sell US dollars in order to keep the 1% plus-and-minus parity in their exchange rates. The aim of using this exchange rate targeting was to avoid the exchange rate volatility that was experienced during the gold standard era, which was the main barrier to the development of international trade. Therefore, the US dollar came to play the role of gold in this new monetary system. As all other currencies were pegged to the dollar, the dollar itself was the only currency to be pegged to the value of gold¹¹.

¹⁰ M.D. Bordo and B. Eichengreen, *A Retrospective on the Bretton Woods System: Lessons for International Monetary Reform*, Chicago, University of Chicago Press, 1991, p. 28.

¹¹ *Ibid.*, p. 37.

To maintain the efficiency of this new monetary system, the IMF implemented a regulatory function, supervising and consulting member countries on monetary problems. The main goal of the establishment of the IMF was to safeguard the stability of the system of exchange rates and international payments, in order to avoid a repetition of the competitive devaluations that had contributed to the Great Depression of the 1930s¹². Therefore, the IMF began to offer financial support to Bretton Woods countries. By supporting the lift of global trade restrictions, the IMF also supported growth in world trade relations. The other institution created within the Bretton Woods system, the IBRD, was responsible for the post-war reconstruction of Europe and for supporting the development of international trade. Using its own capital, the IBRD made loans to countries in need and helped accelerate the recovery process in European countries. Even after becoming part of the World Bank, the IBRD carries on its development strategy by helping countries eliminate poverty and raise their living standards. For many decades after its establishment, the IBRD was a main financial source for developing countries.

Despite its ambitious goals and important role in maintaining the international monetary system, the Bretton Woods system did not last long and began to collapse at the beginning of the 1970s. The announcement by US President Richard M. Nixon of a new economic policy, the so-called “Nixon Shock”, marked the beginning of the end of the Bretton Woods system of fixed exchange rates¹³. The collapse of the system resulted from the overvaluation of the US dollar. By the 1960s, because of the US’s large foreign investments and its high military spending, the Bretton Woods system crumbled as gold reserves were not enough to back printed US dollars. Despite efforts by previous US Presidents to restrict foreign lending, decrease the volume of foreign aid, and implement reforms in the domestic

¹² IMF, [Why the IMF was created and how it works](#).

¹³ D.A. Irwin, “The Nixon shock after forty years: the import surcharge revisited”, *World Trade Review*, vol.12, no. 1, 2013, pp. 29-56.

monetary system, the dollar remained overvalued. As a result, in August 1971, Nixon announced a new economic policy whose main pillars were the suspension of the convertibility of the US dollar to gold and a 10% import tariff. The monetary agreement that was adopted afterwards, called “Smithsonian Agreement” lasted only 15 months. In March 1973, the six members of the European Community tied their currencies together and jointly floated against the US dollar, a decision that effectively signalled the abandonment of the Bretton Woods fixed exchange rate system in favour of the current system of floating exchange rates¹⁴. Despite the collapse of the Bretton Woods system, its development institutions survived.

The development of the Washington Consensus policies and MDBs in the post-bipolar period

The end of the Bretton Woods system went hand in hand with the rise of neoliberal, pro-market ideas and policies. During the Bretton Woods era, the level of intervention of countries in their own economies was high. At that time, this was crucial because the “Great Depression” and WWII necessitated government intervention in order to reconstruct wrecked economies. However, by the mid-1970s, the Keynesian approach, which supported government intervention began to lose prominence due to the high level of unemployment and economic stagnation¹⁵. Neoliberal ideas and policies came to dominate the global economic order. The Washington Consensus framework itself was based on “neoliberal” policies, promoted by Washington-based international institutions and MDBs. Working closely with developing countries, MDBs supported their economic development process by offering financial capital and policy recommendations. In most cases, developed countries in MDBs played

¹⁴ D. Dongsheng, W. Coats and Z. Yuxuan, “Why Does the World Need a Reserve Asset with a Hard Anchor”, *Frontiers of Economics in China*, vol.12, no. 4, 2017, pp. 545-570.

¹⁵ T.I. Palley, “From Keynesianism to Neoliberalism: Shifting Paradigms in Economics”, *Foreign Policy In Focus*, 5 May 2004.

the role of donors and developing countries became borrowers. MDBs mostly finance long-term projects through favourable interest rates¹⁶. While the IBRD (World Bank) was the first and biggest MDB to be established during the Bretton Woods years, several other MDBs were established afterwards. Examples abound: the European Investment Bank, the European Bank for Reconstruction and Development, the Islamic Development Bank, and the Development Bank of Latin America (CAF).

The term “Washington Consensus” was coined by John Williamson in 1990 and included ten main policy recommendations¹⁷: avoidance of large fiscal deficits; redirection of public spending to education, healthcare and infrastructure investment; broadening of the tax base; market-determined interest rates; application of competitive exchange rates; trade liberalisation; foreign direct investment liberalisation; privatisation of state enterprises; market deregulation; security of property rights. These policy recommendations mostly encouraged to reduce the role of government in the economy and to push for a market-based economy.

After the collapse of the Bretton Woods system, its financial institutions became the main promoters of the liberal economic order. Therefore, the MDBs were urged to provide advice and lending to a large number of new countries following the fall of the Soviet Union¹⁸ which increased the influence and power of MDBs both geographically and economically. In the post-bipolar era, the number of countries that cooperated with MDBs and used their liberal economic prescriptions in transition processes increased. That, in turn, strengthened the influence of the Washington Consensus policies on the global economic order.

¹⁶ V. Bhargava, *Global Issues For Global Citizens*, Washington, D.C., The World Bank, 2006, p. 394.

¹⁷ J. Williamson, *What Washington Means by Policy Reform*, Peterson Institute for International Economics, 1 November 2002, online edition.

¹⁸ J.A. Gurria and P. Volcker, *The Role of the Multilateral Development Banks in Emerging Market Economies*, Washington D.C., Carnegie, p. 6.

Despite its good intentions, MDBs' policy recommendations within the Washington Consensus framework did not help most of the developing countries. Economic liberalisation left most of the developing countries depending on MDB financing as they faced difficulties in repaying significant debts. As Joseph Stiglitz, an American economist, discussed in his book titled *Globalization and Its Discontents*, the failure of the Washington Consensus policies was related to the fact that the economies of most developing countries were not ready to such rapid liberalisations¹⁹. Their unpreparedness was related to the fact that they did not have competitive markets and credible financial systems. Urging the same prescriptions in all developing countries without accurate prior analysis led to the inefficiency of the Washington Consensus policies.

On the contrary, developing countries in Asia such as China and South Korea, which did not follow the policy recommendations of the Washington Consensus, thus maintaining government intervention in the economy, had more successful development stories. This contradiction significantly affected the reputation of the Washington Consensus policies, highlighting the importance of government regulation. The financial crises experienced by many Asian countries, such as the one in 1997 and the global financial crisis in 2008 also showed the inefficiency of the liberal economic order. With the beginning of 2008 financial crisis, the worst since the Great Depression, the dream of global free market capitalism died²⁰ which also marked the end of the Washington Consensus era. To prevent a worsening in the crisis, governments intervened in economies by bailing out banks and financial institutions. These crises proved that, even though liberal economic policies promote economic growth, they also increase risks that may lead to crises. It is not a coincidence that the economies of Asian countries which did not follow liberal prescriptions were more resilient during crisis periods, managing to keep their growth rate.

¹⁹ J.E. Stiglitz, *Globalization and its discontents*, New-York, W.W. Norton & Company, 2002, p. 89.

²⁰ M. Wolf, *The shifts and shocks*, London, Penguin Books, 2014, p. 16.

The inefficiency of the Washington Consensus and the prolonged influence of the financial crisis on Western countries created an opportunity for developing countries, especially China, to thrive and become financially self-sustainable. The increased economic power of developing countries also raised their demands to control MDBs that were, until then, seen as serving only the interests of Western countries. However, developing countries were met with a resistance and were forced to launch new associations like the BRICS and development organisations like the NDB that can serve the interests of the developing world. Just like the fact that government-oriented and successful development models of East Asian countries now coexist in parallel with fully liberal market economies in the West, new development banks have now joined the ranks of traditional MDBs. Their aim is not to repeat the same mistakes of traditional MDBs, opting for a fairer approach toward member countries.

The establishment of the NDB and its goals

The creation of the NDB and the focus of its strategy

The NDB was created by BRICS countries. BRICS is an association of some of the main developing countries (Brazil, Russia, India, China, and South Africa) with growing national economies and an important role in regional affairs. In 2015, these countries accounted for 26.5% of the world's land area, 42.6% of the world population and 22.6% of the world GDP, contributing to more than 50% of the world economic growth during the last 10 years²¹. The idea of creating the NDB was first discussed in 2012, during the fourth BRICS Summit in New Delhi. In 2014, during the sixth BRICS Summit in Fortaleza, the leaders signed the Agreement

²¹ BRICS, [What is BRICS](#).

establishing the NDB and, in February 2016, with the signing of the Headquarters Agreement with the government of China and the Memorandum of Understanding with the Shanghai Municipal People's Government, the NDB became fully operational²². In the same year, the Bank approved loans of over US\$1.5 billion to finance renewable energy and transportation projects. The members of the Bank hold an equal share both in equity and voting. The NDB's Articles of Agreement also noted that any member of the United Nations could get membership in the bank. However, the BRICS countries' voting power could never be lower than 55%. The creation of the NDB is an expression of the growing role of BRICS and other emerging markets and developing countries (EMDCs) in the world economy, and their greater willingness to act independently in matters of international economic governance and development²³. The NDB will rely on the proven financial model of other MDBs to contribute to the investment needs of the founding members and other EMDCs. Several partnership agreements have already been signed with international development organisations, national development banks, and commercial banks. The NDB is mandated to mobilize resources for infrastructure and sustainable development projects in EMDCs, complementing existing efforts of MDBs. According to the NDB's "General Strategy: 2017 – 2021", the Bank focuses on three broad areas:

New relationships. Equality, mutual respect, and trust will be the main features these relationships. The NDB supports development projects in order to fulfil the needs of countries, while respecting their development strategies and sovereignty. While the NDB's membership is open to advanced countries as well, it will remain governed by EMDCs. Despite big variations in the economic size of its member countries, the NDB was established on an equal share basis, which is 20% of shares for each of its five members.

²² NDB, [ABOUT US](#).

²³ NDB, [NDB's General Strategy: 2017 – 2021](#), p. 3.

New projects and instruments. Financing sustainable development infrastructure constitutes the core of the NDB's operational strategy and, according to the General Strategy, the bank is planning to devote about two-thirds of financing commitments in this area between 2017-2021. The NDB is also planning to fill the gap in technical expertise financing in sustainable infrastructure development. The NDB is planning to use numerous financing instruments such as guarantees, syndicated loans with private investors, equity investments, project bonds, and co-financing arrangements with IFIs. One of the key components of the NDB's financing strategy is the local currency financing, which will decrease risks for borrowers, instead supporting their capital markets.

New approaches. The NDB will rely on new approaches in reviewing and implementing its projects. The NDB aims to be fast, flexible, and efficient by designing a more streamlined project review and implementation oversight without unnecessary bureaucracy²⁴. A lean and flat organisational structure will result in lower administrative costs and more efficient decision-making. A non-resident Board of Directors also reduces administrative costs and allow the bank to focus on complex projects, rather than routine day-to-day operations.

Analysing the current economic situation and the main points of the NDB's strategy, we can outline several main reasons for creating the NDB:

Lack of Investments. There is a significant lack of investments in the maintenance of existing infrastructure and in financing new infrastructure projects around the world. The capabilities of current MDBs are not sufficient to meet the rapidly growing demand for large-scale infrastructure investments, especially in developing countries. According to a 2013 McKinsey Global Institute report based on projected GDP growth, US\$57 trillion in new infrastructure investment would

²⁴ NDB, [NDB's General Strategy: 2017 – 2021](#), p. 4.

be required globally in the period 2013-2030²⁵. This amounts to US\$3.2 trillion per year. That's nearly 60% more compared to the US\$36 trillion spent over the previous 18 years until 2013. This substantial increase in demand for investments creates a huge financial gap that cannot be closed by the financing of traditional MDBs. The investment scarcity confronted by MDBs is linked to high economic growth in developing countries and a lack of investment by developed countries after the 2008 financial crisis. The creation of the NDB is part of a process undertaken by developing countries to fill the investment void left by developed countries.

Position imbalances. Voting rights of the BRICS countries in the IBRD and IMF do not reflect their share of global GDP (Table 1). For example, with a share of 14.83% in global GDP, China only owns 4.53% of votes in the IBRD and 6.09% in the IMF. On the opposite, countries such as the United Kingdom, France, and Japan have a share of total votes in the IBRD and the IMF that is higher than their share of GDP. If we compare the size of the population, the imbalance is even larger. Together, China and India are home to 36.4% of global population but their voting share in the IBRD is 7.5% and 8.73% in the IMF. This implies that any decision taken by the IBRD and the IMF serves the interests of a small part of the world population who could be unaware of social and economic problems in other countries.

²⁵ R. Dobbs, H. Pohl, D-Yi Lin, J. Mischke, N. Garemo, J. Hexter, S. Matzinger, R. Palter, and R. Nanavatty, [Infrastructure productivity: How to save \\$1 trillion a year](#), McKinsey, January 2013.

TABLE I - SHARE OF GDP, POPULATION, AND VOTES IN THE IBRD AND THE IMF FOR BRICS AND A SELECTION OF DEVELOPED COUNTRIES

	Share in global GDP (2016)	Share in world population (2016)	Share of votes in the IBRD (2017, Oct)	Share of votes in the IMF (2017, Oct)
Brazil	2.38%	2.78%	1.82%	2.22%
Russia	1.72%	1.94%	2.84%	2.59%
India	3.05%	17.8%	2.98%	2.64%
China	14.83%	18.55%	4.53%	6.09%
South Africa	0.40%	0.74%	0.77%	0.64%
Total BRICS	22.38%	41.80%	12.94%	14.18%
United States	24.64%	4.34%	16.28%	16.52%
Germany	4.64%	1.1%	4.11%	5.32%
United Kingdom	3.44%	0.89%	3.85%	4.03%
France	3.31%	0.90%	3.85%	4.03%
Japan	6.50%	1.69%	7.02%	6.15%

Source: IBRD subscriptions and voting power of member countries, World Bank database, and IMF

Reforms aimed at addressing imbalances between the growing weight of developing countries and emerging economies in the global economy and their disproportionately weak positions in the MDBs are implemented very slowly²⁶. This unfair approach pushed developing countries into creating new

²⁶ A. Shelepov, "Comparative Prospects of the New Development Bank and Asian Infrastructure Investment Bank", *International Organisations Research Journal*, vol. 11, no. 3, 2016, pp. 51-67.

development banks. For decades, developing countries turned a blind eye to this unfair approach because they were dependent on the financial resources of MDBs. Nevertheless, those developing countries that decided to use the MDBs' financial support more cautiously, preventing financial bubbles, achieved high growth rates which, in turn, enabled them to significantly increase their role in the global economy. This growth path gradually decreased their dependence on MDBs' financing. The accumulation of large reserves in developing countries, especially in China, has given further impetus to the creation of new institutions. In 2015, BRICS countries possessed 53% of foreign exchange reserves globally²⁷.

Ineffective approach to social problems. The creation of the NDB is also linked to the fact that the prescriptions of traditional MDBs were not successful in healing social problems such as poverty and inequality. Their macro-level approach toward ailing economies was not able to solve the problems that lead to political instability and social discontent. The Washington Consensus policies at the core of the traditional IFIs strategies have allowed some countries to develop and increase their economic size. However, these developments were accompanied by increasing levels of inequality. In most cases, high levels of inequality led to high poverty, worsening social problems. Many of the countries, both developed and developing, that strictly followed the rules of the liberal order and of globalisation ended up with a system that enables the rich to get richer and makes the poor poorer. According to the Credit Suisse Research Institute's Global Wealth Report, 0.7% of the global population (365 million) owned 45.6% of total global wealth, while 73.2% of the world population (3.5 billion) in the bottom owned only 2.4% of total global wealth in 2016. Therefore, the NDB aims to address these social issues by using its operational focus on basic infrastructure to give urgent responses in order to reduce poverty and inequality, improve

²⁷ NDB, [Investor Presentation](#), p. 5.

quality of life, and expand economic opportunities for billions of people in EMDCs.

The NDB against traditional MDBs

Analysing the areas in which the NDB aims to offer ‘new’ responses, one notes that the NDB focuses on the very issues that traditional MDBs are blamed for and which damaged their reputation. Being among the main drivers of liberal economic policies in developing countries, MDBs began to lose their importance as their policies were not enough to overcome economic and social problems. Especially after the financial crisis in 2008, the consequences of which were the process of creation of massive fictitious financial wealth, that began in the 1980s, and of the hegemony of a reactionary ideology (neoliberalism) based on self-regulated and efficient markets²⁸, liberal economic order become main target of criticism. As a result, the current economic situation called for a change in the structure of MDBs. This necessity was not taken into account by MDBs and the small changes in their structure were not enough to restore confidence in these organisations. The weak reaction of MDBs is partly related to the unequal power held by member countries within these organisations. Countries that have more voting rights turn their own interests into a priority, as the liberal economic ideas dictate, and they show an unwillingness to adopt the new changes that could be beneficial mostly to EMDCs. Therefore, the NDB was launched to address these existing and unresolved problems through its new strategy and structure.

In most cases, the high voting share held by big powers, such as the USA, the United Kingdom, Germany, and France, led to the acceptance of policies that, on some level, undermined the sovereignty of the other members²⁹. On the one hand, as

²⁸ L.C. Bresser-Pereira, “The 2008 financial crisis and neoclassical economics”, *Brazilian Journal of Political Economy*, vol. 30, no. 1, 2010, pp. 3-26.

²⁹ M. Davies and R. Woodward, *International Organizations: A Companion*, Cheltenham, Edward Elgar Publishing, 2014, p. 249.

the main lenders of financial resources, it is natural that big powers would be willing to dictate policies over other countries, advancing their own interests, on the other hand, the aim of the launch of traditional MDBs was different than it appears to be. As the big powers are the main supporters of the Washington Consensus, their interests tend to converge as all of them promote trade liberalisation, opening up of the financial markets, and privatisation. This overlap in interests was the main driver for giving up sovereignty, and this environment within MDBs fostered mutual respect and trust between members. Therefore, NDB intends to address these issues by forming new relations with the members based on mutual respect, trust and non-interference to the sovereignty and democracy of member countries³⁰. This new strategy keeps the door open to the involvement of developed countries within the organisation: they can join any time, by declaring that they are willing to leave the governance of the NDB in the hands of EMDCs³¹. This requirement is evidence of the concern that developed countries would try to gain power over developing countries and implement their self-serving strategies. By employing this new strategy, the NDB aims to prevent the destructive results of self-serving strategies.

The NDB targeted its operational strategies on current economic and social demands rather than income maximisation through free-market policies. Formation of this focus is related to the fact that developing countries are likely to suffer most from the negative impacts of climate change. This is due to the economic importance of climate-sensitive sectors for these countries, and to their limited human, institutional, and financial capacity to respond to effects of climate change³². Based on the acknowledgment that environmental problems and poverty create threats for the citizens of developing countries by

³⁰ NDB, *NDB's General Strategy: 2017 – 2021*, p. 3.

³¹ *Ibid.*, p. 10.

³² R. Goldberg, *Understanding Contemporary Social Problems Through Media*, Abingdon, Routledge, 2015, p. 71.

spreading a number of health and malnutrition problems, members of the NDB strongly support projects that tackle these issues. Since the late 1980s, during a period of economic growth supported by liberal market policies and globalisation, developed countries began to rely on cheap labour and weak environmental legislations in developing countries, especially in China, which enabled them to reduce production costs. In so doing, developed countries utterly disregarded the dangerous by-products of this strategy, ultimately leaving millions of poor people without access to clean air and water. As promoters of liberal economic policies, traditional MDBs took part in this process. On the opposite, the member states of the NDB are concerned about these issues, as they relate to their own land and citizens. As a result, sustainable development and poverty reduction became two main pillars of the NDB's development strategy.

Another feature of the NDB according to officials is that, unlike the traditional MDBs, it is not going to be linked to any ideological doctrines such as the Chinese model or the Beijing consensus, even though China is the most powerful member of the bank both from an economic and a political point of view³³. Given that traditional MDBs have proven to be inefficient, the Bank takes a neutral stance towards ideological tenet. The NDB is not willing to replicate MDBs' old models, understanding that the dominance of one country's ideology within the organisation ends up bolstering the hegemony of that country on the decision-making process. This aspect again proves that the bank's aim is to provide a level playing field to members, given that an unequal treatment hampered BRICS countries' role for many years in traditional MDBs. That is why they are not willing to repeat the same mistakes that led the organisation to become ineffective in implementing their determined goals.

³³ L. Maasdorp, *What is "new" about the New Development Bank?*, World Economic Forum, 26 August 2015.

Given that the General Strategy of the NDB reaffirms this new approach in the bank's management, it is fair to assume that the decision-making and the evaluation processes of the bank will enable borrowers to get access to financial resources in a shorter period of time, which is an important factor in supporting the efficiency of the projects. This approach also originated from the fact that in traditional MDBs high levels of bureaucracy lengthened the lending process. High levels of bureaucracy and politicisation are two of the main reasons for the ineffectiveness of MDBs' policies and decisions. For example, it has been argued that "IMF lending is not a technocratic process; rather, the Fund is a highly political institution whose policies depend on the interests of not only its largest shareholders but also its bureaucrats, both of whom exercise partial incomplete control over IMF policymaking"³⁴. As a result, rather than implementing its main goals and objectives in a timely manner, the IMF is subject to bureaucratic and geopolitical ambitions of its more powerful members. Acknowledging the negative effects of high levels of bureaucracy in MDBs, the governance strategy of the NDB aims to avoid cumbersome procedures that would slow down the pace of the various projects.

All the differences between the NDB and the traditional MDBs stem from the NDB's enthusiasm towards innovation in almost all aspects of its activities. The NDB declares that the bank's novelty will be its strength, as it will allow it to avoid the existing problems in MDBs that negatively affect their reputation in the global economy. Treating old problems with a new approach will enable the NDB to trace the developing world's social and economic problems at their core, which, in turn, will contribute to the effectiveness of its financing process. Relying on new technologies, methods, and tools in supporting the development process of borrower countries, the NDB will be able to create new business models that could serve the

³⁴ M.S. Copelovitch, *The International Monetary Fund in the Global Economy: Banks, Bonds and Bailouts*, Cambridge, Cambridge University Press, 2010, p. 6.

specific interests of different countries. An increase in the level of comprehensiveness, both in offered financial tools and business models, will help meet the needs of countries that have a wide range of demands in different economic and social sectors. If the NDB will be able to effectively pursue all aspects of its strategy, the bank will become a key development organisation with a large number of members and supporters, and its policies will make a substantial contribution to the development of EMDCs.

Competition or complementarity?

The creation of the NDB sparked debates about the main goal of this organisation and the role it will play in the realisation of future development projects. These discussions necessitated to answer questions such as whether the NDB would be a complement or a substitute of traditional MDBs, and whether the NDB would be able to compete with these financial institutions. For some in the West, the launch of the bank by the BRICS was nothing short of a declaration of war³⁵. Regardless of critical or welcoming approaches by different countries, commentators all agree that the creation of new development banks is evidence of the decline of the Western-dominated global order, for which Western countries themselves should be blamed.

Disagreeing with the mainstream opinion on the NDB, Leslie Maasdorp, Vice-President of the bank, mentioned that there are misconceptions about the bank and its strategy³⁶. The first misconception is related to the idea that the bank was founded as a rival to the World Bank and the IMF. In his speech, the President of the NDB, K.V. Kamath, has stated that the objective of the bank is not to challenge or replace the existing system of development finance – it is instead to improve

³⁵ J. Techau, *Why the West Need Not Fear the BRICS Development Bank*, Carnegie, 16 April 2013.

³⁶ L. Maasdorp (2015).

and complement it. The NDB will aim to learn from the cumulative experiences and best practices developed over many decades by all the existing MDBs.

The second misconception is the notion that the NDB is a China-dominated organisation and will serve China's interests. Some critics argue that the NDB is part of a grand vision referred to as "One Belt, One Road" – a vehicle to broaden Chinese influence. The third misconception is the claim that the NDB will not uphold the highest standards of good governance and that the bank's social and environmental policies will be set aside. On the contrary, according to the Vice-President, sustainability is core to the bank's approach, and the bank will not compromise on social safeguards.

Taking into account the reactions of NDB officials to the mainstream opinion, the Articles of Agreement that state that the NDB will complement existing efforts of MDBs, and agreements signed between the NDB and MDBs, we can conclude that the NDB does not aim to rival the existing MDBs. Its purpose is to close the financial gap, complementing the efforts of the World Bank and the IMF. However, as we noted in the previous sections, the focus of the NDB's strategy is significantly different from traditional MDBs as it aims to be innovative and focus on projects and economic sectors which were not efficiently financed. The aspects of the NDB's strategy which are new in the framework of traditional MDBs' operational strategy will gradually change the bank's position in the global economy and create a huge distinction between their ideas and approaches. As the NDB intends to be new, it cannot achieve this "newness" by using the same old strategies, which proved not efficient and even led to the creation of the new development banks. The breeding ground for the establishment of the bank is the product of an unequal approach and incorrect investments. This distinction between the NDB and MDBs will naturally make them competitors even if it is not their goal. If the NDB will be successful in implementing its strategy and will manage to solve the problems in EMDCs that formed as

a result of the mistakes of MDBs, this will increase the role of the NDB in the global economy and will become a last resort for the EMDCs, lowering these countries' needs for the development banks of the Bretton Woods system. If it happened, it would be obvious that the Western countries with the largest shares in MDBs, and who, for many years, did not allow developing countries to increase their voting shares in these organisations, would get jealous and this would create competition between the NDB and MDBs.

Competition between the NDB and MDBs is more of a future possibility, given that, at the moment, NDB is too small to present an actual challenge to the IMF and the World Bank, given its limited capital base compared to the US\$232 billion of the World Bank³⁷. Taking this situation into account in the first stage of its development, it is important and inevitable for the NDB to cooperate with traditional MDBs and, at some level, to rely on their experience. In order to do so, the NDB has to declare that it is going to complement the efforts of traditional MDBs. Indeed, complementing MDBs at first creates the opportunity for the NDB to develop and increase its share in the global economy. The current situation also reassures Western countries and Western-dominated MDBs. All in all, the financial capabilities of the NDB are weak and the bank cannot really be a threat when it comes to competing in the development sector. Furthermore, the Western world also believes that the NDB will not be successful.

Another factor that positively affects the relations between MDBs and the NDB is the current state of financial affairs. Due to the continuous recessions that followed the financial crisis in Western countries traditional sources of long-term finance are strained, and alternatives have not been able to adequately compensate³⁸. At the same time, demand for investment in de-

³⁷ J. Manning, *Can The BRICS New Development Bank Compete With The World Bank And The IMF?*, International Banker, 3 September 2014.

³⁸ O. Canuto, "Development Banks and Post-Crisis Blues in Investment Finance", *Huffingtonpost*, 2013.

veloping countries is growing, calling for new players that can help meet this demand³⁹. In this situation, the complementarity efforts of the NDB satisfy both sides. On the one hand, for the NDB it is important to complement the efforts of MDBs as a way to grow and become part of the global development sector; on the other hand, the lack of investments makes it difficult for MDBs to meet growing demand, so that it is efficient for MDBs to cooperate with the NDB. It is a rational move by BRICS, as they founded the NDB right when they had the chance to make their bank important for global development processes. Therefore, for the time being the economic demands and development goals of the NDB overlap with the interests of MDBs, creating the environment for a close cooperation.

There are also some political factors which are important in determining the future NDB-MDBs relations. As we mentioned, in the West there is a belief that China will dominate the NDB and that the bank will serve the interests of a China-led geopolitical strategy⁴⁰. To the contrary, the equally-divided voting share of the bank also proves that it intends to use a fair approach towards its members. However, there are some factors that should be noted. First of all, while the NDB is a new organisation, China's economic enlargement strategy has a history of decades. Within this enlargement strategy, most of the developing countries, especially in the East-Asian region, are cooperating with China both voluntarily and compulsorily (as the geopolitical situation dictates). Being the most powerful player in determining the development path of developing countries, China will play a substantial role in the operations of the NDB, even though members have equal shares. This is linked to the fact that China has the power to pressure member countries in other projects or organisations, and can encourage countries to agree with its decisions over investment projects. On the other hand, this satisfies some developing countries as

³⁹ R. Dobbs *et.al* (2013).

⁴⁰ M. Schiavenza, "How the BRICS New Development Bank Serves China's Interest", *International Business Times*, 18 July 2014.

their interests are aligned with China's. While these facts do not necessarily imply that the NDB will serve China's interests, it is undeniable that room for pressure exists, and that China has a willingness to control the bank. It is also common knowledge that in many other cases China has shown ambitions to influence and control other countries in the name of self-serving interests. It is possible that, for now, China might not be interested in exerting influence, because the NDB is in the first stage of development and has less importance for China. In the long term, should the NDB become a successful and powerful development bank, China could consider to use its economic power to take over the bank.

It should also be noted that similarity of development goals of NDB links it to the "Beijing Consensus" the concept that claims China is marking a path for other nations around the world to develop their countries and fit into the international order in a way that allows them to be truly independent and to protect their way of life and political choices⁴¹. The "Beijing Consensus" as a concept has been utilised to distinguish China's economic development experience from the policy toolkit offered to developing countries by Washington-based IFIs⁴². As the one of the main goals of NDB is to promote development based on equal approach and non-interference to political decisions of countries, this overlaps with the main idea of Beijing Consensus. However, "Beijing Consensus" attributes to the China itself and it does not necessarily mean that ambitious China's approach to other developing countries going to be the same and they can resist the influence of China using the same strategies. If we consider members of NDB we can already see that dependence on China in some level already exists as the Foreign Exchange Reserves of China (US\$3.1 trillion⁴³) is

⁴¹ J.C. Ramo, *The Beijing Consensus*, The Foreign Policy Centre, May 2004.

⁴² M. Yağcı, "A Beijing Consensus in the Making: The Rise of Chinese Initiatives in the International Political Economy and Implications for Developing Countries", *Journal of International Affairs*, vol. 2, no. 2, 2016, pp. 29-56.

⁴³ J. Cai, "China's forex reserves hit 11-month high of US\$3.1 trillion", *South*

bigger than Russia, India and Brazil combined and it has biggest proportion in funds of the NDB. Refusal of China's plans to place the NDB headquarters in Shanghai by India and for members which have commodity-driven economies China's existence as a top trading partner allows us to say that NDB will probably not be able to put itself apart from Chinese influence.

Another important factor is related to the bank's statement in its general strategy that, even though the bank is open for membership to all members of the United Nations, BRICS' share may never be lower than 55% and, in any case, the governance of the NDB will remain in the hands of EMDCs. These statements show that, in the future, the members of the NDB are going to use their dominance in the bank just as much the developed countries did in traditional MDBs. This shows that even though cooperation efforts exist, the hidden competition between the two country groups in the governance of MDBs is continuing, and may become open if the size of the NDB's financing grows substantially.

All this shows that the governance ambitions of different countries and country groups played a crucial role in the establishment and operations of MDBs. This very trend is continuing, with new players and powers aiming to improve their geopolitical and economic influence in the global arena. For now, it is hard to predict the future relations of the bank with traditional MDBs, as we are not sure how successful the bank will be. Playing a new and small part in the global economy, to some Western big powers the NDB does not appear to be such an influential organisation and a promoter of China's ambitions. The same holds true for China, as Beijing either does not see the NDB as an influential organisation, at least for now. Therefore, the answer to the question of whether the NDB will be a complement or a competitor of traditional MDBs depends on its future success.

Conclusion

The current approach to development issues begins in the Bretton Woods years, when the IBRD was established as a development institution to support the development processes of those European countries that were suffering from the results of WWII. However, after the rapid recovery of these countries, the IBRD widened its geographical influence sphere, supporting countries in other continents. Along with the IBRD, other MDBs were founded, especially during the 1970s, when Washington Consensus policies began to dominate the global economic order and the Bretton Woods System came to an end. Over the next decades, with the dominance of liberal ideas, MDBs expanded their role in the global economy, becoming a main source of finance and policy recommendations for developing countries on development issues. The shift to the post-bipolar period after the collapse of the Soviet Union allowed MDBs to expand their influence and spread liberal ideas even wider, as the newly independent countries were in need of financial support and policy recommendations.

However, the neoliberal policy recommendations of MDBs failed to deliver sustainable economic development and prosperity to developing countries, leaving some of them with huge debts and economic volatility. This failure was related to the high levels of bureaucracy within MDBs, the prioritisation of the goals of developed countries, the unfair approach towards developing countries, and an underestimation of social problems among others. As a result, being frequently accompanied by financial crises, liberal market policies began to lose their influence, as they began to be recognised as volatile prescriptions for developing countries. The traditional ideas that become popular especially after the collapse of communism implying that only liberal policies can bring prosperity and development failed in next decades showing that even these policies along with growth can have disastrous economic and social results. At the same time, some developing countries carefully evaluated

the shortcomings of these policy recommendations and maintained a role for government in the domestic economy. As a result using financial resources of MDBs in the first stage they were able to get better results which enabled them to have high growth rates. These processes also enabled rise of illiberal powers such as Russia and China. Failure of liberal order gave chance for them to enlarge the sphere of their political and economic influence changing geopolitical picture of different regions.

Despite the fact that neoliberal policies are losing their relevance, the declining developed members of MDBs are not yet willing to cede more voting shares to developing countries. This unfair approach towards developing countries and their increased financial capabilities called for the establishment of new economic associations and MDBs that could serve the interests of all members, not just powerful ones. The formation of the BRICS bloc and its development bank were the part of these process. Along with all this, a lack of investments for development projects and the ineffective approach to social problems by traditional MDBs are also important reasons for the launch of the NDB. After the 2008 crisis, the financial capabilities of developed countries for financing development projects decreased, accompanied by increasing needs in developing countries, leaving room for new players that could fill this vacuum. For this reason, the BRICS established the NDB in order to fill the financial gap and support sustainable development projects in EMDCs and help them solve their social problems.

Taking into consideration mistakes and ineffective policies of traditional MDBs, the NDB intends to bring something “new” in three areas: relationships, projects and instruments, and new approaches. Using a fair approach with its members, the NDB would mostly finance those development projects that were given less attention for many years. The NDB would also use new approaches in management that would lead to the elimination of high levels of bureaucracy, which were a barrier for the effective use of development strategies in traditional MDBs.

All these raises questions about the future relations between the NDB and traditional MDBs. Even though the bank's officials insist on the idea that the NDB is going to complement the efforts of traditional MDBs and rely on their experience, some in the West think that the NDB is going to be a rival to Western financial institutions and serve China's interests. We can only assume that a close cooperation in the future might not be possible. It will depend on how successful the NDB is going to be. For now, as the capabilities of the NDB are low, IFIs do not see it as a rival and they do not believe that the NDB will be successful. Another important fact is that, for now, cooperation satisfies both sides as there is a need for new players to fill the gap in financing development projects, and the NDB needs to learn from the experiences of traditional MDBs. Any shift in balance could also change the character of the NDB-MDBs relations.

Given that, for now, Western countries do not perceive the NDB as a rival because of its low financial capabilities compared to MDBs, China also does not perceive the NDB as a powerful platform for its own geopolitical ambitions. However, despite the fact that all members of the NDB have an equal share, China retains its levers on other members in case the NDB is successful in the future. This could lead to strong competition between the NDB and MDBs. Therefore, it is not yet possible to say whether the NDB will be complement or rival to the traditional MDBs: it will depend on its future success. If it will be successful enough, it will attract the attention of China and Western countries as a powerful institution. This will necessarily lead to competition, as cooperation would be impossible under these circumstances.

PART II

THE SUPER-NATIONAL LEVEL OF ANALYSIS

4. South Caucasus as a Regional Security Complex: Divergence of Identity and Interdependence of Security

Farhad Mammadov, Azad Garibov

Three former Soviet states, Azerbaijan, Armenia and Georgia, are widely perceived as a single region – the South Caucasus (SC), located at the juncture of Asia and Europe. However, a closer look reveals that the South Caucasus has never been a true “region”, as it lacks the common features that would qualify it as such. In fact, despite being called a region, they have three different foreign policy identities; the three countries have neither developed common and inclusive economic and security cooperation, nor established any kind of regional integration framework. Nor do they share a common culture, language or religion, and have never been a part of the same civilisation. Two of the three countries of the region – Armenia and Azerbaijan – are at war with one another, due to Armenia’s occupation of 20% of Azerbaijan’s internationally recognised territory. Separatist sentiments in the Georgian Samtskhe-Javakheti region, supported by nationalists in Armenia, have from time to time generated fears of an additional inter-state conflict within the region. The three countries have also made divergent and sometimes conflicting foreign alliance and alignment choices, further deepening divisions within the “region”. Armenia is a close Russian ally and CSTO member; Georgia orients its foreign policy towards the United States and Europe; while Azerbaijan is allied to Turkey, and cooperates with both Russia and the United States pursuing a multi-vector, pragmatic and balanced foreign policy.

While foreign policy identities so notoriously diverge in the South Caucasus, there is one key common denominator that ties the regional counties together – the interconnectedness of security risks. The SC can only reasonably be described as a region from the security perspective. The major security threats as perceived by these states emanate from within the region or its immediate neighbourhood. Any security dynamic significantly affecting one of the three countries has clear implications for the other two. Thus, as the article argues, in terms of security studies, the SC qualifies as a distinct regional security complex (RSC). As small countries with limited capabilities, interests and agendas, the major security environment of the South Caucasus states is the region itself and its close neighbourhood. Based on the tenets of Buzan and Waever's RSC theory, the paper examines the security dynamics in the South Caucasus Regional Security complex in order to uncover why and how the security of three countries is both interconnected as well as linked to the region and its neighbourhood. It also looks at the foreign policy identities that the three countries have developed since independence, in order to uncover the reasons behind so divergent foreign and security policy.

The chapter is divided into three parts. First part provides overview of the major features of the foreign policy identities of the SC states, focusing on how differences in identities drive divergent foreign and security policy choices in the region. The second part examines the interconnected and interdependent nature of security in the South Caucasus, focusing on the major threats from within region itself, which strongly affect (even shape) security and foreign policies across all three south Caucasus countries. The third part focuses on the regional cooperation frameworks that South Caucasus states managed to establish among themselves and their neighbours despite ostensible divergence of foreign policy identities and foreign/security policies.

Geopolitical and foreign policy identities in the South Caucasus

Multifaceted and multilayer geopolitical identity of Azerbaijan

Azerbaijan has a complex and multilayered geopolitical identity that includes geographical, historical, religious and cultural components. Azerbaijan is a European country fitting in with Western values while simultaneously adhering to Islam and associated traditional values, while also having the identity strongly influenced by the country's Turkic origin, common history with Russia and post-Soviet space¹. Identity has traditionally played an important role in shaping foreign policy of the country, including its relations with the neighbouring countries and global partners.

Geographically, Azerbaijan is located in Europe and joined the Council of Europe in 2001. Although it decided against signing an association agreement with the EU in 2014, the EU is Azerbaijan's biggest trade partner. It accounted for 35% of Azerbaijan's foreign trade turnover and 43% of exports in 2016². Both parties are interested in promoting energy and transport cooperation. The parties are partnering in realisation of the Southern Gas Corridor to deliver Azerbaijani gas to the EU and a railway line from Baku to Kars via Tbilisi, Georgia.

Azerbaijan is a predominantly Muslim country, however, with strong traditions separation of state and religion and long habit of state secularism. Islam has always been one of the key defining factors of national identity of Azerbaijanis. The country is an active member of Organization for Islamic

¹ I. Murad, "Postcolonial Hybridity, Contingency, and the Mutual Embeddedness of Identity and Politics in Post-Soviet Azerbaijan: Some Initial Thoughts", *Caucasus Analytical Digest*, no. 77, September 2015, p. 7.

² Ministry of Economics, Foreign Trade Relations, 2016, http://economy.gov.az/index.php?option=com_content&view=article&id=4056:ai-xt-2016&catid=129:xarici-ticaret-2016&lang=az.

Cooperation, and cooperates with many major Muslim countries such as Iran, Pakistan, Saudi Arabia and etc. In 2017, Baku hosted the Islamic Solidarity Games, which is evidence of Azerbaijan's intention to work towards Islamic unity.

Culturally and linguistically, Azerbaijan is a part of the Turkic World and as such it joined the process of Turkic integration in the 1990s. Azerbaijan, together with other Turkic neighbours have established several cooperation platforms such as Parliamentary Assembly of Turkic Speaking Countries, TURKSOY and most importantly, in 2009, Azerbaijan, Turkey, Kazakhstan and Kyrgyzstan met in Nakhchivan (Azerbaijan) to create the Turkic Council (the Cooperation Council of Turkic-Speaking States or CCTS).

For the past 200 years, Azerbaijan was part of the Russian Empire and the Soviet Union and is now a member of the Commonwealth of Independent States (CIS). Azerbaijan values the CIS as a platform of political and economic interaction with the former Soviet republics. Visa-free travel and economic incentives, which go together with CIS membership, help Azerbaijan maintain stable trade and also develop mutually beneficial military-technical and cultural cooperation with Russia, Belarus, Ukraine and Kazakhstan. The CIS countries accounted for 16% of Azerbaijan's trade in 2016³, most of it non-resource trade, which is strategically important and highly promising for Azerbaijan in light of low oil prices.

The complex geopolitical theatre of the South Caucasus has significantly influenced Azerbaijan's foreign policy. The country adheres the principle of pragmatism in its foreign relations, rejects "ideologisation" of external policy and pursues multi-vector foreign policy and at the same time trying to distant itself from confrontations of big and regional powers.

Unlike its neighbours, Georgia and Armenia, which have made a clear and binding choices in terms of their geopolitical orientation – Georgia making Euro-Atlantic integration with

³ *Ibid.*

membership of the European Union (EU) and NATO a priority, and Armenia joining the Russian-led Collective Security Treaty Organization (CSTO) and more recently the Eurasian Economic Union – Baku pursues a balanced multi-vector foreign policy⁴. It is not surprising that to advance its pragmatic and balanced multi-vector foreign policy, on 25 May 2011, Azerbaijan became the fourth former Soviet republic (following Uzbekistan, Turkmenistan and Belarus) to enter full membership in the Non-Aligned Movement (NAM)⁵. Thus, the country has never limited itself to a one certain foreign policy direction and cares about having positive relations as many countries as possible to increase its opportunities for mutually beneficial cooperation with them, to keep its options open in case crises and to have more secure neighbourhood.

One more guiding principle of Azerbaijan's foreign policy is projecting the image of Azerbaijan as a responsible partner in all its international relations. For a country seeking a balanced foreign policy, it is very important to maintain a stable position on global and regional issues. A related principle is thus that of being a "responsible partner" in its foreign relations. Indeed to achieve an effective and balanced foreign policy, Azerbaijan needs to act as a stable and predictable actor⁶. Respecting the sovereignty and territorial integrity of all states and non-interference in their internal affairs are the important features of Baku's interaction with other countries in this regard⁷.

Principled position in its external relations and commitment to international law has paid off. Azerbaijan became the

⁴ M. Heydar and I. Korobov, "Pragmatic Policies And Interplay of Forces – Azerbaijan's Foreign Policy Amidst Turkey And Iran", in F. Mammadov and F. Chiragov (Eds.), *Trilateral Dimension Of Azerbaijan's Foreign Policy*, Baku, Center for Strategic Studies, 2015, p. 85.

⁵ J. Strakes, "Azerbaijan and the Non-Aligned Movement: Institutionalizing the 'Balanced Foreign Policy' Doctrine", Istituto Affari Internazionali, IAI Working Papers 15, 2015, p. 2.

⁶ K. Makili-Aliyev, "Azerbaijan's Foreign Policy: Between East and West", Istituto Affari Internazionali, IAI Working Papers 1305, January 2013, p. 3.

⁷ M. Heydar and I. Korobov (2015), p. 85.

first country to be elected as a non-permanent member of the United Nations (UN) Security Council in the South Caucasus and Central Asia region, and only the second in the CIS region. Azerbaijan took its seat at the UN Security Council in early January 2012 and chaired the Council during May 2012. In his address to the Security Council on 4 May 2012, President Ilham Aliyev underlined in particular that “this is a big responsibility, and we are ready to assume that responsibility. Azerbaijan will defend the ideas of justice, international law and peaceful cooperation between all countries”⁸.

An objective view on all aspects of its geopolitical identity allows Azerbaijan, which is a relatively small country territorially, to pursue a constructive and pragmatic policy and to strengthen its independent position of a full member of international relations. The opportunities offered by its chosen path and the variety of instruments for implementing its foreign policy clearly show that there is no alternative to this effective and constructive approach. In the next decade, Azerbaijan will be working to achieve fundamentally different goals, including resolving the Nagorno-Karabakh conflict with Armenia, diversifying the national economy and increasing non-resource exports, enhancing the quality of life in the country, and implementing large East-West and North-South projects. Given its multilayered geopolitical identity, Azerbaijan has the capability to achieve these goals, protect its territorial integrity and strengthen its real independence in new conditions.

Foreign policy identity and “European” choice of Georgia

Georgia’s foreign policy identity emerged as a product of classic geopolitical factors, where geographic location remains one

⁸ Statement by the President of the Security Council (S/PRST/2012/17), UN Security Council, 4 May 2012, p. 24, <http://www.securitycouncilreport.org/atf/> [last accessed on 26 September 2017].

of the central features for the country's political development⁹. As a small, weak state facing with challenges of survival and a choice of strategic orientation, its foreign policy identity is closely linked to different conceptions of sovereignty and statehood. As Jones argues: "as in most of the former Soviet republics, Georgian foreign policy – at least in the first few years after independence – became part of the re-ideologisation of politics, and an instrument for asserting the legitimacy of the new elite and the identity of the new state"¹⁰.

History and geography strongly influences and shapes Georgia's geopolitical identity, which in its own turn defines Tbilisi's political choices and foreign policy behavior. Georgia's location between the Black Sea, Russia and Turkey, gives it strategic importance far beyond its size. Moreover, being a one of the important routes for access to the sea for land-locked Caspian countries, particularly for energy-rich Azerbaijan significantly increases geopolitical importance of Georgia. As a Black Sea and southeastern European state, the country considers itself historical geographic, political, and cultural part of greater Europe and has identified itself with European civilisation through Christianity, cultural values and civilisational background¹¹.

Since early years of Georgian independence the country's foreign policy identity was strongly influenced by its history, particularly that of the first Georgian Republic (1918-21). When Georgia adopted the declaration on the "restoration" of independence from the Soviet Union in April 1991, the idea of "restoring rather than declaring independence was based on

⁹ K. Kakachia, "European, Asian, or Eurasian? Georgian Identity and the Struggle for Euro-Atlantic Integration", in K. Kakachia and M. Cecire (Eds.), *Georgian Foreign Policy. The Quest for Sustainable Security*, Konrad Adenauer Stiftung, 2013, p. 42.

¹⁰ S. Jones, "The Role of Cultural Paradigms in Georgian Foreign Policy", in R. Fawn (Ed.), *Ideology and National Identity in Post-Communist Foreign Policies*, London, Frank Cass, 2004, pp. 83-110.

¹¹ K. Kakachia (2013), p. 44.

the historical revivalism promoted by Zviad Gamsakhurdia, the first president of Georgia”¹². According to this idea independence represented the righting of historical wrongs perpetrated against Georgia by Russia. Thus from very beginning of independence Georgia’s foreign policy identity started to being built up on the notion of “otherness” of Russia. Faced with the recurring dilemma of Georgian political alignment – Russia or the West – the Gamsakhurdia government’s choice was “not Russia”, which, by extension, meant alignment with the West¹³. This choice also coincided with the popular idea among Georgians about the country’s historical belonging to European civilisational and political space.

However, with an inherited political culture lacking a strong democratic tradition, an inexperienced foreign policy elite, scarce financial resources, and poorly defined competing social forces, initially Georgia was unable to develop a viable foreign and security policy towards the West¹⁴. Moreover, the West was overburdened by other problems and almost completely ignorant about the South Caucasus; and consequently Russia enjoyed a free hand to deal with Georgia¹⁵. Thus, new president Eduard Shevardnadze stepped in re-building partnership with Russia while still adhering the strategic “European” choice. Nonetheless, Georgia’s alignment with Russia was shallow and would be relatively short-lived. Between 1994 and 1999, bandwagoning with Russia was followed by a “step by step” realignment of Georgian policy away from Russia and towards the West, described by one former cabinet official as “a strategic shift from the politics of survival and necessity to the emergence of our true orientation”¹⁶.

¹² J.C. MacDougall, “Post-soviet strategic alignment: The weight of history in the south Caucasus”, Georgetown University, 2009, p. 118.

¹³ *Ibid.* p. 188.

¹⁴ K. Kakachia (2013), p. 46.

¹⁵ A. Garibov, *Alignment and Alliance Policies in the South Caucasus Regional Security Complex*, SAM Comments, Baku, vol. XV, December 2015, p. 34.

¹⁶ J.C. MacDougall (2009), p. 127.

“Europeannes” in Georgian foreign policy identity significantly strengthened with government change in the country in 2003. Georgia increased emphasis on the alliance with the West and tried to strengthen institutional relations with NATO and EU in order to achieve much-needed security guarantees against the perceived Russian threat. Russia-Georgia relations further deteriorated, while Georgia was unable to obtain a formal alliance treaty and/or security guarantees from the West. Subsequent Russian military intervention in August 2008 and failure of West to provide any meaningful support to Tbilisi was a serious blow to the West/Europe in the eyes of Georgia, but the country and majority of people continued to see “Europeannes” a logical destiny for Georgia. The Georgian Dream coalition which came to power in 2012 also introduced certain changes to the country’s policy towards Russia, and initiated gradual and careful rapprochement with Moscow. However, Georgia still pursues an openly Western-oriented foreign policy and is reluctant to fully restore relations with Moscow as long as Russian troops are stationed in Georgian territory and it continues to recognize the independence of Abkhazia and South Ossetia.

Armenia: Pro-Russianism and aggressive policy toward neighbours

Armenia’s geographical predicament is similar to that of Georgia and Azerbaijan. In contrast to Georgia, however, Armenia faces the added challenge of being land-locked. Reliance on Russia as protector has, since the late XVIII century, entrenched Armenia’s Russia-centric foreign policy orientation. Along with historical reliance on Russia, collective memory of the so-called 1915 “genocide” along with the Nagorno-Karabakh conflict have become the fundamental elements of modern Armenian national identity formation, as well as the key determinants of the country’s threat perception and alliance choices¹⁷.

¹⁷ A. Garibov, *Alignment and Alliance Policies...*, cit., p. 38.

Similar to Azerbaijan and Georgia, the history of the post-World War I independent republic was a primary focus of this historical reassessment of the country's fate when the nationalist movement galvanised support for independence at the end of the 1980s¹⁸. As mentioned, the collective memory of the 1915 events in Turkey exerted a major influence on Armenia's perception of past mistakes and goals for the future. In fact, contrary to the natural interests of the country, independent Armenia, has viewed Turkey as an eternal threat, a dangerous enemy. "Turkey" appeared to represent everything that opposed the essence of "Armenia"¹⁹. On the basis of collective historical memory, Armenian conventional wisdom also views Russia as a savior, protector and friend.

Along with the inspiration of 1918 and memory of 1915, the Nagorno-Karabakh issue was the third key pillar of modern Armenian national consciousness and foreign policy identity. With the formal dissolution of the Soviet Union, the so-called "Karabakh Committee", an extremist nationalist organisation demanding the annexation of Nagorno-Karabakh to Armenia, gained prominence. This group later evolved into the Armenian National Movement (ANM), and took on the leadership of the whole country²⁰. Levon Ter-Petrosian, who led the movement and served as parliamentary leader, was elected the first president of independent Armenia in October 1991. As the independence process unfolded, leaders who comprised the core of the Armenian National Movement outlined a new agenda for Armenia's foreign relations.

¹⁸ N. Dudwick, *Memory, identity and politics in Armenia*, University of Pennsylvania, 1994, pp. 410-411.

¹⁹ A. Terzyan, "The Evolution of Armenia's Foreign Policy Identity: The Conception of Identity Driven Paths. Friends and Foes in Armenian Foreign Policy Discourse", in K. Kakachia and A. Markarov (Eds.), *Values And Identity As Sources Of Foreign Policy In Armenia And Georgia*, Publishing House Universal, Tbilisi, 2016, p. 147.

²⁰ J.C. MacDougall (2009), p. 173-177.

This foreign policy was pro-Russian from its very beginning. Though this foreign policy identity evolved and has experienced certain changes, pro-Russianism has always remained as its central column. While Ter-Petrosian attempted to present Armenia as the bridge between Europe and Asia, rather than demonstrating an overly pro-Russian position or acting as protagonist of integration with Europe, his policy ostensibly failed as it was in opposition to popular “genocide” recognition efforts and against of the position of the hardliners in Armenia-Azerbaijan Nagorno-Karabakh conflict. Despite generally negative attitude towards Turkey, he at times called it an indispensable neighbour and possible natural ally of Armenia, and even viewed resolution of Nagorno-Karabakh conflict as the key to development of Armenia²¹.

During the leadership of the next two presidents of Armenia, Robert Kocheryan and Serj Sargsyan, Armenia’s structural political, security and economic dependency on Russia continued to grow, which was accompanied with more hard-line foreign policy and more hostile attitude toward its neighbours. The country’s strategic alignment remained fundamentally defined by membership in the CSTO and the “strategic partnership” with Russia. Armenia’s economic dependence on Russia kept mounting. The country also continued to deepen its integration into Russia-led regional organisations. Though Yerevan had initially been engaged in negotiations on a free-trade deal with the EU, following talks with Russian President Vladimir Putin, Armenian President Sargsyan in 2013 abruptly decided to switch to the Russian-led Customs Union, a precursor to the Eurasian Economic Union (EEU). Armenia officially joined the EEU on 2 January 2015, banding together with Russia, Kazakhstan and Belarus in a Moscow-led project meant to counterbalance the European Union²².

²¹ A. Terzyan (2016), p. 147-148.

²² “[Armenia Joins Russia-Led Eurasian Economic Union](#)”, *The Moscow Times*, 2 January 2015 [last accessed on 29 September 2017].

As a land-locked state with a deteriorating economy and shrinking population, Armenia needs to engage in broad cooperation with all its neighbours in order to overcome its geographical challenges and develop its economy and improve public welfare. However, due to its aggressive policy towards Azerbaijan and Turkey, along with the problems generated by Armenian creeping irredentism in Georgia, Armenia is left with very little room for maneuver in its alignment policies. At this juncture, Armenia's strategic orientation, while officially described as multidirectional complementarity (avoiding the dependence on a single partner), appears to tend towards overdependence on its "strategic partner" Russia²³, notwithstanding the recent signing of a Comprehensive and Enhanced Partnership Agreement with the EU.

Interconnected and interdependent security in the South Caucasus

Following the collapse of the Soviet Union, the South Caucasus region found itself caught in a web of self-sustaining conflicts, making it one of the most volatile regions in Europe's neighbourhood. As the Soviet Union collapsed, the countries in the region became embroiled in intra and inter-state conflicts, almost all of which remain unresolved. These ethno-territorial conflicts and intra-regional enmities closed the way to possible peace and cooperation, hindering the emergence of a cooperative regional environment, or any kind of security community in the South Caucasus.

Security and survival were among the primary challenges of statehood for the newly independent states of the South Caucasus. The most important security threat for the regional countries is the armed conflicts in which they are currently involved. This small region is host to two frozen separatist

²³ L. Delcour, *Faithful But Constrained? Armenia's Half-Hearted Support for Russia's Regional Integration Policies in the Post-Soviet Space*, London Schools of Economics Publications, 2015.

conflicts (in Georgia), and has witnessed two interstate wars (between Armenia and Azerbaijan, and Russia and Georgia). None of the three enjoys highly developed strategic cooperation with both of the other two countries. While Azerbaijan has a strategic partnership with Georgia, it is locked in a protracted conflict with Armenia. Despite Georgia's formal cooperation with Armenia, relations suffer from Armenia's function as a Russian "outpost" and military base, and the strong separatist sentiments in the Armenian populated Javakheti region of Georgia.

The region's relations with its immediate neighbours are also problematic. Georgia does not have direct diplomatic relations with Russia, and despite some recent improvements, Tbilisi still holds the position that Moscow has violated Georgian territorial integrity. Armenia does not have diplomatic relations with Turkey; it claims that Ankara has committed a so-called "genocide" against Armenians, and also formally holds territorial claims against Turkey. Ankara closed its borders with Armenia in 1993 due to Armenia's occupation of Nagorno-Karabakh (*Dağlıq Qarabağ* in Azerbaijani) and other adjacent regions of Azerbaijan. Azerbaijan, is the only country in the region that has developed cooperative relations with all the neighbours (except Armenia) of the South Caucasus, including a strategic alliance with Turkey.

Among the regional conflicts, the Armenia-Azerbaijan Nagorno-Karabakh conflict – stemming from Armenia's occupation of Nagorno-Karabakh and seven adjacent districts (roughly 20% of Azerbaijan's internationally recognised territories) – is no doubt the most serious security threat in and for the region. The conflict began at the end of the 1980s, when Armenia sought to annex the Nagorno-Karabakh Autonomous Oblast of Azerbaijan (NKAO), moving to fill the power vacuum created by the collapse of the Soviet Union. The conflict gradually evolved into a full-scale war between Armenia and Azerbaijan once they gained independence, leaving approximately 30,000 dead and over a million IDPs and refugees,

majority of them being civilian Azerbaijanis²⁴. In contrast to the other ongoing separatist conflicts in the region, this is clearly an interstate war, where one regional country (Armenia) has occupied a significant portion of the territory of another (Azerbaijan), with tremendous investments by both sides in terms of manpower and arms. The conflict has resulted in the securitisation of almost everything related to Armenia in Azerbaijan and vice versa. Thus, anything that is seen as posing an advantage to Azerbaijan is perceived as to the detriment of Armenia, and vice versa, leading to zero-sum bilateral relations²⁵. The conflict is not frozen, although international experts have described as such.

Though this oldest and bloodiest war in the post-Soviet space has never been truly frozen, the increased intensity of clashes since the April 2016, more commonly known as the “four-day war”, demonstrated once again that the conflict can flare up at any time, destabilising this already fragile region. As no peaceful solution is visible on the horizon, the Line of Contact (LoC) between the armed forces of Azerbaijan and Armenia has become the most militarised area of the former Soviet Union. Azerbaijani and Armenian societies have also seemingly grown more nationalistic as fighting intensifies and casualty rates on the frontline increase²⁶.

Thus the Nagorno-Karabakh conflict represents the key security threat for Azerbaijan. The conflict has dominated foreign policy and national security discourse in Baku ever since independence. The country’s leadership repeatedly hails the restoration of territorial integrity as Azerbaijan’s top priority. Azerbaijan has made clear its preference for resolving the issue

²⁴ A. Garibov, “OSCE and Conflict Resolution in the Post-Soviet Area: The Case of the Armenia-Azerbaijan Nagorno-Karabakh Conflict”, *Caucasus International*, Istanbul, vol. 5, no. 2, 2015, p. 76.

²⁵ S. Cornell, *Small Nations and Great Powers: A Study of Ethnopolitical Conflict in the Caucasus*, RoutledgeCurzon, 2001, p. 385.

²⁶ A. Garibov, *A Year After The “Four-Day War”, Guns Continue to Speak Louder than Diplomats in Nagorno-Karabakh*, CACI Analyst, 2017.

diplomatically, and if this is not possible, using military means to restore its territorial integrity. Azerbaijan and Turkey have also imposed trade bans – closing their borders with Armenia until the conflict has been resolved, or at least until there has been a significant improvement in the peace process, which is the only international effort to coerce Armenia to peace. Accordingly, Azerbaijan also tries to isolate Armenia as much as possible from regional economic projects. As the result of Armenia's territorial aggression towards Azerbaijan, Yerevan has been excluded from large-scale economic projects such the Baku-Tbilisi-Ceyhan (BTC) oil pipeline, the Baku-Tbilisi-Erzurum (BTE) gas pipeline, and the Baku-Tbilisi-Kars railway – all of which have changed the economic landscape of the region. In the absence of this conflict, Armenia would offer the most economic route for these oil, gas and rail transportation projects.

The conflict has also dominated and shaped Armenian foreign and security policy since the collapse of the USSR. In a quest for military and economic support, Armenia approached Russia, and has now become dependent on Moscow for its security and economic wellbeing. Armenia's isolation due to its occupation of Azerbaijani territories has further deepened the Yerevan's dependence on Moscow, as well as leading Armenian politicians to seek opportunities for cooperation with Iran. Currently, Russia is not only the Armenia's sole provider of natural gas, it also controls the country's railway network, electricity distribution and production facilities, as well as many other strategic sectors of Armenia's economy²⁷. Armenian state borders are jointly protected with Russia within the framework of the Moscow-led CSTO, and Russia has one of its largest military bases abroad in Armenia. Armenia also joined Russia-led EEU in the beginning of 2015. Armenia's unique situation is that despite having Russia and Iran as its key regional allies

²⁷ V. Socor, "Armenia's Economic Dependence on Russia Insurmountable by the European Union", *Eurasia Daily Monitor*, vol. 10, no. 221, 10 December 2013.

and partners, it has managed to maintain positive relations with the US and the West. In this regard, the existence of a wealthy and politically active Diaspora in the United States and Europe has enabled Armenia to sustain these relations, despite the occupation of Azerbaijani territories and its alliance with Russia. Moreover, it also succeeded in achieving the adoption of section 907 of the Freedom Support Act in the US Congress in 1992, which prohibited all US state assistance to Azerbaijan due to its blockade of Armenia, ignoring the fact that Armenia has blockaded the Azerbaijani exclave of Nakhchivan and occupied Azerbaijani territories in and around Nagorno-Karabakh, factors which render the Act highly misleading²⁸. Moreover, due to the lobbying efforts of the Diaspora, Armenia has become one of the top per capita recipients of US aid.

For its part, Georgia has been put in a difficult position by the Armenian-Azerbaijani zero-sum relationship. While Georgia has an interest in maintaining good relations with both states, it has, for a number of reasons, developed better relations with Azerbaijan than Armenia. First of all, Baku is without a question the economic hub of the Caucasus, and arguably the economic centre of the entire southern rim of post-Soviet states²⁹. By virtue of its oil resources and its geographical position on the Caspian shore, Azerbaijan holds a central position in the various transport corridor arrangements. Georgia, on the other hand, is one of the two possibilities for transport and other links between Azerbaijan and Turkey and the West, the other being Armenia. Due to the impossibility of any Armenian-Azerbaijani cooperation, Georgia's role in oil and gas transportation, TRACECA, and other transportation projects has dramatically expanded. In this sense, Georgia has a vested interest in Armenia's economic isolation³⁰.

²⁸ S. Cornell (2001), pp. 259-260

²⁹ S. Cornell, "Geopolitics and strategic alignments in the Caucasus and Central Asia", *Perception*, June-August, vol. IV, no. 2, 1999.

³⁰ S. Cornell (2001), p. 388.

Similar to its regional neighbours, Georgia's security threats come from its immediate neighbourhood. The country's main problem is the internationalised separatist conflicts. The country has two separatist entities – Abkhazia (*Apkhazeti* in Georgian) and South Ossetia (*Samxret' Oseti* in Georgian), which have been *de facto* independent since the beginning of the 1990s. In addition, the situation with separatism in Javakheti, the Armenian majority region of Georgia, is difficult due to support for separatist groups by both Russia and Armenia.³¹ From this perspective, both Georgia and Azerbaijan must deal with separatists who have gained control of parts of their respective territories. As a result, Tbilisi and Baku have a common stance with regard to separatism and minority questions; both support the preservation of territorial integrity and vehemently reject separatism and secession³². At the same time, efforts towards cooperation among these unrecognised entities – Nagorno-Karabakh, Abkhazia and South Ossetia – also pose a shared concern for Georgia and Azerbaijan.

The separatist conflicts also create fertile ground for foreign influence and intervention in Georgia. Georgia-Russia relations would not face the problems they currently do if these conflicts were not live. The conflicts were not, in fact, created by Russia as many argue, and primary responsibility lies within domestic dynamics. However, Russian intervention prolonged the conflicts, and led to Georgia's loss of military control over the region. The conflicts also resulted in a spillover of security dynamics in the Northern and Southern Caucasus due to support by the "Confederation of the Mountain Peoples of the Caucasus" for Georgia's separatist entities in the early 1990s³³. The separatist conflicts and the Russia's resulting military intervention in

³¹ N. Chitadze "Samtskhe-Javakheti as a Potential Flash Point in Georgia: Ethnic-Confessional Composition and Integration Challenges", *Caucasus International*, Istanbul, vol. 5, no. 3, 2015, p. 113.

³² S. Cornell (2001), p. 386.

³³ International Alert, *The North Caucasus factor in the Georgian-Abkhaz conflict context*, July 2012.

the country in 2008 have indirectly, but significantly, affected Georgia's relations with Azerbaijan and Turkey. The conflicts massively increase the incentives for Tbilisi to foster its alliances with Baku and Ankara.

Georgia's conflicts with separatists and Russia have also created a dilemma for Armenia, as a country which hosts major Russian military base and is a staunch Russian ally. Its isolation by Azerbaijan and Turkey means that Georgia's territory and ports are vital for Armenia's foreign trade. According to the official Armenian sources, almost 70% of Armenia's foreign trade goes through Georgian ports and railway/motorway networks³⁴. Therefore, while Armenia remains committed to its alliance with Russia, it faces challenges in maintaining good relations with Georgia. However, Yerevan is seen by Georgia as siding with Russia, a sort of Russian Trojan horse in the Caucasus. At times this has led to strained relations between Yerevan and Tbilisi³⁵. Despite being irritated by Armenia's function as a Russian "outpost" as well as the situation in Javakheti, Georgia also needs to maintain relations with Armenia. Due to Armenia's significant influence in Javakheti, the deterioration of relations with Yerevan could exacerbate the relationship between the Georgian central government and the Armenians of Javakheti with potentially dire consequences, a danger that is seen as clear and present in Tbilisi³⁶.

Moreover, the region's separatist conflicts have produced (or at least served as a pretext for) the second interstate war in the South Caucasus – the August 2008 war between Georgia and Russia, making the region even more volatile than before. Along with Armenia, Azerbaijan also faced serious challenges during the war between Russia and Georgia. Azerbaijan had advanced cooperation with both Moscow and Tbilisi. But despite Moscow's irritation, understanding the importance of independent and friendly Georgia for its security, Azerbaijan

³⁴ N. Chitadze (2015) p. 113.

³⁵ S. Cornell (2001), p. 385.

³⁶ *Ibid.* p. 387.

stepped in as an alternative supplier when Russian gas exports were cut after Tbilisi rejected a dramatic increase in price in 2007. At the same time, Azerbaijan opened up its market to Georgian goods for which Russia used to serve as the chief export market, and these actions effectively halted Moscow's economic "choking" of Tbilisi.

Azerbaijan's economic security is also closely linked to its regional allies, Georgia and Turkey. These two countries are the transit countries of the BTC and the Baku-Supsa oil export pipelines as well as the South Caucasus and Trans-Anatolian (TANAP) natural gas pipelines, and the Baku-Tbilisi-Kars railway, which is scheduled for completion this year. These major projects form the backbone of Azerbaijan's energy and transportation strategy, and are responsible for the lion's share of Azerbaijan's export revenues. For Georgia, the pipelines are major source of economic revenue due to the significant transportation fees they bring. They also help guarantee Azerbaijani, Turkish, and Western support for Georgian independence. Any threat of conflict inside or involving Georgia threatens to create security implications for Azerbaijan and Turkey. During Russia-Georgia war in 2008, Russian military jets dropped bombs near the BTC and Baku-Supsa pipelines³⁷. Though the pipelines were not hit, Azerbaijan was still forced to temporarily suspend oil delivery, as well as its maritime oil exports from Georgia's Black Sea ports of Poti, Batumi and Kulevi, which resulted in the loss of considerable projected incomes³⁸. Additionally, "re-borderisation" attempts by South Ossetia – moving forward the *de facto* borders inside Georgian territory - left the 1.6 km section of the Baku-Supsa oil pipeline under separatist control in 2015, generating significant concerns in Baku³⁹.

³⁷ S. Levine, "Targeting the Pipeline", *Steve LeVine*, 14 August 2008.

³⁸ C.K.J. Daly, "Turkey and the Problems with the BTC", *Eurasia Daily Monitor*, The Jamestown Foundation, 13 August 2008.

³⁹ Д. Гамцелидзе, "Почему Грузия разочаровывается в прозападном курсе", Carnegie Moscow Centre, 23 July 2015.

Strategic partnership frameworks in the South Caucasus

Despite strong divergence in foreign policy and alliance choices of the three South Caucasus states, strategic multilateral partnerships have also developed within the region and with the region's immediate neighbours such as Turkey, Russia and Iran. However, it is important not to underscore it once more that, due to its aggression towards Azerbaijan, and informally held territorial claims against neighbours such as Georgia and Turkey, Armenia has been excluded from such partnerships.

One of such partnerships is Azerbaijan's trilateral cooperation with Georgia and Turkey. After active development of for the last two decades this cooperation has reached to the level of strategic partnership that can be characterised as a trilateral alliance. The development and consolidation of the energy cooperation between Azerbaijan, Georgia, and Turkey (AGT) throughout the 1990s and 2000s marked the beginning of trilateral cooperation that has since developed into a strategic partnership in various fields among the three countries. When the first joint grand projects, the BTC oil pipeline, and the BTE gas pipeline were realised and redrew the contours of the geopolitical map of the South Caucasus, the talks started about the necessity for cooperation to provide security for them. Joint initiation and realisation of several regionally important projects strengthened perceptions that the three countries were closely aligned in terms of their foreign, economic and security policies⁴⁰.

This partnership gained new momentum after the 2008 Georgian-Russian War, which blatantly demonstrated the need for more comprehensive cooperation scheme to stabilize the region, including that in the field of security. The trilateral partnership started to be institutionalised since the beginning of

⁴⁰ J. Valiyev, "Azerbaijan-Georgia-Turkey Triangle: The Main Features of Cooperation", *Caucasus International*, Istanbul, vol. 5, no. 3, 2015, p. 27.

the 2010s, in the form of annual meetings of leaders and foreign ministers of the participant countries. Key current projects among these are the TANAP and the Trans Adriatic Pipeline (TAP) to export Shah Deniz II gas to European markets by the beginning of 2020s. Beyond the energy sector there is also the 846-kilometer (525 miles) long Baku-Tbilisi-Kars railway project that was inaugurated on 30 October 2017 and linked railway systems of across Eurasian continent, starting from China, passing Central Asia, South Caucasus and reaching Europe through Turkey. The railway is expected to transport 5 million tons of cargo per year initially, rising to 17 million tons over time⁴¹. As president İlham Aliyev highlighted in the opening ceremony of the railway, this shortest and reliable corridor between Asia and Europe is set to become the crucial part of the Eurasian transportation infrastructure and will increase the inflow investment to the countries located across its pathway⁴².

Most recently, the military dimension of this cooperation was launched with meetings of the defense ministers in Nakhchivan, Azerbaijan (2014), Tbilisi, Georgia (2015), Gabala, Azerbaijan (2016) and Batumi, Georgia (2017). High-level meetings among the top military/defense officials resulted in initiation of cooperation in military education and organisation of joint seminars, while the parties also discussed the partnership opportunities in the development of military technologies, cyber security and etc. The three defense ministers agreed on annual joint military drills to enhance the combat capability of their armed forces.

Trilateralism, a new phenomenon in Baku's foreign policy, has also emerged in the form of Azerbaijan-Turkey-Iran and Azerbaijan-Turkey-Turkmenistan relations. In general, Turkey – Azerbaijan's key ally plays a crucial role in all three mentioned trilateral cooperation efforts of Azerbaijan. Ties with Turkey

⁴¹ Bloomberg, *A New Asia-to-Europe Railway Route Is Opening Up*, 30 October 2017.

⁴² [Speech by İlham Aliyev at the opening ceremony of Baku-Tbilisi-Kars railway](#), President.az (in Azerbaijani: İlham Əliyevin Bakı-Tbilisi-Qars dəmir yolunun açılış mərasimində nitqi), 30 October 2017.

strengthen Azerbaijan's position in negotiations on regional energy and transit projects. In particular, together with Turkey's participation in the triangles, Azerbaijan has much more to offer Georgia, Iran, and Turkmenistan⁴³. While pressure is mounting on some of Azerbaijani neighbours to join to big supra-national economic and political integration projects, namely the EU and the EEU, Baku's accent on trilateral cooperation with its regional neighbours helps to avoid the systemic constraints and limits imposed by such supra-national platforms.

The most recently initiated trilateral regional cooperation that Baku attaches significant importance is Azerbaijan-Iran-Russia framework. The format was launched in 2016, first with the trilateral meeting of the Foreign Ministers in Baku in April which was followed by presidential summit in August of the same year at the initiative of Azerbaijan. The presidential summit was mostly devoted to regional economic integration projects, particularly the North-South International Transport Corridor, a proposed land-and sea-based trade route linking India to Europe via Iran, the South Caucasus, and Russia⁴⁴. The cooperation among the three does not only cover the economic and transportation issues, but the countries also discuss regional security issues such as Syria and resolution of the Armenia-Azerbaijan Nagorno-Karabakh conflict at their first meeting in Baku.

The most recent meeting of presidents Ilham Aliyev, Vladimir Putin and Hassan Rouhani took place on 1 November in Tehran, where the key issue of discussion, along with many other fields, was the realisation of North-South transportation corridor. Ilham Aliyev noted that Azerbaijan has already completed its portion of the railway construction, the bridge has been built over the Astarachay – the border between Azerbaijan

⁴³ R. Weitz, "Caspian Triangles: Azerbaijan's Trilateral Diplomacy - A New Approach for a New Era" in F. Mammadov and F. Chiragov (Eds.), *Trilateral Dimension Of Azerbaijan's Foreign Policy Baku*, Center for Strategic Studies, 2015, p. 7.

⁴⁴ A. Vatanka, "Baku's Choice: How Iran and Russia are wooing Azerbaijan", *Foreign Affairs*, 8 November 2016.

and Iran, and the first train crossed the Azerbaijani-Iranian border in March 2017⁴⁵. Considering the importance of the project, Azerbaijan allocated finances to Iran for building their portion of the corridor – the Astara-Rasht railway⁴⁶.

Conclusion

At first glance, the South Caucasus seems to be ideally located as a region of cooperation, with every chance of becoming a security community where internal conflict is unthinkable, to use Karl Deutsch's words⁴⁷. The region is small, comprised of nations that can benefit significantly from economic and security cooperation to strengthen their sovereignty, protect themselves from the negative influences of neighbouring powers, and build a firm regional stability conducive to sustainable development. However, the reality is the opposite – the South Caucasus is a conflict-riven region which has experienced a number of separatist conflicts and interstate wars; there are multiple intra-regional contradictions and enmities; and the regional countries' relations with their neighbours are problematic. Due to the intra-regional conflicts, the region is exposed to the influences of its larger neighbours, which play a significant role in shaping the regional security dynamics and the course of hostilities. Membership within or orientation towards the conflicting alliances strengthens intra-regional rifts, further decreasing the chances of peaceful conflict resolution in the South Caucasus.

Thus, the South Caucasus region can be best characterised as a region if viewed through the lens of security. The most important commonality for the South Caucasus countries is

⁴⁵ [Presidents of Azerbaijan, Iran and Russia made press statements](#), President.az (in Azerbaijani: *Azərbaycan, İran və Rusiya prezidentlərinin mətbuata bəyanatları*), 1 November 2017.

⁴⁶ *Ibid.*

⁴⁷ H. Ulusoy, *Revisiting Security Communities after the Cold War: The Constructivist Perspective*, Center for Strategic Studies of the Ministry of Foreign Affairs of Turkey, January 2012.

interconnected nature of their security. The source of key security threats is the same, namely the South Caucasus region and its immediate neighbourhood. This area forms a distinct regional (in)security complex – an area where the security of each regional state cannot realistically be considered separately. Most of the security threats are located within this security complex, and the responses to these challenges should also be formulated from inside this space.

Militarisation and confrontation tendencies persist across the region. Armenia continues to host a major Russian military base and Moscow is not expected to withdraw from this country anytime soon. Armenia seems unlikely to abandon its so-called “genocide” recognition campaign against Turkey, or to make tangible compromises in the Nagorno-Karabakh peace process. Thus, Armenia serves as a source of instability in the region, and its policy opens the way to foreign penetration to the region. This non-reconciliatory position also ensures the continuation of Yerevan’s conflict with Baku and confrontation with Ankara, as well as the continuation of Armenia regional isolation and the closure of its borders with Turkey and Azerbaijan. Re-opening these borders would boost Armenia’s failing economy and counter the rapid depopulation of the country.

Georgia remains committed to its NATO and EU aspirations, despite its failure to achieve formal membership. Georgia also faces challenges resulting from its foreign alignment choices. Russia will likely maintain its grip over Georgia’s separatist regions and put pressure on Georgia in regard to its Euro-Atlantic aspirations. Thus, while integration to Euro-Atlantic structures brings certain benefits in the form of institutional reform, democratisation, and economic development, it does not provide the much-needed security guarantees against the threat of Russian backlash. At the same time, Russia holds the key to Georgia’s most important challenge – the resolution of the separatist conflicts in Abkhazia and South Ossetia.

Among the three countries of the South Caucasus, Azerbaijan is most open to cooperation with regional countries and bigger

neighbours, contributing to the overall stabilisation of the region. Accordingly, Azerbaijan enjoys cooperation with all three of the neighbouring big powers, and partners with Georgia within the region. Due to Armenia's aggression against Azerbaijan, there are no political or economic relations between the two countries. Indeed, this conflict is currently the key obstacle to region-wide cooperation in the South Caucasus. Both Armenia and Georgia are keen to host foreign military bases that can provide national security guarantees at the risk of broader regional security. By contrast, Azerbaijan refuses to host any foreign military presence. Baku has repeatedly declared that its territory cannot be used against any regional or neighbouring country.

However, such a divergence in foreign policy identities and foreign/security policies does not preclude intra-regional partnerships and joint cooperation of the South Caucasus countries with their immediate neighbours. Only one regional country – Armenia has been left out of such multilateral cooperation frameworks due to its aggression and territorial claim towards neighbours. Over the course of the last decades, several trilateral partnership has been established in the region such as Azerbaijan-Georgia-Turkey, Azerbaijan-Turkey-Turkmenistan, Azerbaijan-Turkey-Iran, Azerbaijan-Russia-Iran, in all of which Baku played very crucial, if not the central role to bring its regional neighbours together.

5. The Light and Ancillary Regionalism in Central Europe

Serena Giusti

The end of the bipolar paradigm gave many countries that were previously entrenched in one of the two spheres of influence the opportunity to set their own political and economic course. This process of emancipation affected the reorganisation of spaces and regions across the world. In Central Europe, states found themselves without any usual points of reference and with the hard task of redefining themselves while undertaking painful political, economic, and social reforms concomitantly. Furthermore, inter-state tensions due to borders disputes and minorities settlement were surfacing, while Russia's revanchism was still considered feasible and dreadful. In this context, regionalism was seen as a remedy to tensions, centrifugal forces, and external "attacks". Regionalism became an existential necessity, a way of defending sovereignty and integrity and thus to survive.

Within regionalism studies, a new brand that had emerged in the mid-1980s, the so-called new regionalism, strengthened and diffused exactly in the early 1990s. By taking account of the dramatic changes derived from the end of the bipolar system and the growing globalisation of the economy, it tried to understand and interpret new forms of aggregations in a regional context¹. The post-bipolar regionalism moves from the assumption that regions are the best level to address most of the security

¹ F. Söderbaum, *Rethinking Regionalism*, Palgrave, 2016, p. 27.

concerns², providing order and stability³. It also highlighted that there are many regionalisms with a multidimensional and multi-layered nature and many regional agencies. Furthermore, emerging regionalisms were not the outcome of the “growth of societal integration within a region and the often-undirected process of social and economic interaction” but rather the result of a political project set in motion by other actors (states, international/regional organisations, etc.) with an interest (either in terms of power politics or security concerns) in the region⁴.

The importance of an external intervention for inducing regional cooperative dynamics, even in the form of an existing attracting and entrepreneurial regional organisation as the European Union (EU), shows that regions are not natural entities but rather “artificial” constructions in which political will, economic dynamics, and identities are blended in an ever-variable mix. Söderbaum explains that there are no “natural regions, but these are made, remade, and unmade – intentionally or non-intentionally – in the process of global transformation, by collective human action and identity formation”⁵.

It is under this light that this chapter will approach regionalism in Central Europe with the aim of highlighting its features and set-up. For Central European countries (CECs) regionalism was mainly intended as the possibility to join the European Community (EC), a powerful regional organisation, rather than as the opportunity to engage in the process of regionalisation, understood as an active process of change towards increased cooperation, integration, convergence, coherence, and identity⁶. Post-communist CECs were not willing to participate in a

² B. Buzan and O. Wæver, *Regions and Powers: The Structure of International Security*, Cambridge, Cambridge University Press, 2003.

³ See L. Fawcett and A. Hurrell, *Regionalism in World Politics*. Oxford, Oxford University Press, 1995; D.A. Lake and P.M. Morgan, *Regional Order: Building Security in a New World*, Pennsylvania State University Press, 1997.

⁴ A. Hurrell, “Explaining the Resurgence of Regionalism in World Politics”, *Review of International Studies*, vol. 21, no. 4, 1995, pp. 331-58.

⁵ F. Söderbaum (2016), p. 27.

⁶ On “regionalisation” see M. Schulz, F. Söderbaum and J. Ojendal (Eds.),

regional process of cooperation/integration among themselves, as they believed that only through membership in the EC they could achieve at once economic recovery, democratisation, and security. The reconnection to the Euro-Atlantic community (EU + NATO) epitomised the end of the previous regime and the beginning of a new political course.

Joining the EC/EU, viewed as a form of regional cooperation heading to a growing and widening integration among its Member States that had provided a lasting period of peace in Western Europe and many economic benefits to its members became, therefore, the CECs' top priority. That choice entailed the rejection of any process of autochthonous regionalisation. The CECs accepted to cooperate and to coordinate their policies and actions in order to smooth their accession to the EU and further their position within the organisation.

The rediscovery of Central Europe that, in the late 1980s, stirred a lively debate on its geographical, historical, and cultural contours⁷, did not give rise to any political project of regionalisation. On the contrary, the CECs emphasised their geographical and ontological "centrality" as a distinctive feature from other countries (e.g., Eastern Europe and the Balkans) in order to gain a rapid inclusion into the EU. The Visegrad Group, created in 1991 by Poland, Hungary, and Czechoslovakia, was exactly conceived as a format where the CECs could discuss EU's related issues and align positions in order to smooth their accession to the organisation.

The reluctance to the idea of Central Europe as a common ground for building regional institutions was primarily the reaction to the EU's attempts to transform the Visegrad Group in a "propaedeutic" form of regional cooperation/integration. The EU considered the CECs' ability to cooperate as a prerequisite for membership. In doing so, the EU sought to avoid importing conflicts. Existing or potential tensions should have

Regionalization in a Globalizing World, Chicago, University of Chicago Press, 2001.

⁷ G. Schöpflin and N. Wood, *In Search of Central Europe*, Barnes & Noble Books, 1989.

been resolved and settled before accession. In this perspective, regional cooperation was presented as an opportunity to learn together (as a regional group) about “Europeanisation”. The EU did not probably exclude turning regional cooperation into an interim solution had the enlargement been postponed or even failed. However, this eventuality was never explicitly prospected.

As the EU membership became a feasible option, the CECs have tended to downsize their belonging to Central Europe while rather emphasising national roots and individual merits. In this way, they hoped to gain a first position in the queue for joining the organisation. The dissolution of Czechoslovakia can be interpreted in this perspective: at the time, the Czech Republic performed very well both economically and politically and was ready to divorce from Slovakia (seen as a burden) in the hope of a rapid accession to the EU.

Having gained membership to the EU, the CECs started referring to a still vague idea of Central Europe to defend or endorse certain positions within the organisation as a group. Therefore, a common regional background helped reinforce a group dynamic and create a sort of regional lobby meant to work as a regional engine for neighbouring countries with modest chance to become members of the EU in the near future.

Poland, in particular, has tried to play a leading role within the group, showing that Visegrad cooperation has been differently “exploited” over time according to the external circumstances and national ambitions of its members. Despite a renovated interest in their potential as a group, the phenomenon of regionalisation in Central Europe remains ancillary to the process of European integration either when the first was meant as “propaedeutic” to the latter or when the CECs have used their regional convergence as a tool to count more in the EU or to play a critical role within it or to impose a certain vision.

It seems that only one condition could have enacted a process of regionalisation: the EU refusal of the CECs’ membership, in which case they could have decided to create a robust

and ambitious regional organisation to shield their new democracies and counteract or counterbalance external powers. The CECs could still consider furthering regional cooperation only in a post-EU scenario as a consequence either of a decision to abandon the EU or in case the EU implodes.

The chapter reconstructs the origin of regionalism in Central Europe, looking at the intertwining of identity and power factors and showing its innate limits. It also looks at the evolution of regional cooperation after the CECs' accession to the EU. Such a cooperation has been marked by ups and downs in line with members' commitment or detachment from it. Recently, the Visegrad Group has been active in promoting projects of transregional cooperation aimed at improving the stabilisation of close countries and functionally connecting them with both the group and the EU. Temporary alignments as that on the issue of refugees are accompanied by different positions on the nature and scope of the EU. This also affects the relations the CECs develop with the other EU Member States.

Central Europe's "Europeanness"

In 1989, the main aim of the CECs and other former communist countries was to reconnect to the Euro-Atlantic community as a way to put an end to the Soviet tutelage and set a new path of transformation and modernisation. Any political and social experimentation, including the invention of a third way beyond capitalism and socialism, dictatorship and democracy, was rejected. The 1989 changes were liberal and non-utopian, they were "rectifying revolutions" or "revolutions of recuperation"⁸. They were simply designed "to remedy, to recover, to restore, and not to discover new principles of state and

⁸ J. Habermas, "What does Socialism mean today? The Revolutions of Recuperation and the Need for new Thinking" in R. Blackburn (Ed.), *After the Fall: the Failure of Communism and the Future of Socialism*, London Verso, 1991, pp. 25-46.

society”.⁹ This position aligns with the idea supported by many central European intellectuals who, by reviving the so-called *Mittleuropa*, wanted to stress the “Europeanness” of Central Europe, as a Soviet legacy¹⁰.

Milan Kundera (1984) described *Mittleuropa* as a “piece of the Latin West which has fallen under Russian domination [...] which lies geographically in the centre, culturally in the West and politically in the East”. Likewise, Poles felt a “natural” part of the Western civilisation (Michnik 2003, p. 128). The emphasis on “Europeanness” was also instrumental to distance Central European countries from those placed in Eastern Europe (e.g., Bulgaria and Romania) which were seen as an obstacle to a rapid accession to the EU. In other words, the whole idea of Central Europe was used as a criterion for establishing different levels of “Europeanness” that would have justified a phasing out of the enlargement.

Since the beginning of these countries’ new course, it was clear that the revival of the idea of Central Europe could not constitute the backbone for the creation of a regional political experiment. On the contrary, it helped discrediting that kind of project. Regionalisation, the process of setting up new common institutions, is time-consuming and requires great political resources. The CECs had no experience of supra-national institutions building and the only form of power beyond the state they were familiar with was the Soviet Union. These are the main reasons why the CECs did not embark on the establishment of a new regional multilateral organisation. But above all, the CECs wished for an external anchor of modernisation and they could not avoid dealing with the existence and hegemonic status of the EU and NATO.

⁹ K. Kumar, “The Revolutions of 1989 in East-Central Europe and the Idea of Revolution”, *Political Studies*, vol. XL, 1992, pp. 439-461.

¹⁰ A.G.V. Hyde-Price, *The International Politics of East Central Europe*, Manchester, Manchester University Press, 1996, pp. 51-52; I.B. Neumann, *Uses of the Other*, Manchester, Manchester University Press, 1999, p. 111.

The CECs considered the EU's initial support for regional cooperation as a means to delay or rather avoid enlargement. That is the reason why the Czech Prime Minister, Vaclav Klaus, judged the failure of regional cooperation as a success for the region's future: "We managed to resist the recommendations of some of our western friends to create in Central and East Europe a special sub-regional institution because it would separate us from Europe instead of leading us to it"¹¹. When the CECs were recognised as EU candidates, they became more relaxed on regional cooperation. Nevertheless, in security terms, the CECs believed that only NATO could deliver a reliable protection, while regional cooperation could eventually be useful for conflict prevention. The CECs, with their obsolete armaments, would be unable to counteract an armed attack while lacking the resources to devolve to armaments¹².

The realisation of an integrated regional area was instead hindered by the negative experience of the CMEA (Council of Mutual Economic Assistance)¹³ and the Warsaw Pact. Under

¹¹ V. Klaus, "Evropy a My", *Lidové Noviny*, 13 May 1994.

¹² The CECs initially also referred to the CSCE as the preferred structural design for the future European security architecture. In February 1990, for example, Czechoslovak President Vaclav Havel called for all foreign troops to leave Eastern Europe and favored the replacement of NATO and the Warsaw Pact with a pan-European organisation. At that time, Poland also thought a new European security structure would replace both Cold War alliances – and agreed with Gorbachev's request that the Warsaw Pact should be preserved, since it was needed, in Poland's view, during the turbulent revolutionary transition years to guarantee its borders. See V. Mastny, "Germany's Unification, Its Eastern Neighbors, and European Security", in F. Bozo et al. (Eds.), *German Reunification: A Multinational History*, London, Routledge, 2016, pp. 202-226, pp. 210-213.

¹³ The CMEA was established in 1949 to coordinate the economic development of the Eastern European countries belonging to the Soviet bloc. The original members were the Soviet Union, Bulgaria, Czechoslovakia, Hungary, Poland, and Romania. Albania joined in February 1949 but ceased taking an active part at the end of 1961. The German Democratic Republic became a member in September 1950 and the Mongolian People's Republic in June 1962. In 1964, an agreement was concluded enabling Yugoslavia to participate on equal terms with CMEA members in the areas of trade, finance, currency, and industry. In 1972,

the Soviet Union, horizontal relations were poorly developed because of the centralised system of power and economy's management. Therefore, the CECs had neither direct experience nor appealing models to follow for developing regional integration. Furthermore, when the Soviet system collapsed, the CECs were absorbed by domestic changes and quite sceptical of the possibility of adopting similar reform patterns or to reach a common strategy for achieving the shared object of entering the EU.

The ancillary role of the Visegrad Group

As mentioned in the introduction, despite initial reticence, the CECs started an embryonic form of regional cooperation in 1991, when the President of the Czechoslovak Republic, Václav Havel, the President of the Republic of Poland, Lech Wałęsa, and the Prime Minister of the Republic of Hungary, József Antall, met in Visegrad (Hungary). This high-level meeting was reminiscent of a similar meeting, which took place in the same city in 1335 and was attended by John of Luxembourg, King of Bohemia, Charles I of Anjou (Charles Robert), King of Hungary, and Casimir III, King of Poland. Both meetings were meant to enhance mutual cooperation and friendship among the three Central European states. The Group was established again with the main aim of overcoming tensions among the participants and coordinating efforts for reaching their post-communist goals but without any intent of starting a process of regionalisation.

Counting on the power of conditionality, the EU pushed for the further formalisation of this group. Events such as the “velvet” break-up of Czechoslovakia (1993), Slovakia's problems with democracy, tensions between Bratislava and Budapest over the regulation of minorities, and the Gabčíkovo-Nagymaros

Cuba and in 1978 Vietnam joined the organisation. After 1989, the organisation largely lost its purpose and power and dissolved in 1991.

dam conflict, hindered from within the development of the regional project. The Czech Republic saw the other less-developed countries as a drag on its ambitions and favoured individual relations with Brussels. Czech Prime Minister Klaus, in particular, believed that the Czech Republic had better chances of joining the EC/EU without Slovakia and the other Visegrad countries. At that moment, the Czech Republic's economic performance was very promising. Only after the 1998 economic crisis, the Czech Republic reviewed its "go-it-alone" and minimalist approach. Hungary, instead, took a more pragmatic position using Visegrad as a framework for settling tensions with neighbouring countries. The Poles have been the most enthusiastic, with their policy of participating in and, possibly, leading different sub-regional initiatives. Slovakia, after Meciar's defeat, used the Visegrad framework to present to the West a new image of the country¹⁴.

The strongest argument against transforming regional cooperation into integration and make it an alternative to joining the EU, was economic. Geremek exemplified this position: "People aren't interested in alliances with poor neighbours. They want to be with the rich countries"¹⁵. First of all, the CECs wanted to quickly move closer to the so-called "modernisation poles". Secondly, the collapse of the CMEA further reduced the already poor interregional trade. Thirdly, the development of an infra-regional market was deterred since every country used to produce and export similar goods and depend on similar imports. The shift from a centralised market to a market economy required adequate know-how which could only be hastened by contacts with Western and international markets.

¹⁴ On the Visegrad countries competition as for joining the EU see G. Kolankiewicz, "Consensus and Competition in the Eastern Enlargement of the European Union", *International Affairs*, vol. 70, no. 3, July-August 1994, pp. 483-484.

¹⁵ Quoted in F. Lewis, "Bringing in the East", *Foreign Affairs*, vol. 69, no. 4, September-October 1990.

Visegrad cooperation resulted instead in a valuable scheme for the removal of protectionist measures by the establishment of the Central European Free Trade Agreement (CEFTA), signed in 1992. This, besides resting on bilateral agreements rather than on a multilateral arrangement, succeeded in liberalising almost 90% of trade and industrial goods. These arrangements contributed to the re-establishing of normal levels of trade that also had a positive impact on production, employment, and incomes. Trade development increased regional efficiency and industry specialisation on the basis of comparative advantages. Those economic actors who were ready to penetrate CECs markets rather than EU markets mostly benefited from CEFTA. In some cases, competition within CEFTA was even stronger than the EU market pressure. Competition of steel products from the Czech Republic and Slovakia, for instance, swept Hungarian products off the market. CEFTA accelerated the occurrence of the adjustment costs that the CECs would have to face anyway once in the EU.

Although the EU was a major trading partner, the total volume of trade among CEFTA members became significant too. The EU-CEFTA relations were characterised by a consistent trade deficit for the CECs proving that CEFTA was not a competitive trade bloc for the EU while Visegrad could not aspire to replace the role of the EU for the development of the region¹⁶. Regional trading blocs could not be considered as alternatives to multilateral trade liberalisation and to global free trade.

After the 1998 economic crisis, the Czech Republic became more cooperative and the defeat of Meciar in Slovakia contributed to the revitalisation of the Visegrad Group. The group used the CECs' ability to smooth competitive positions and overcome possible conflicts. The CECs backed Slovakia's accession

¹⁶ Trade became a structural problem after reaching peaks in 1993 and 1996. In 1993, imports from the EU grew by 75% while exports only grew by 53% compared to the previous year. In 1996, the deficit grew further when imports from EU countries increased by 20% and exports lagged behind at a growth of only 6% compared to 1995.

to both NATO and the EU¹⁷. Hungarian Prime Minister Viktor Orbán underlined that: “The most important objective of the V4 was to help each other to become part of the integration process”¹⁸. The Slovak Foreign Minister, Jan Figel, on the occasion of the Visegrad Group meeting in Bratislava (14 May 1999) emphasised that “Slovakia is returning where it naturally belongs [...] and this new beginning can help Bratislava in its quest to be included with the EU fast track candidates as well as promoting its candidacy to NATO and the OECD”.

Beside these economic achievements, the Visegrad Group has been generally reactive rather than proactive in relation to Brussels. In the table below, we have synthesized the V4 evolution on the basis of their reaction to the EU approach towards the group.

EU↓	Strong support for regional cooperation/integration	Group negotiations approach + ambiguity on the accession date	Emphasis on individual performance and policy differentiation	After accession: EU pressure for convergence
CECs↑	Scepticism for regional cooperation and opposition to regionalisation	Cooperative attitudes + coordination of the entry strategy, support to Slovakia initially excluded from starting negotiations	Tendency to competition and division between the V4	Tactical coordination to successfully reach the membership and then strategic coordination to increase collective leverage

¹⁷ Czech Republic, Hungary and Poland were admitted to NATO in 1999 while Slovakia only in 2004. In December 1997, the Luxembourg European Council agreed to open accession negotiations with the Czech Republic, Estonia, Hungary, Poland, Slovenia and Cyprus but not with Slovakia. Finally, the Helsinki European Council in December 1999 took the decision to open negotiations with Bulgaria, Latvia, Lithuania, Romania, Slovakia and Malta.

¹⁸ “V4 embraces new Slovakia”, *The Slovak Spectator*, vol. 5, no. 20, pp. 24-30, May 1999.

Especially in the early 1990s, the Visegrad Group was more a projection of the EU's expectations regarding the region rather than a group with a clear stance and strategy, as countries preferred an individual approach towards the EU. Even in the final round of negotiations with the EU, when a group strategy could have strengthened the countries leverage, each member fought for itself. Poland, for instance, adopting a free-rider position, succeeded in winning the most. Nevertheless, during their first meeting (13 January 2003), following the closing of the accession negotiations, the V4 agreed to continue group cooperation post-accession. The representatives also agreed to back the quick ratification of Slovak membership in NATO and to participate in each other's referendum campaign for EU membership. Moreover, under the new voting rules and powers under the Treaty of Nice, broad coalitions are necessary; therefore the V4 started to be considered as a political opportunity since the CECs represent 60 million people within the EU.

In response to French President Chirac's rebuke for having rallied behind the Anglo-American position on Iraq, Czech Prime Minister, Cyril Svoboda, already pointed out that "[...] after the enlargement the votes of the V4 will carry as much weight as those of France and Germany". He went on to state that cooperation among the V4 should continue to ensure that their voices are heard and to guarantee equality in the EU¹⁹.

In the early 1990s, besides the Visegrad cooperation, Austria, Czechoslovakia, Hungary, Italy, and the former Yugoslavia established another consultation platform, the Pentagonal, which Poland joined in 1991, with the aim of developing wide political, technical, economical, scientific, and cultural collaboration. Through this, Italy sought a way of exerting a certain influence in the region but the war in Yugoslavia undermined the whole

¹⁹ Austria, for instance, formally invited the Foreign Ministers of the Czech Republic, Hungary, Slovakia, Slovenia, and Poland to discuss (6 June 2001) a proposal for the creation of a Central European Strategic Partnership aimed at defending the joint interests of the region and of smaller states in the EU model of the Benelux.

plan. The cooperation was open to different members and it was transformed into the Central European Initiative (CEI) that has generally dealt with the development of cross-border infrastructures thanks also to the support of the European Bank for Reconstruction and Development (EBRD). The CECs also took part in other forms of regionalism as a way to play a role in the whole post-communist era, to reaffirm their aspiration to be a bridge between the West and the East and, to further increase their international leverage. Poland, for instance, has been very active in the Council of the Baltic Sea States (CBSS), especially while holding the presidency of the group (2015-2016)²⁰.

Regional cooperation, a versatile political resource

After the CECs joined NATO in 1999 (apart from Slovakia that joined in 2004) and the EU in 2004, the Visegrad Group became an important forum for keeping mutual contacts at all levels: from high-level political summits, to diplomat and expert meetings, to individual, think tanks, research centres, and regional non-governmental organisation (NGOs) activities. The group also started to deal with issues, such as climate and energy, that are strategic for the region. In recent years, the sharing of internal and external security challenges (especially “new ones” – suffice here to recall the common position achieved rejecting migrant quotas²¹) has probably turned out to be the main reason behind improved cooperation among partners, a case in point being energy needs and thus the necessity to achieve energy security. Moreover, cross-border energy infrastructure and transportation, together with considerable trade

²⁰ For more information about the Polish presidency, please go to www.baltic.mfa.gov.pl.

²¹ See for example Euractiv, “Visegrad Summit Rejects Migrant Quotas”, 7 September 2015.

relations, have further increased the need for cooperation²². If terrorism is not listed among the top challenges, organised crime, originated both by internal inefficiencies and new external phenomena and pressures, is a prominent challenge exhibiting common features in all states and requiring coordinated actions. Their status as “transit countries”, as well as main gates into the EU, urges these states to put forward fitting measures, as well as to shape regional approaches to face, among others, illegal flows, while properly managing regular migration. These and other “new” challenges affecting all Visegrad partners may be the most important trigger for the definition of common security objectives in the EU and NATO²³.

In 2009, the Visegrad members decided to meet before every European Council to reach a common position on a varied set of issues to be proposed to other Member States²⁴. An example of this commitment has been the two meetings held in 2013 to discuss a new European Security Strategy proposal to be submitted to the incoming European Council²⁵. By actively contributing to the EU’s security and strategic updating, the group was contributing to build regional and global security.

Within the group, Poland has shown clear ambitions of leadership, if only for its more relevant position in the economic and security spheres, something which in turn is expected to increase its negotiation power and its influence within the EU context. In recent years, and especially thanks to the running of

²² D. Kalan, “Towards a new North-South Axis: Poland’s Cooperation with Czech Republic and Slovakia”, *Bulletin*, vol. 79, no. 412, Polish Institute of International Affairs, Warsaw, 23 August 2012.

²³ I. Samson, J. Hamberger, G. Horváth, V. Tarasoviè, A. Molis, and M. Samus, “Assessment of Visegrad Cooperation from a Security Perspective: Is the Visegrad Group still Vital in the ‘Zeros’ of the 21st Century?”, in C. Törö (Ed.), *Visegrad Cooperation within NATO and CSDP*, V4 Papers, no. 2, Polish Institute of International Affairs, Warsaw, 2011.

²⁴ Council of Ministers, *Polish Foreign Policy Priorities 2012-2016*, Warsaw, March 2012, p. 18.

²⁵ National Security Bureau, “V4 Members Work on the Proposal of the New European Security Strategy?”, Meeting in Jurata., 2013.

the Visegrad Presidency from July 2012 to June 2013, Poland has used this forum for strengthening the “North-South” dimension of its foreign policy²⁶ – that is, a “vertical” axis of cooperation compared to a horizontal one, which sees Poland engaging with France and Germany.

The “North-South” dimension acquired a particular relevance during the Arab Springs. Poland immediately mobilised to share lessons from its transition with the Arab countries, especially Tunisia and Egypt. Generally, the new EU members from Central Europe, which have successfully accomplished transition, display important comparative advantages in democracy promotion with regard to the Middle East and North Africa because they were not colonial powers in the region (in comparison to other EU Member States, e.g., France and Italy). After the Tunisian and Egyptian revolutions, these countries promptly funded experience-sharing conferences, seminars, study visits, and training sessions covering a range of issues, from economic and security sector reform to election monitoring and transitional justice²⁷.

Poland is also increasingly investing in the so-called “Weimar Triangle”, with the aim of enhancing the reach of its intra-European action. Established in Weimar in 1991 as an informal meeting, the format was mainly conceived to ignite cooperation, overcome past divisions within Europe, and help the transition of Poland towards a fully-fledged democracy among the European community of states. The partnership with Germany and France, especially sustained by the Civic Platform party, has been conceived to spur coordination with key “political and economic” partners, and to set the country close to the “engine” of the European integration process. This has contributed to

²⁶ D. Kalan (2012).

²⁷ This important aspect, among others, regarding the CEEC democracy assistance in the Arab countries has been underlined in the paper by K. Mikulova and B. Berti, “Converts to Missionaries: Central and Eastern European Democracy Assistance in the Arab World”, Paper, Carnegie Endowment for Democracy, 30 July 2013.

make Poland a stronger country among the new EU members.

The relevance attached to this forum has waxed and waned, following different political positions towards Germany. The difficult past characterising these countries has inevitably impacted on their relations; and yet, both seem to have progressively recognised the importance of overcoming past suspicions and mistrust. In fact, it was Germany who mostly supported Poland's membership in the EU. Moreover, from an economic standpoint, it is important to recall that Germany is Poland's main trade partner, although to a lesser extent than two decades ago. Even in the security field, cooperation seems to have improved in recent years, including the use of interoperable and integrated armaments, joint training, and naval missions in the Baltic Sea.

The forum offers the opportunity to discuss common positions and advance core European and Polish interests such as the promotion of the common defence policy and the Eastern Partnership (EaP)²⁸. Recently, the idea has been re-proposed by Poland to create EU Battlegroups²⁹ that would ensure a rapid reaction in crisis situations (a Weimar Triangle Battlegroup³⁰ and a Visegrad one³¹ have, for a long time, been the subject of discussions among partners). A constant dialogue between three great powers would prove increasingly relevant also for influencing the pace and reach of the EaP. The V4 has progressively extended its relations to the EaP partners and the Balkan countries too. The V4 countries have decided to use their collective leverage, as successful new members of the EU, to help the Western Balkans to become a true region in political, economic, and security terms. They have pledged the EU to accelerate ongoing accession talks with Montenegro and Serbia and

²⁸ Council of Ministers (2012), p. 16.

²⁹ *Ibid.*, p. 15.

³⁰ T. Bunde, D.P. Jankowki and M. Michelot, "Reassurance First: Goals for an Ambitious Weimar Triangle", Center for European Policy Analysis, 10 June 2014.

³¹ Atlantic Council, [Visegrad Countries may turn EU Battlegroup into Permanent V4 Rapid Reaction Force](#), 3 July 2014.

to open membership negotiations with the other countries in western Balkans as well.

The refugee crisis has led to a revitalisation of the V4 as the threat of an increasing number of migrants from the South-East has required a coordinated response. The Hungarian Prime Minister Orbán has opposed the EU's refugee relocation policy and promoted the building of a border fence. He has also called for opening up migration reception centres in Africa and for adopting a tough line on NGOs, especially foreign ones. In February 2016, the states of the Visegrad Group made a joint declaration concerning a common security policy. While supporting the measures adopted by the EU with the aim of a more effective protection of the external borders, including reinforced cooperation with third countries, they reiterated their negative stance on automatic permanent relocation mechanisms. They also discussed possible next steps and practical actions to stabilize the situation on the Western Balkans migration route: increasing communication among the concerned countries, strengthening security, and preventing regional tensions³².

The Visegrad Group and, in particular, the Polish President Andrzej Duda, have drawn attention to the area between the three seas – the Adriatic, the Baltic, and the Black Sea³³. This region accounts for 28% of EU territory, 22% of its population but only for 10% of its GDP. In the occasion of the Three Seas Initiative (Dubrovnik, 28 August 2016), it has been proposed to improve the infrastructure of the whole region, and in particular energetic cooperation, mainly to promote the plurality of energy sources and reduce energy dependence. During the

³² See <http://www.visegradgroup.eu/calendar/2016/joint-statement-on>

³³ The Three Seas Initiative has been a priority of the Polish foreign policy especially since the Law and Justice Party came to power. Between the two World Wars, Poland sought to establish a great “Międzymorze”, a federation of the countries of Central and Eastern Europe that should have opposed the supremacy of the Soviet Union and Germany. The project was inspired to the history of the Republic of the Two Nations, the union of the Kingdom of Poland and the Grand Duchy of Lithuania that extended to its peak (around 1600) from the Baltic to the Black Sea.

2017 Three Seas Initiative that took place in Poland (6 July 2017) at the presence of the US President, Donald Trump, the Polish President stressed that: “The region has to catch up with the West in terms of transport infrastructure, that is, roads and railways, but also telecommunications and energy”. Duda emphasised also the importance of encouraging central and local governments to cooperate first and foremost on business and proposed to create a business forum of the Three Seas countries³⁴.

Recently, Visegrad countries have taken different stances regarding the EU, which could bring some tension in the group. The Czech Republic and Slovakia reinforced relations with France and Germany and are committed to the strengthening of the EU project (e.g., the Czech Republic is set to require an observer status at meetings of Eurozone finance Ministers). On the other side, Poland and Hungary, have clashed with the European Commission and Western European governments for breaching the rule of law in disregard of the EU’s basic values. The European Commission has taken legal action against both governments for violating specific EU laws and is threatening to go further on Poland. The European Parliament supports this course of action and is preparing further action against Hungary.

Conclusion

In the aftermath of the 1989 existential changes in Central Europe, the possibility of creating new organisations on a regional basis from scratch was not only excluded for “ideological” and economic reasons, but also because it would have required a great amount of energy and resources that the CECs preferred to devote to domestic reforms and accession into the EU. In contrast with “new regionalism” that assumed that a

³⁴ <http://www.prezydent.pl/en/news/art,493,president-duda-many-infrastructure-projects-possible-in-cee-.html>

security consensus could generate regional or sub-regional forms of cooperation, the CECs accession to NATO made a regional agenda based on new forms of security cooperation inconsistent. The only security they trusted was that guaranteed by the US within NATO context, the pillar of the Cold War defence system. For the CECs, regionalism meant being part of the EU, as the outcome of a long and fruitful regional integration process that could fulfil their post-communist goals as the consolidation of democracy, accession to the common market and to the EU's financial resources. Through membership into the EU, CECs also re-appropriated of their European identity, leaving aside their Soviet past.

As mentioned in the introduction, regionalism in Central Europe was not a spontaneous phenomenon being rather induced by the EU as a propaedeutic platform where the CECs could learn to cooperate and gradually familiarize with EU legislation and practices. While waiting to join NATO and the EU, "induced" regionalism was hoped to help the stabilisation of the countries, building a sort of security community. However, the CECs have tended to see this propaedeutic form of cooperation as an impediment towards Brussels, especially because they were competing for gaining a place in the EU. One of the positive outcomes of the Visegrad Group cooperation was, at that time, the CEFTA, which actually prepared the participants to cope with the effects of the free trade and thus of the EU's common market.

Only as the EU membership got closer, they considered regional cooperation as an opportunity for strengthening their position in the organisation and exerting a collective leverage within the EU. In other words, CEC's committed to regional cooperation as much as they believed this could help them to achieve their national interests that happened to be quite similar as they were all coming from the experience of the Soviet tutelage and they all wanted to join the EU and being treated on an equal footing with the other members of the organisation.

The existence of the Visegrad Group, the most formalised regional cooperation in Central Europe, seems to depend on the willingness of some of its members to take the lead of the group while the sharing of a presumed common identity has never proved to be a strong and enduring cementing factor. Poland, in particular, has been a very active member, as it aims at exploiting the group to pursue its national interests. The group has, time after time, converged on some relevant policies as energy, transports, and migration. Nevertheless, its credibility is at risk after Hungary's and Poland's democracies show signs of deterioration and regression.

Despite these backdrops, the group has committed to support the accession of the Balkan States to the EU and to call for consistent policies towards their Eastern neighbours, notably Belarus, Ukraine, and Moldova. At the same time, these countries were ready to share their transition experience with the countries of the southern shore of the Mediterranean. Furthermore, the Visegrad group has engaged in establishing a network of countries along the North-South dimension for supporting specific projects. The group is working as an engine of selective cooperation across a broad region at the doorstep of the EU. These cross-regional activities can contribute to stabilize the EU's closest neighbours and reinforce the policies Brussels is already implanting. In this function, we believe, lies one of the greatest chances for the group in the near future: creating connections, reducing distances, and overcoming divisions starting from "functional" forms of cooperation. The success of these initiatives depends, however, on the Visegrad countries' capacity to avoid tensions and rivalries among themselves while not entering in conflict with the EU. After more than two decades of Central European regional cooperation, this is still waving depending on individual states efforts and it is still ancillary to the EU, either when CECs support it or criticize it.

6. Identity, Security, and Development Policies. The Drivers behind Cooperation in Central Asia

Carlo Frappi

Central Asia – i.e. the area encompassing the five former Soviet “*Stans*” of Kazakhstan, Turkmenistan, Uzbekistan, Kyrgyzstan, and Tajikistan – has been dubbed “the region that isn’t”¹, an area whose post-Soviet development has been shaped by the persistent inconsistency or failure of regional cooperation schemes. As a matter of fact, the Central Asian Republics (CARs) have not managed to put forward efficient durable and inclusive formats for institutional cooperation, either in the security or economic realms and, in comparison with other regional environments, the area is one of the less integrated in both strategic and economic terms. Therefore, while Central Asia can be viewed as a region in purely geographic or cultural terms, apparently it does not behave as such in institutional ones.

The lack of inclusive formats for regional integration is all the more blatant in consideration of the evident proliferation of regional mechanisms for cooperation, which, consistently with a wider trend unfolding in the whole post-Soviet space, did not bring any concrete result in terms of integration, justifying the theory of a merely “ephemeral regionalism”². The weakness – if

¹ B. Kausikan, F. Starr and Y. Cheng, “Central Asia: All Together Now”, *The American Interest*, 16 June 2017.

² In proposing this label, Wirminghaus highlights that between 1991 and 2010 a total of 36 initiatives of cooperation came into being in the former Soviet Union area, 28 just in the first decade after USSR dissolution. N. Wirminghaus, “Ephemeral regionalism: The proliferation of (failed) regional integration initiatives in post-soviet Eurasia”, in T. Börzel et al. (Eds.), *Roads to Regionalism*:

not the absence – of a Central Asian regionalist path appears blatant also because the area seems to possess all the basic material and immaterial features that, according to the mainstream literature on regionalism, are conducive to the establishment of regional frameworks for cooperation and integration, in geographical as well as in cultural and economic terms. At the time of independence from the Soviet Union, and largely as a consequence of its institutional peculiarities, the CARs were indeed bound together by the legacy of the previous economic system, based upon functional specialization and interdependence between its Republics³. Moreover, their productive apparatuses were interconnected not only in terms of economic specializations, but also in terms of infrastructural networks, which, notwithstanding their eminently Russo-centric nature, were critically important for a region shaped by a land-locked condition and by its peripheral location with respect to the main Eurasian trade channels⁴.

Genesis, Design, and Effects of Regional Organizations, London - New York, Routledge, 2012, p. 25.

³ In 1991, intra-USSR economic exchange between the Central Asian Socialist Republics and the other SSRs (excepting Russia, given its international exports of energy and raw materials) accounted for a quota of the total turnover between 87% and 99.5%. I. Burakovsky, “Economic Integration and Security in the Post-Soviet Space”, in R. Legvold and C. Wallander (Eds.), *Swords and Sustenance. The Economics of Security in Belarus and Ukraine*, Cambridge and London, MIT Press, 2004, p. 164.

⁴ Although only Tajikistan, Kyrgyzstan and Uzbekistan are strictly land-locked – with the latter being one of only two countries in the world (the other being Luxembourg) that are “doubly land-locked” – nevertheless the Caspian littoral states also share the main features of land-lockness. As far as Kazakhstan and Turkmenistan are concerned, access through the basin to the Volga River does not exclude them from the aforesaid category. Indeed, as Glassner noted, the category includes those states “which have access to the sea via internationalized navigable rivers [...]. Such states [...] consider themselves land-locked and are here considered land-locked because they do not exercise ‘sovereign’ control over their aqueous highways to the sea”. I. Glassner, *Access to the Sea for Developing Land-Locked States*, The Hague, Martinus Nijhoff, 1970, p. 2.

Besides economic and physical incentives to cooperation, the CARs were also bound together in security terms, given the prevailing transnational character of the threats to regional stability. First and foremost, the arbitrary Soviet drawing of Socialist Republics' borders inherited by the CARs left them the perilous legacy of latent ethno-territorial tensions resulting from the widespread presence of minorities ethnically akin to neighboring states' "titular" nationality (see tab. no.1), as well as from sovereignty disputes over contested territories⁵. Secondly, the environmental hazards resulting from the Soviet over-exploitation of the Aral Sea for agricultural purposes further bound Central Asian states together, the more so as a consequence of their reliance on shared water resources.

TABLE I - CARs' ETHNIC COMPOSITION IN 1989: TITULAR NATIONALITIES AND MINORITIES AKIN TO NEIGHBORING SSRs

	Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan
Kazakhs	39.6%	0.8%	0.2%	2.4%	4.0%
Kyrgyz	--	52.3%	1.2%	--	0.8%
Tajiks	--	0.7%	62.2%	--	4.7%
Turkmen	0.1%	--	0.3%	72.0%	0.6%
Uzbeks	2.0%	12.9%	23.5%	8.9%	71.3%
Russians	37.8%	21.5%	7.6%	9.4%	8.3%
Population	16,46,000	4,258,000	5,093,000	3,523,000	19,810,000

Source: T. Atabaki and S. Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and Diaspora*, London, Routledge, 2005, p. 5.

While the above-mentioned factors naturally resulted in the wide range of scholars' attention to and debate about regional integration trends and dynamics, interest in Central Asia grew

⁵ For an overview of the consequence of Soviet border-drawing legacy, see: International Crisis Group, *Central Asia: Border disputes and conflict potential*, ICG Asia Report No. 33, Osh and Brussels, International Crisis Group, 2002.

also as a consequence of the significant role the area came to play in the post-bipolar environment, as a consequence of its peculiar geopolitical features. The latter, indeed, not only influenced local actors' opportunity-risk perceptions and their attitudes towards inter-state cooperation, but also shaped a seeming competition for regional influence among major powers that generated abundant literature regarding the so-called "New Great Game".

The main geopolitical feature of the area is its precise geographical location in the heart of the Eurasian landmass, which made Central Asia, at different times, a conduit for exchanges of ideas and commerce among the world's main civilizations and empires or, alternatively, a friction point among them – i.e. a "land bridge role" best epitomized by the Silk Route *epos*, or a ground for confrontation as was the case at the time of the XIX century Russian-British "Great Game". Ever since the dissolution of the USSR, the geostrategic value of an area occupying a pivotal position between the main Eurasian security chessboards resurfaced from the ashes of strict Soviet rule, re-igniting a competition for influence involving not only neighboring powers, but also global actors, first and foremost the United States and to a lesser extent the European Union.

The second, equally important Central Asian geopolitical factor is the availability of a significant raw materials base, first and foremost in terms of hydrocarbon reserves. While unevenly distributed across the region, all in all sub-regional proven reserves of oil and gas account respectively for 1.9% and 17.8% of the world's proven reserves⁶. Given the magnitude of these regional

⁶ The regional oil reserves are concentrated mainly in Kazakhstan (30 thousand million barrels) and to a lesser extent in Uzbekistan and Turkmenistan (0,6 thousand millions each). With reserves inferior on a world-scale only to Russian, Iranian and Qatari ones (17,5 Trillion cubic metres), Turkmenistan is regional power-house in terms of gas reserves, while Uzbekistan and Kazakhstan possess only limited yet significant reserves (1,1 and 1 respectively). Meanwhile, Tajikistan and Kyrgyzstan are not endowed with hydrocarbon resources. Bp, *BP Statistical Review of World Energy*, June 2017, www.bp.com/statisticalreview

hydrocarbons' reserves, it is hard to overestimate the role the energy sector came to play not only for the CARs' domestic and foreign policy, but also for extra-regional energy-consuming powers' projection toward the area, aimed at expanding and diversifying their supply sources and channels.

Making use of an eclectic analytical perspective integrating constructivist and neo-realist frameworks for analysis, the article aims at appraising how the nexus between identity, security and economic development policies impinged upon the unfolding of regional cooperation schemes, highlighting the reasons why in Central Asia national and regional interests hardly align, leaving room for competition and confrontation among the CARs instead of fostering cooperation and interdependence trends. Moreover, while the appraisal of the various cooperation schemes involving the CARs falls outside the scope of the present article, the latter aims at summarising the regional frameworks' main features, starting from the rationale behind their initiation or their membership. In order to do so, after introducing the peculiar nexus between the post-Soviet nation- and state-building processes and their repercussions on attitudes towards cooperation, the article will focus on regional organisations' recurring and intertwined features, here grouped for convenience under three main headings: the priority of security over economic development; the balancing logic influencing regional leaderships' choices; the prevalence progressively gained by externally-driven frameworks for cooperation.

For the purposes of this article, notwithstanding all the afore-mentioned limitations in strictly behavioral terms, Central Asia is seen and referred to as a "region", in the sense of a compact geographical area that shares important geopolitical, historical, cultural, social and economic bonds – i.e. those factors which generally lead the greater part of scholars as well as the main Euro-Atlantic institutions to identify the CARs as a natural grouping of states.

Identity politics and inter-state relations in Central Asia

The USSR's dissolution initiated in newly independent Central Asian states a complex and multiform transition phase, occurring at the institutional level as well as at political, economic and, no less significantly, identity levels. That is, the need to construct on the ashes of the Soviet social pact a new bond for national belonging and for civic participation overlapped – and, to a great extent, mixed – with the parallel urgency to ensure substance to the abruptly achieved full sovereignty. Therefore, the processes of *state* and *nation* building not only chronologically overlapped, but also obviously nourished each other, in a context made more complex by the profound social, institutional and economic crises left behind by the dissolution of the Soviet state system. While the state-building process was made more complex by the rapidity of the process leading to USSR dissolution, by the local leaderships' lack of previous experience and by the absence of those intellectual and nationalist forces that had guided countries towards independence in other areas of the Union⁷, the nation-building process was strongly influenced by the USSR legacy, influencing both the foreign policy-making process and the resulting attitudes towards a regional integration process.

The spreading of a sense of national belonging throughout Central Asia is a relatively recent phenomenon, initiated during the modernisation process occurring under Russian imperial rule and culminating under the Soviet's⁸. It was primarily the

⁷ See M. Brill Olcott, "Central Asia's Catapult to Independence", *Foreign Affairs*, vol. 71, no. 3, 1992, pp. 108-130; M. Beisinger, *Nationalist Mobilization and the Collapse of the Soviet State*, Cambridge, Cambridge University Press, 2002.

⁸ As for the main features of Soviet nationality engineering see: F. Hirsch, *Empire of Nations: Ethnographic Knowledge and the Making of the Soviet Union*, Ithaca, Cornell University Press, 2005; T. Martin, *The Affirmative Action Empire: Nation and Nationalism in the Soviet Union*, Ithaca, Cornell University Press, 2001. See also: A. Haugen, *The Establishment of National Republics in Soviet Central Asia*, New York,

latter's peculiar concept of nation that most influenced the way in which post-Soviet leaderships came to understand, portray and pursue the national project. That is, if Hobsbawm's theory that "nations do not make states and nationalisms but the other way round"⁹ holds true, nowhere like in Central Asia does this process appear so evident¹⁰ and, at the same time, nothing proved more influential in fostering ethnic self-consciousness and in setting the parameters for the development of a sense of national affiliation among Central Asian leaderships than the Soviet nationality-based federal system. Accordingly, the nation-building process was shaped by what has been described¹¹ as a three-fold process: the *essentialisation* and *primordialisation* of the nation, i.e. the identification of its essential traits and their representation as linear, continuous and singular; the *historicization* of the nation, pursued through the rediscovery of an ethnic past and through a selective history generating national myths and symbols; the *totalization* of the nation, aimed at the "collectivization" of individuals, which turns relative differences into absolute ones. On this backdrop, Central Asian supranational, civilizational or regional identities proved to be much weaker than the national (and even sub-national) one¹², with

Palgrave Macmillan, 2003.

⁹ E. Hobsbawm, *Nations and Nationalism since 1780. Programme, myth, reality*, 2nd ed., New York, Cambridge University Press, 1992, p.10. In the same vein, E. Gellner, *Nations and Nationalism*, Ithaca, Cornell University Press, 1983; B. Anderson, *Imagined Communities, Reflections on the Origin and Spread of Nationalism*, 3rd ed., London and New York, Verso, 1996.

¹⁰ W. Van Schendel and E. Zürcher (eds.), *Identity Politics in Central Asia and the Muslim World. Nationalism, Ethnicity and Labour in the Twentieth Century*, London and New York, Tauris, 2001.

¹¹ G. Smith, "Post-colonialism and Borderland Identities", in G. Smith et al. (Eds.), *Nation-Building in the Post-Soviet Borderlands. The Politics of National Identities*, Cambridge, Cambridge University Press, 1998, pp.15-16.

¹² R.G. Suny, "Provisional Stabilities. The Politics of Identities in Post-Soviet Eurasia", *International Security*, vol. 24, no. 3, 1999-2000, p. 165. As for the influence of sub-national – i.e. local and clan – identities on the post-Soviet

the latter being shaped by the primordial Soviet concept, which contributed to the spreading of an ethno-territorial conception of nationalism hampering inter-state cooperation.

The ethno-territorial concept of the nation more often than not resulted in competing nationalisms, which, by juxtaposing opposing historical narratives, ended up by driving the CARs apart rather than bringing them closer under a common regional identity. Two key elements help clarify how identity, far from being an impetus for regional aggregation, worked on the contrary as a strategic polarisation factor. First and foremost, national identity became a source of legitimation for the possession of a given territory, i.e. for the relationship between a nation and a territory deemed as ancestral. In a region like Central Asia, where the process of boundary-making had been highly arbitrary, the exclusionary concept of the nation naturally resulted in opposing historical narratives and, thus, in tensions between neighboring countries. This is particularly the case with Uzbek and Tajik – and, to a lesser extent, Kyrgyz – ethno-territorial nationalisms, with the latter being the mirror image of the former in building the nation's historicisation process upon the same founding myths¹³. Secondly, the primordialisation and the historicisation of the nation became a source of legitimation not only for the incumbent post-Soviet leaderships, but also for the “historical missions” they had and were interpreters of. Thus, the affirmation of national identity became a privileged tool for regional power competition, as appears particularly manifest in the case of Uzbekistan's hegemonic ambitions (see below).

The indirectly proportional relationship between the development of an ethno-territorially based nationalism and a positive attitude toward inter-state cooperation seems to be validated, in

transition see Collins, *Clan Politics and Regime Transition in Central Asia*, Cambridge and New York, Cambridge University Press, 2006.

¹³ S. Abashin, “Nation-construction in post-Soviet Central Asia”, in M. Bassin and C. Kelly (Eds.), *Soviet and post-Soviet identities*, Cambridge and New York, Cambridge University Press, 2012, pp. 163-164.

an opposite perspective, also by the Kazakh case. Chiefly by virtue of the peculiar ethnic composition of Kazakhstan – where in 1991 Kazakhs were only a minority of the whole population (see Table 1) – the newly independent republic developed a civic-based understanding of the nation. Therefore, in a *de facto* bi-national Russian-Kazakh state, the “Kazakhisation” of the country has coexisted with the promotion of a “multinational state in which all the “Kazakhstanis” would have equal civic rights and opportunities”¹⁴. The Kazakhstan leadership’s legitimation strategies were therefore chiefly *output-based* rather than *input-based*¹⁵, i.e. less dependent on founding myths than on performance, intended in terms of domestic economic development as well as in terms of foreign policy behaviour and international recognition. The latter, supported by an export-led development strategy¹⁶, naturally resulted in a more positive attitude not only towards participation in international *fora*, but also towards regional cooperation and integration, with a view to enhancing and exploiting its comparatively greater economic strength to advance a leadership role in Central Asia. Astana’s preference for a cooperation – and, potentially, integration – path revolving around economic and trade arrangements resulted in the formation of the rare frameworks involving exclusively Central Asian actors. Such was the case, in particular, for the Central Asian Economic Cooperation (CAEC) established in 1994 by Kazakhstan, Kyrgyzstan and Uzbekistan (joined by Tajikistan in 1998) and re-launched as the Central Asian Cooperation Organization (CACO) in 2002. Such initiatives, however, fell victim to intra-regional power competition with

¹⁴ R.G. Suny (1999-2000), p. 174. See also: A. Del Sordi, “Legitimation and the Party of Power in Kazakhstan”, in M. Brusis, J. Ahrens and M. Schulze Wessel (Eds.), *Politics and legitimacy in post-Soviet Eurasia*, Houndmills and Basingstoke, Palgrave Macmillan, 2016, pp. 72-96.

¹⁵ C. von Soest and J. Grauvogel, “Comparing Legitimation Strategies in Post-Soviet Countries”, in M. Brusis et al. (2016), pp. 18-46.

¹⁶ G. Gleason, *Markets and Politics in Central Asia. Structural reform and political change*, London - New York, Taylor & Francis, 2003, pp. 52-53.

Uzbekistan (see below), progressively shifting Kazakh preferences for cooperation from a purely regional perspective to a supra-regional one that included Russia. In doing so, Astana *de facto* ceased to perceive itself as a constituent part of a Central Asian region, instead considering “Russia to be an integral part of any region or sub-region to which it belongs”¹⁷. Consistently with this trend, CACO – the only remaining purely Central Asian organisation – merged with the Russian-led Eurasian Economic Community (EurAsEC) and ceased to exist in 2005.

In a broader view, supranational, civilisational or regional identities in no case proved to be viable drivers for enhancing inter-state cooperation among Central Asian states as well as between the latter and extra-regional kin states. This trend apparently emerged in relation to the two key common identity features of the CARs¹⁸, which in the aftermath of the USSR’s dissolution many scholars and practitioners predicted – or, rather, feared – would have superseded the discredited Soviet social pact. The reference here goes, on the one hand, to the ethno-linguistic Turkic matrix shared by most of the CARs – with the only exception of Tajikistan – and, on the other, to religious affiliation with Islam. Indeed, since Russian imperial times to date Islam has been the main shared source of identification for Central Asian peoples and, after gaining independence, the CARs almost naturally sought to reaffirm their belonging to the *Ummah*¹⁹. However, while this attitude drove them to join the main international institutions of the Islamic community – namely, the Organization of Islamic Cooperation, which they all joined between 1992 and 1996 – it did not count as an

¹⁷ A. Bohr, “Regionalism in Central Asia: New Geopolitics, Old Regional Order”, *International Affairs*, vol. 80, no. 3, 2004, p. 493.

¹⁸ K. Gharabaghi, “New Regionalisms in Central Asia in the 1990s”, in L. Swatuk and T. Shaw (Eds.), *The South at the End of the Twentieth Century*, London, Palgrave Macmillan, 1994, p. 142.

¹⁹ M. Laruelle and S. Peyrouse, *Regional Organisations in Central Asia: Patterns of Interaction, Dilemmas of Efficiency*, Working paper no.10, Institute for Public Policy and Administration, 2012, p. 16.

incentive to develop intra-regional or supra-regional alignment based upon shared religious faith. This has chiefly to do with the peculiar nature of Central Asian Islam, which bears an inclusive cultural and even spatial identity rather than a strictly religious one²⁰. At the same time, this once again calls into question the relationship between state- and nation-building processes since post-Soviet leaderships almost unanimously perceived the risk associated with Islamism – in terms of both foreign influence and the rise of a non-state source of political loyalty²¹ – and, consequentially, downgraded the contribution given by religion to national identity and adopted rigid mechanisms to subordinate Islam and its clergy to the state apparatus.

Cultural kinship did not account for a steady cooperation incentive even in the case of the shared ethno-linguistic Turkic bonds. While the Turkic CARs joined the Turkey-sponsored framework for dialogue and cultural promotion²², they did not subscribe to Ankara's attempt to found upon ethno-linguistic kinship a political-diplomatic platform or alignment with a more or less latent pan-Turkic spirit. In doing so, they demonstrated that, as the nexus between identity and foreign policy came to the fore, the latter had a natural priority over the former. In the specific case, the refusal to subscribe to a highly politicized initiative first and foremost exposed the CARs' reluctance to curtail room for diplomatic maneuver – i.e. channeling

²⁰ R.G. Suny (1999-2000), p. 166.

²¹ P. Kubicek, "Regionalism, nationalism and Realpolitik in Central Asia", *Europe-Asia Studies*, vol. 49, no. 4, 1997, p. 647.

²² Cooperation among Turkic CARs and Turkey developed within the framework of the "Heads of State Summit of Turkish Speaking Countries", launched in 1992 and supported by the establishment of the Joint Administration of Turkic Arts and Culture (TÜRKSÖY, 1993). In 2008, Kazakhstan and Kyrgyzstan, along with Turkey and Azerbaijan, signed an agreement establishing the Parliamentary Assembly of Turkic-speaking Countries (TÜRKPAA). Finally, in 2010 the Cooperation Council of Turkic Speaking Countries was established as the umbrella organization for the cooperation mechanisms developed among the four above-mentioned countries.

foreign relations through Ankara – as well as to antagonize two of their most influential neighbors, Russia and Iran, which viewed Turkey’s regional initiatives with suspicion²³.

The analysis of the nexus between the nation-building and the foreign policy-making processes occurring in the CARs in the aftermath of 1991 shows two crucial and interconnected trends. First and foremost, the regional unifying factors in religious or cultural terms neither presided over nor facilitated inter-state cooperation, at either the regional or supranational level. Quite on the contrary, the ethno-territorial matrix of post-Soviet nation-building supported regional hegemonic projects and feeded inter-state tensions, running counter to integration and fostering centrifugal forces. Second – as will be seen in the next paragraph – the confusion, widespread among the CARs’ leaderships, between the recognition and the promotion of a regional identity, on the one hand, and the pursuit of a regionalist agenda with supranational features potentially limiting countries’ sovereignty on the other, led local actors to deny the very existence of any shared Central Asian identity and to perceive nation-building and region-building as largely contradictory pursuits²⁴.

The “security-first” approach to cooperation

Security needs have been paramount for the CARs. Securing their newly acquired independence from the multi-faceted domestic and external threats endangering state structures superseded the other urgencies inscribed in the post-Soviet transition period, including the economic. In turn, the “security-first” approach to the state-building process has had manifest repercussions on the leaderships’ preferences towards inter-state relations and cooperation.

²³ For a wider account, P. Robins, *Suits and Uniforms: Turkish Foreign Policy since the Cold War*, London, Hurst, 2003, pp.270-293.

²⁴ M. Laruelle and S. Peyrouse, (2012); P. Kubicek (1997).

First and foremost, the security-first approach resulted in the CARs' reluctance to renounce sovereign prerogatives to supra-national authorities in order to multilaterally tackle the regional and trans-national issues which would have required a deeper degree of coordination. Therefore the CARs' preferences naturally went to loose forms of cooperation, which did not endanger national sovereignty and which were consistent with one of the main motivations behind the CARs' participation in cooperation mechanisms, at both the regional and supra-regional levels. The reference here is to the *legitimation* and *recognition* strategies pursued through membership in multilateral organisations, which can be seen as the main drivers behind the creation and the (seemingly paradoxical) conservation of the various regional and supra-regional frameworks lacking concrete substance or implementation strategies – thereby supporting the idea of mere “ink-on-paper” or “virtual” integration unfolding in the region²⁵. These kinds of cooperation frameworks – similar to the ones recently labeled “Rhetorical Integration” mechanisms²⁶ – served chiefly as proxies for international recognition and were thus useful to “sovereignty-boost” strategies and needs²⁷, particularly felt by nascent or weak states, as the CARs used to be especially during the 1990s. As such, they pursue mainly *expressive* goals, whose “utility is derived from action itself, regardless of whether it leads to any specific outcome”²⁸.

²⁵ See respectively: A. Libman, “Regionalisation and regionalism in the post-Soviet space: Current status and implications for institutional development”, *Europe-Asia Studies*, vol. 59 no. 3, 2007, pp. 401-430; R. Allison, “Virtual regionalism, regional structures and regime security in Central Asia”, *Central Asian Survey*, vol. 27, no. 2, 2008, pp. 185-202.

²⁶ E. Vinokurov and A. Libman, *Re-Evaluating Regional Organizations. Behind the Smokescreen of Official Mandates*, Basingstoke - New York, Palgrave Macmillan, 2017, pp. 21-23.

²⁷ F. Söderbaum, “Modes of Regional Governance in Africa: Neoliberalism, Sovereignty-boosting and Shadow Networks”, *Global Governance*, Vol. 10, No. 4, 2004, pp 419-436.

²⁸ E. Vinokurov and A. Libman (2017), p.16.

From this logic stems the CARs participation in most of the regional arrangements, especially the ones joined in the first decade following independence – including the above-mentioned ones based upon supranational Islamic or Turkic identities.

The post-Soviet legitimization strategies unfolding in the Central Asian states had another yet significant repercussion on the CARs' attitudes toward and expectations from regional cooperation. Despite the obvious differences among the Central Asian states, a common feature of the regional state-building processes was a concept of national interest which, building upon traditional social structures and the contingent difficulties of the post-Soviet transition, naturally prioritised political stability and social order²⁹. This output-based legitimization strategy typically mixed with an opposite yet connected input-based one, resulting from the circumstance that the CARs' post-Soviet leaderships generally portrayed and legitimised themselves as the embodiment of the nation and the national will³⁰. This combination, in turn, had direct and deep repercussions on the concept and boundaries of the national security paradigm. In a regional environment where the state and the nation almost totally coincide, the personalism-based legitimization strategies made national leaderships the natural linchpin between them. Therefore, the security of the state came to overlap with the security of regimes portraying themselves as the guarantors of stability and social order. Apart from the consequences on the domestic level, on the external plane the widespread tendency to participate in Rhetorical Integration frameworks resulted not merely from sovereignty-boost aims, but also from more specific "regime-boost" objectives.³¹

²⁹ D. Lewis, "Central Asia: Contested Peace", in O. Richmond et al. (eds.), *The Palgrave Handbook of Disciplinary and Regional Approaches to Peace*, Basingstoke and New York, Palgrave Macmillan, 2016, pp.387-397.

³⁰ C. von Soest and J. Grauvogel (2016), pp.33-34.

³¹ E. Vinokurov and A. Libman (2017), p.22; See also: K. Collins, "Economic and Security Regionalism among Patrimonial Authoritarian Regimes: The Case of Central Asia", *Europe-Asia Studies*, vol.61, no.2 (2009), pp.249-281; R. Allison (2008).

The security-first approach is also crucial to understanding the drivers behind the evolution of sub-regional cooperation in economic terms. The typical economic trade-off between “guns or butter”, between security needs and a commitment to people’s well-being was solved by the CARs leaderships’ prioritising the former over the latter, thereby avoiding the risk associated with the reduction in national autonomy inscribed by definition in economic integration paths. At the same time, some authors have argued that it was not only the security of the states that hindered the economic cooperation path, but also the understanding of security as regime security, which negatively affected local leaderships’ attitudes toward economic liberalisation which, in turn, is a logical premise for economic regionalism³².

Apart from the lack of market-oriented reforms, the Central Asian states’ prioritisation of security over development emerged from two main trends. The first, particularly visible in Uzbekistan and Turkmenistan, results from the tendency to build economic development upon the myth of “self-sufficiency”, which led to a lukewarm propensity toward cooperation and, instead, to the extensive use of protectionist measures and limitations to the free movement of goods and persons³³. Secondly, intra-regional competition and mistrust between the CARs hindered cooperation, even where it appeared to be pursuable in a *win-win* perspective. As a matter of fact, while regional economic integration was certainly obstructed by objective factors resulting from peculiarities in the national productive apparatuses,³⁴ it was definitely hindered by subjective ones, having to do with the CARs’ risk-opportunity perceptions resulting from the security-first mindset. As a confirmation of the security-first approach, inter-state cooperation

³² K. Collins (2009).

³³ G. Gleason (2003).

³⁴ R. Pomfret, “Regional integration in Central Asia”, *Economic Change and Restructuring*, vol.42, no.1, 2009, pp.47-68.

was not pursued even in those important sectors where the CARs displayed a significant level of complementarity, namely in the exploitation of regional natural resources. Indeed the CARs benefiting from the availability of hydrocarbons – and in particular Uzbekistan – are also the poorest in terms of water resources, while the countries benefiting from hydropower resources – i.e. Tajikistan and Kyrgyzstan – possess no indigenous oil and gas reserves. However, the logic of a mutually benefiting exchange between energy and water never worked, hampered by the use of resources – especially on the Uzbek side – as a tool for confrontation and coercion rather than cooperation. Moreover, as far as Turkmenistan is concerned, the rationale behind the search for self-sufficiency in economic terms seemingly operated also in strategic ones. That is, the resolve to preserve the country's territorial integrity and to guarantee its security led to a policy of “positive neutrality” which *de facto* resulted in a self-imposed isolation from cooperation at both economic and strategic levels, hampering in turn the development of inclusive regional frameworks.

On this backdrop, it is not surprising that the only economic integration paths involving some of the CARs which accomplished any result – i.e. the successive Russian-led initiatives heading towards Eurasian Union – were non-inclusive trans-regional projects, focusing on a limited number of highly complementary economies.³⁵ Consistently with the above-mentioned vision of regional cooperation, Kazakhstan, which inherited a national economy deeply ingrained with the Russian, has traditionally been a staunch supporter of and participant in the

³⁵ The reference is, in particular, to the 2003 Single Economic Space (SES) and to the Customs Union (CU), involving Kazakhstan but excluding Tajikistan and Kyrgyzstan, “non-preferential trade partners” – as they were labelled by Bohr (2004, p.493) – which instead had been founding members of the Eurasian Economic Community (EurAsEC), in whose framework both the SES and the CU were proposed. Kyrgyzstan, however, entered the CU in January 2015, with a view to joining the Eurasian Economic Union, the latest step in the Eurasian integration project.

Eurasian integration project, whose current stage – namely the Eurasian Economic Union – also involves Kyrgyzstan.

The multi-layered power competition in and over Central Asia

An apparent paradox seen in the evolution of Central Asian cooperation is that, notwithstanding the paramount importance the CARs give to security considerations, and in spite of the characteristic trans-national nature of regional threats, the security-first approach did not result in the creation of sound multilateral mechanisms for cooperation. This was the consequence of a complex mixture of objective limitations and subjective factors, having to do with regional actors' perceptions and attitudes. That is, the CARs' leaderships lacked both the capabilities and the common will to set up effective multilateral frameworks for security cooperation.

Lack of capabilities points first and foremost to the CARs' inability to control the regional security dynamics unfolding with the dissolution of the Soviet Union and shaped, over time, also by the competitive engagement of external powers.³⁶ The trans-regional nature of Central Asian dynamics and the relative weakness of its member states concurred in conceptualization of the area, from a security perspective, as a "weak sub-complex" within the post-Soviet *Regional Security Complex*, centred on Russian hegemony.³⁷ The lack of the CARs' common will and vision has, instead, mainly to do with the intra-regional competition for hegemony or dominance. From this perspective, the dynamics of regional cooperation closely resemble the neo-realist dynamics of alliances, both being shaped by the pursuit of

³⁶ R. Allison, "Regionalism, regional structures and security management in Central Asia", *International Affairs*, vol.80, no.3, 2004, pp.463–483.

³⁷ B. Buzan and O. Wæver, *Regions and Powers: The Structure of International Security*, Cambridge, Cambridge University Press, 2003, pp. 423, 428–429.

power and security.³⁸ In the peculiar Central Asian sub-complex, these dynamics are naturally multi-layered, with power relations impinging upon a triple yet interconnected level of competition – i.e. regional, supra-regional and global. That is, power competition at the regional level coexists with and is part of power competition at the supra-regional, involving major neighboring powers like Russia and China.³⁹ The latter level, in turn, takes shape within a wider, multi-regional competition for power with the global hegemon – the US – shaping multi-leveled yet overlapping interactions.

Intra-regional competition for influence emerged primarily from the Astana-Tashkent dualism, which, with rare exceptions, is considered by scholars to have been a key impediment to integration projects in Central Asia.⁴⁰ Uzbekistan considers itself, and is widely considered by the literature, to be the region's "natural hegemon", in terms of both material power resources and historical legitimating factors.⁴¹ Consequently, it has traditionally pursued a regional cooperation agenda simultaneously pursuing an hegemonic regionalism centered "around

³⁸ R. Allison (2004).

³⁹ For the sake of brevity, we do not mention other, non-regional actors – namely Japan, Turkey, India and Iran – whose projections towards Central Asia result in the widening of the CARs alignment options.

⁴⁰ M. Laruelle and S. Peyrouse, (2012); A. Bohr (2004). For an opposite point of view, F. Tolipov et al., *Five States and/or One Region? National-Regional Dualism in Central Asia*, Friedrich Ebert Foundation, Almaty, 2016, pp.22-24.

⁴¹ Uzbekistan's power resources result from a mix of geographic, ethno-demographic and cultural factors. Geographically, it lies at the core of the region, sharing a border with all the CARs while lacking a common border with Russia. At the same time, it is the most populous and one of the ethnically most homogeneous Central Asian country, while Uzbek minorities are present in each of the CARs (see tab.1). Finally, the historicization of the nation made the county heir of Central Asian key historical cultural centers, like Samarkand and Bukhara. See, e.g., S. Cornell, "Uzbekistan: A regional player in Eurasiangeopolitics?", *European Security*, vol.9, no.2, 2000, pp.115-140.

the Tashkent metropolis⁴² and balancing strategies *vis-à-vis* Russian hegemony in the regional sub-complex. Conversely, and as already seen, Kazakhstan traditionally advanced its dominant regional role – which in purely economic terms grew steadily as a result of the exploitation of its energy potential – by virtue of its strategic entente with Russia, stemming from the deep links between the two countries and as a counterweight to Uzbek regional policies. Therefore, although both countries nominally pursue “multi-vectoral” foreign policy strategies,⁴³ the understanding of the formula is quite different in Kazakhstan and Uzbekistan and, due to the peculiarities of regional cooperation, in any case these were conducive to integration patterns in Central Asia.

While the already-mentioned self-imposed Turkmen isolationism has cut off Ashgabat from regional interactions, power competition and power asymmetry within the Central Asian region also contributes to explaining the attitudes toward cooperation of the weakest CARs in terms of power resources, namely Tajikistan and Kyrgyzstan. That is, their participation in regional frameworks for cooperation resulted primarily from an attempt to constrain the influence of more powerful countries and, in particular, to counterbalance the perceived threat coming from Uzbekistan. Thus, Dushanbe and Bishkek’s participation in regional organizations has been consistent with strategies of allying with Russia, hegemon within the wider post-Soviet Regional Security Complex, or with Kazakhstan, by virtue of the perceived formation of a Moscow-Astana axis.⁴⁴ On this backdrop, power competition ended up by also hindering cooperation in the economic sector, already weakened by the above-mentioned protectionist attitudes. Besides

⁴² A. Bohr, *Uzbekistan: Politics and Foreign Policy*, London, Royal Institute for International Affairs, 1998, p.50.

⁴³ See: N. Contessi (2015) “Foreign and Security Policy Diversification in Eurasia: Issue Splitting, Co-alignment, and Relational Power”, *Problems of Post-Communism*, vol.62, no.5, 2015, pp.299-311.

⁴⁴ See, e.g., A. Bohr (2004), p.492.

TAB. 2 - SELECTED COOPERATION SCHEMES INVOLVING CENTRAL ASIAN COUNTRIES

Year	Organization	Areas covered	Members (CARs + Others)
1991	Commonwealth of Independent States (CIS)	Multi-purpose	Kazakhstan, Kyrgyzstan, Turkmenistan (associated since 2005), Tajikistan, Uzbekistan + Armenia, Azerbaijan, Belarus, Moldova, Russia, Ukraine.
1997	Central Asian Regional Economic Cooperation (CAREC)	Economy	Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan + Afghanistan, Azerbaijan, China, Mongolia, Pakistan.
2000-2014	Eurasian Economic Community (EurAsEC)	Economy	Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan (2006–2008) + Russia, Belarus.
2001	Shanghai Cooperation Organization (SCO)	Multi-purpose	Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan + China, India (2017), Pakistan (2017), Russia.
2002	Collective Security Treaty Organization (CSTO)	Security	Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan (2006–2012) + Armenia, Belarus, Russia.
2002-2005	Central Asian Cooperation Organization (CACO) – fmr Central Asian Economic Cooperation	Economy	Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan.
2006	Eurasian Development Bank (EDB)	Finance	Russia, Kazakhstan, Kyrgyzstan (2011), Tajikistan (2009) + Armenia (2009), Belarus (2010).
2009	Turkic Council	Culture	Kazakhstan, Kyrgyzstan + Azerbaijan, Turkey.
2011	CIS Free Trade Area	Economy	Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan + Armenia, Belarus, Russia, Moldova, Ukraine.
2015	Eurasian Economic Union (EEU) – fmr. Customs Union and Common Economic Space	Economy	Kazakhstan, Kyrgyzstan (2015) + Russia, Belarus, Armenia (2015).

the failed Kazakhstani attempt to involve Uzbekistan in regional agreements, power competition also prevented upstream and downstream water-resource countries – i.e. Tajikistan and Kyrgyzstan, on the one side, Uzbekistan, on the other – to develop consistent frameworks for cooperation fostering functional interdependence.⁴⁵

In the absence of shared risk-opportunity perceptions and goals, the CARs manifested a certain degree of convergence only on practical and identifiable security benefits.⁴⁶ This was the case, for example of the negotiation on border demarcation between Russia, Kazakhstan, Kyrgyzstan and Tajikistan which led to the establishment of the Shanghai Group in 1996, as well as of the Central Asian Nuclear Weapon Free Zone (CANWFZ), signed in 2006 by the heads of state of the CARs, thereby committed to not producing, acquiring, testing, stocking or possessing nuclear arms.⁴⁷ In both cases, however, the involvement of external actors, namely China and Russia – i.e. respectively as part of the agreement or as mere facilitator of the negotiations – played a crucial role in defusing traditional reciprocal suspicions between the CARs.

The chiefly “instrumental” nature of Central Asian regionalism – i.e. its being respondent to power competition rather than to integration aims – also presided over the phenomenon of “revolving-door” membership in regional organizations, shaped first and foremost by Uzbekistan. Tashkent, the “regional chameleon”,⁴⁸ in fact pursued a seemingly unintelli-

⁴⁵ The only exception to this rule is the International Fund for Saving the Aral Sea (IFAS), established in 1993 on international community's pressure and on Kazakhstan's initiative. IFAS, which brings together all the CARs, has long remained dormant and is still highly ineffective, having acquired a trans-national dimension based upon shared rules of operation only with its “3rd Aral Sea Basin Programme” (2011-2015). At the time of writing, negotiations are still underway for the approval of the 4th Programme.

⁴⁶ R. Allison (2004), p.482.

⁴⁷ M. Laruelle and S. Peyrouse, (2012), p.8.

⁴⁸ A. Bohr (2004), p.499.

gible “pendulum politics” between different and sometimes opposing arrangements, guided by balancing needs that were changing along with regional circumstances – i.e. along with the shifting power balance between the CARs as well as with the degree of competitive engagement in the region by external powers. As a consequence, while the resolve to balance Russia led Uzbekistan to withdraw from the CST and to simultaneously join the “Western-minded” and US-supported GUAM in 1999, in the aftermath of the Andijan events and in the face of consequently growing Western criticism, Tashkent made another U-turn, leaving the latter in 2005 and re-joining the former in 2006, only to withdraw once again in 2012, mainly as a reaction to perceived Russian interference in its sovereign prerogatives.⁴⁹

The different balancing needs – coupled with the already mentioned tendency to support purely declarative mechanisms for cooperation – led to the typically variable geometry characterizing the numerous regional and supra-regional frameworks for cooperation (See tab. no.2), a set of “spaghetti-bowl”⁵⁰ arrangements which more often than not tended to replicate analogous functions and prerogatives, though largely unfulfilled.

The externally driven nature of Central Asian cooperation

Resulting primarily from the different and often incompatible priorities of the CARs, the primacy of supra-regional frameworks for cooperation in Central Asia emerges first and foremost from their longevity and relative effectiveness. While not presiding over regional integration, nevertheless organizations like the CIS, the CSTO, or the SCO showed an elevated degree

⁴⁹ See M. Laruelle, *Factoring the Regional Impact of Uzbekistan's Withdrawal from the CSTO*, The German Marshall Fund of the United States, On Wider Europe, no.24, 2012.

⁵⁰ R. Pomfret (2009), p.51.

of resilience and accomplished significant results, although more often than not different from their respective statutory goals – e.g. in terms of sovereignty- or regime-boost effects or in those of *socialization*.⁵¹

Recognizing the primacy of externally driven frameworks for cooperation does not imply portraying the CARs as mere “pawns” of a power competition unfolding among major powers. Contrary to the stereotypical image of the CARs as passive actors within “New Great Game”, they managed to impose “local rules” on international players.⁵² That is, the geopolitical competition centered on Central Asia left the CARs with significant room for maneuver between external powers, enabling them to pursue, according to respective priorities, *balancing* strategies toward different actors at different times, as well as to employ *pick-and-choose* strategies and *aligning-for-profit* policies – in terms of attracting foreign aid or investments as well as in terms of *rent-seeking* activities.⁵³ On this backdrop, the CARs’ “international agency” clearly benefited from systemic shifts impinging upon regional dynamics. This was particularly the case in the aftermath of 9/11 and the launch of the Enduring Freedom Operation by the US’ Bush Administration, which widened Central Asian states’ ability to extract benefits from

⁵¹ As for the need to evaluate the efficacy of organization taking into account participants’ *expectations* rather than declared outputs see: E. Vinokurov and A. Libman (2017); J. Linn and O. Pidufala, *Lessons for Central Asia. Experience with Regional Economic Cooperation*, ADB, Manila, 2009.

⁵² For a recent scholarly contribution dispelling the assumption of CARs as mere passive pawns in the context of regional competition among great powers, see A. Cooley, *Great Games, Local Rules: The New Great Power Contest in Central Asia*, New York, Oxford University Press, 2012. In the same vein, S. Cummings (2013).

⁵³ See, A. Bohr (2004); E. Kavalski, “Partnership or rivalry between the EU, India and China in Central Asia”, *European Law Journal*, vol.13, no.6, 2007, pp.839-856; S. Schiek, “The Afghanistan Conflict As a Power Resource for Central Asia?”, in Institute for Peace Research and Security Policy at the University of Hamburg (ed.), *OSCE Yearbook 2014*, Baden-Baden, Nomos, 2015, pp.301-313.

great powers' interest in and projection toward the area.⁵⁴ However, as far as regional cooperation is concerned, the resultant broadening of alignment options run counter to the development of regional arrangements not only by decreasing the CARs' interest in multilateral initiatives, but also by increasing intra-regional competition for distributive gains.⁵⁵ Moreover, in a region shaped by deep power competition, the US' power projection – pursued eminently on a bilateral base – ended up in widening the power asymmetry between the CARs to the benefit of its main strategic interlocutors, chiefly Uzbekistan.⁵⁶

The main reason for the relative success of the externally driven cooperation frameworks, and particularly of the Russian- and Chinese-led, has been their declarative, non-invasive nature. It primarily resulted from the legitimation and “defensive” goals characterizing Moscow's and Beijing's initiatives, aimed at legitimately enhancing their regional power status and at projecting respective foreign policy culture abroad, so that “their narrative of regionalism in fact sometimes corresponds more to a hidden bilateralism and a strategy for an anti-American multipolarity”.⁵⁷

Yet during the 90s the Russian-led initiatives showed the typical shortcomings of a so-called “holding-together” regionalism – i.e. a cooperation path taking shape among states that previously belonged to a common polity.⁵⁸ Apart from the already-mentioned lower propensity to renounce state autonomy

⁵⁴ A good example of this trend is provided by Alexander Cooley's account of the competition between the U.S. and Russia ignited by Kyrgyzstani authorities over the lease of the Manas airbase. See A. Cooley (2012), pp.116-133.

⁵⁵ A. Bohr (2004), p.492.

⁵⁶ As highlighted by Bohr (2004, p.492), Uzbekistan may indeed be considered the “primary beneficiary” of US regional policy. Besides the high benefits extracted in merely economic terms, in strategic ones Tashkent signed with the US a Declaration on Strategic Partnership which committed the latter – though vaguely – to ensure the national security and territorial integrity of the former.

⁵⁷ M. Laruelle and S. Peyrouse, (2012), p.6.

⁵⁸ E. Vinokurov and A. Libman (2017), p.44.

typical of newly independent countries, this had chiefly to do with the politicized nature of the initiatives, which entail a highly symbolic value. Consistently, the membership in or withdrawal from cooperation frameworks like the CIS or the CSTO had more to do with the CARs' bilateral relations with Russia than with the institutional aims of the organizations, the more so as a consequence of their declarative nature.

On this backdrop – and in the wider context of shifting regional dynamics – China's increasing participation in and promotion of cooperation mechanisms in Central Asia made it possible to overcome two key shortcomings of the Russian-led proposals put forward during the 90s. First, by reducing the unidirectional power asymmetry and the politicization inscribed in the latter, the involvement of Beijing allowed the CARs to counterbalance Russian dominance, facilitating the participation of actors traditionally suspicious of Moscow's goals. This seems to be, for instance, the case with Uzbekistan's participation in the SCO. Secondly, China's initiatives – and particularly the institutionalization of the Shanghai cooperation in 2001 – helped identify previously missing common threats. This was the case with the so-called “three evils” threatening the region, namely terrorism, extremism and separatism – a combination of menaces particularly felt across Central Asia after the 1999-2000 campaign of the Islamic Movement of Uzbekistan (IMU)⁵⁹ and traditionally also felt in Russia and China, whose projections towards the region had anti-terror needs among its main drivers.⁶⁰

The peculiar understanding of security in Central Asia – conceived as both state security and regime security – had clear repercussions on the risk-opportunity perceptions of the local

⁵⁹ M. Brill Olcott, *Radical Islamist Mobilization in Central Asia*, Carnegie Moscow Center, November 14, 2000.

⁶⁰ The reference here is to the need to curtail the threat arising from Uyghur separatism, based in the northwestern Xinjiang region and benefiting from strong transnational connections with the CARs, with whom the Uyghur share religious affiliation and the ethno-linguistic Turkic background.

leaderships and, consequentially, on the meaning and breadth of balancing strategies themselves. In the CARs' leaderships view, balancing and alignment strategies are indeed aimed at contrasting not merely external threats to state survival, but also internal threats to regime stability, thus making applicable the concept of *omnibalancing* developed for Third World countries.⁶¹ This consideration is quite important in appraising the parameters of the CARs' security concepts as they have been developing since the beginning of the century, informing attitudes towards security cooperation and, significantly, forging a still in-a-nutshell regional security identity shared by both Russia and China. The peculiar CARs' concept of security and the resulting omnibalancing needs stood as one of the main limits to Western-led sub-regional initiatives for cooperation and as an incentive to enhance cooperation with the neighboring powers. Above all, it was the *regime change* impetus associated with the Bush Doctrine, on the one hand, and the normative essence inscribed in the EU's regional projection, on the other, which openly collided with the CARs' leaderships preferences and perspectives on cooperation. That is, both US and EU regional strategies entailed a degree of – more or less manifest – interference in the CARs' domestic affairs which openly collided with their leaderships' preferences and attitudes towards cooperation, centered upon the pillar of non-interference in sovereign states' domestic affairs. Therefore, widening the concept of a “protective integration” working against Western efforts to impose external values,⁶² it can be argued, as Ziegler did,⁶³ that the CARs' preferences for alignment do not

⁶¹ See C. Ziegler, “Russia, Central Asia, and the Caucasus after the Georgia Conflict”, in R. Kanet (ed.), *Russian Foreign Policy in the 21st Century*, Basingstoke and New York, Palgrave Macmillan, 2010, p.162.

⁶² R. Allison (2008).

⁶³ C. Ziegler, “Sovereignty, Security and Intervention in Central Asia”, in M. Sussex and R. Kanet (eds.), *Russia, Eurasia and the New Geopolitics of Energy. Confrontation and Consolidation*, Basingstoke and New York, Palgrave Macmillan, 2015, pp.91-111.

primarily result from analogies in authoritarian rule, but rather from the shared interpretation of and full respect for state sovereignty, consistent with their post-colonial nature. It is from this perspective that the enhancement of the CARs' security cooperation with Russia and China within CSTO and SCO should be seen in the aftermath of both the "colored revolutions" and the wave of "Arab Springs". Moscow and Beijing's advancement of a "regional ownership" principle founded upon the non-intervention of outside powers in the region, as well as their adherence to the principles of near-absolute sovereignty, non-intervention, and non-interference in states' internal affairs – testified to by the position taken *vis-à-vis* the Andijan unrest in 2004 and the 2010 interethnic Uzbek-Kyrgyz clashes occurring in South Kyrgyzstan – perfectly fit with the CARs' perceptions and attitudes.

The centrality of the above-mentioned principles in shaping the CARs' attitude toward cooperation and toward externally driven initiatives helps to shed light on the latest dynamics shaping the multi-layered search for security and cooperation in Central Asia. While over the last decade the shift in Chinese regional policy from a defensive and reactive stance to a proactive one has widened Beijing's interaction with and economic grip over the CARs, at the same time Russia's aggressive stance in its so-called near abroad backfired on its regional initiatives. Indeed, the four-year-long and still unsolved Ukrainian crisis, besides exerting a negative impact on Moscow's drive towards integration within the Eurasian Economic Union,⁶⁴ impinged upon the CARs' attitudes towards cooperation with Russia, fostering more resolute balancing strategies even by those countries – like, for instance, Kazakhstan⁶⁵ – which were traditionally more inclined to cooperate bilaterally and multilaterally with their northern neighbor.

⁶⁴ See R. Dragneva and K. Wolczuk, *The Eurasian Economic Union Deals, Rules and the Exercise of Power*, Research Paper, London, Chatham House, 2017, pp.11-12.

⁶⁵ See, e.g., D. Tynan, *What does Kazakhstan's new military doctrine reveal about its relations with Russia?*, Eurasianet, December 7, 2017.

In an opposite direction, China's increasing projection toward Central Asia did not come at the expense of Beijing's firm adherence to the key pillars of its "peaceful rise" doctrine, which greatly suited national preferences and perspectives for cooperation in terms of balancing strategies as well as in terms of the economic benefits and development ensured by Beijing's regional investments, directed mainly toward the energy and infrastructure sectors. Driven by economic as well as security interests and pursued mainly by boosting financial, commercial and trade relations, China's projection toward Central Asia has yielded impressive results in the course of the last decade. This trend appears evident in terms of growth in bilateral trade and investment inflows – which received a decisive boost as a result of the CARs' involvement in the development of the overland component of the Belt and Road Initiative and as a consequence of Beijing's strategy of energy procurement from the region. The results accomplished in the energy sector are particularly meaningful, in that they show China's ability to step into a highly politicized realm and, by virtue of flexible, non-invasive and incentive-led policy,⁶⁶ achieve notable outcomes in a relatively limited timeframe – namely the construction of the Kazakhstan-China and Central Asia-China oil and gas pipelines. These infrastructures, besides breaking Russia's quasi-monopoly over the purchase of Central Asian gas, decisively contributed to shifting the region's economic gravitational pole eastward.

Conclusion: The main trends of cooperation in Central Asia

The overlapping of and confusion between the multi-faceted state- and nation-building processes unfolding since 1991 in

⁶⁶ C. Frappi and M. Montanini, *How does China's thirst for oil and gas impact on EU's energy policies? The Africa and Central Asia test cases*, United Nations University, GR:EEN Policy Brief, no.21, 2014.

Central Asia is the single element which most influenced the way in which the CARs came to perceive the risks and opportunities arising from the post-Soviet transition, as well as their attitudes and preferences regarding bilateral and multilateral cooperation. On this backdrop, neither supranational identity commonalities nor the urgent need to re-launch and partially reinvent post-Soviet national economic apparatus were conducive to regional integration and cooperation paths. Instead, identity and economic policies became either the logical premise or a privileged tool for affirmation of the primacy of security in domestic and foreign policy realms.

In a highly competitive environment, shaped by a peculiar multi-layered struggle for power and hegemony, the security-first approach to inter-state relations and the peculiar CAR understanding of the concept of security shaped the way in which cooperation came to be perceived and pursued. That is, balancing and alliance purposes were crucial in shaping the CARs' attitude towards regional cooperation in general and towards participation in single arrangements in particular. At the same time, legitimation and international recognition aims were and are still determinant in shaping the attitudes themselves, as well as socialization goals and the possibility to use cooperation frameworks as mere yet important "talking clubs". In this, Central Asian regionalism thus turned out to be chiefly instrumental. Instrumentality, in turn, has been primarily responsible for the main, often cited characterizations scholars give to Central Asian regionalism and integration – from "virtual" to "ink-on-paper", from "spaghetti-bowl" to "protective".

Intra-regional competition and more or less overt inter-state tensions are key hurdles to the development of a consistent drive toward economic or security cooperation in Central Asia, thereby widening external powers' regional room for maneuver and enhancing their key role in putting forward and leading mechanisms for regional cooperation. It is therefore not by chance that the latter remains chiefly externally driven, even if the scope and breadth of initiatives coming from major

neighboring powers is rapidly changing. Indeed, current dynamics in inter-state cooperation show two apparently opposing yet connected trends. While they manifest the persistent weakness of regionalist trends, at the same time a fresh impetus for the enhancement of inter-state bonds seems to follow China's projection into the area, on the backdrop of growing resistance to Russian initiatives in its "near abroad" unfolding among regional actors. Indeed, thanks to Chinese infrastructural initiatives the CARs are indeed not only increasingly interconnected among themselves, but are also more and more incorporated into a burgeoning trans-regional network that enhances Central Asia's strategic geographic location. Thus, besides having already modified to its own benefit the economic gravitational pole of Central Asia, China's initiatives are fostering a trend toward "regionalization from above", consistent with the declared aim of turning Central Asia's land-locked countries into "land-linked economies". Such a trend seems to be confirmed and enhanced also by the enlargement of the SCO geographical scope, achieved through the engagement of extra-regional actors as members, observers or dialogue partners. On this backdrop, while the regional "reluctant hegemon" stance of China – seemingly unwilling, for the time being, to challenge Russia's traditional upper hand in security terms – doesn't seem to entail significant incompatibilities among the main major powers active in Central Asia, it remains to be seen if and how the security needs associated with infrastructural developments will incentivize a renewed understanding of security cooperation in Central Asia, fostering fresh solutions to the dated issues arising from intra-regional competition and infighting.

While Beijing seems to possess all the potential to act as a "game-changer" to supra-regional cooperation schemes, a fresh boost to enhance inter-state and multilateral cooperation may also arise from within Central Asia. Indeed, if the assumption of the hindering role to cooperation played by intra-regional competition for power and personalism-based policies holds

true, then new impetus to cooperation may result from the leadership change recently occurred in Uzbekistan. As a matter of fact, the succession of Shavkat Mirziyoyev to the “father of the nation” Islam Karimov has the potential to break the regional vicious circle generated by the competition between Tashkent and Astana as well as by the “insecurity spiral” shaping Uzbekistan’s relations with Kyrgyzstan and Tajikistan. While it is too early to assess the mid- and long-term consequences of the Uzbek leadership change, the latter has already shown its potential⁶⁷ in providing a much-needed regional confidence boost and, simultaneously, in setting a new stage for intra-regional dialogue potentially conducive to the definition of regional solutions to the trans-national issues still affecting Central Asia, primarily in security terms.

⁶⁷ The reference goes to the hosting in Samarkand, in November 2017, of the conference “Central Asia: One Past and a Common Future, Cooperation for Sustainable Development and Mutual Prosperity” under the auspices of the UN and the Uzbek Foreign Ministry, on the one hand, and to the participation to the first consultative meeting of the CARs leaders held in Astana in March 2018 with a view to institutionalize regular meetings to jointly tackle the regional problems.

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