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The European Union's democracy-building efforts in conflict-affected states in the South Caucasus

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THE EUROPEAN UNION'S DEMOCRACY-BUILDING EFFORTS IN CONFLICT-AFFECTED STATES IN THE SOUTH CAUCASUS

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1. INTRODUCTION

Post-conflict democratization has always been regarded as an ordeal (Zürcher et al. 2013), and democracy-building in the South Caucasus countries is no exception. The countries of the region—Armenia, Azerbaijan and Georgia—are telling examples of the fact that elections are insufficient for the establishment of democracy.

During a period of democratization that has already lasted more than two decades, the South Caucasus countries have developed into hybrid regimes (Diamond 2002; Levitsky and Way 2010), including a nascent democracy in Georgia (Delcour and Wolczuk 2015), competitive authoritarianism in Armenia and consolidated authoritarianism in Azerbaijan (Babayan 2015a). Democratization efforts are complicated by autocratic legacies, weak institutions, illiberal elites, underdeveloped economies, protracted armed conflicts and the perceived fragility of some states, which has created 'areas of limited statehood' (Risse and Lehmkuhl 2006; Risse 2011). In post-conflict states, democracy promoters face not only the challenge of democratization, but also that of legitimization of the authorities and the facilitation of proper functioning of state institutions, which may be at risk from both external and internal threats.

Therefore, logic would dictate that in order to be effective, democracy-promotion policy in such states should be adapted to domestic conditions and address conflicts. Nevertheless, the European Union (EU) has included these countries in the same democracy-building policies as other 'less-fragile' states or states that are not affected by conflict. These observations provide the basis for this Discussion Paper's main question: How has the EU addressed fragility and conflict—if it has indeed addressed these issues at all—while initiating democracy-building activities in its neighbourhood?

There is extensive literature on how the strategies of democracy promoters often do not correspond to the domestic political environments of target countries (see e.g. Burnell 2007; Börzel and Risse 2004; Bossuyt and Kubicek 2011). In the 2000s and early 2010s, the EU tended to follow a one-size-fits-all approach (Börzel and Risse 2004). Thus, it may not be surprising that it took some time to adapt its policies to the perceived fragility of the recipient or target state. At the same time, before adjusting its policies, the EU should acknowledge that some states might be more fragile than others, or that the presence of conflicts could hinder democratization. In order to assess this assertion, this paper juxtaposes the EU's understanding with current knowledge on state fragility (Zulueta-Fülscher 2013; Ziaja and Mata 2010) and the realities of the countries where it has initiated democracy-building activities. The literature on the EU's conception of state fragility and its actions in potentially fragile states is scarce (Hout 2010; Grimm 2014) and does not discuss specific instruments used by the EU. In addition, it stands to reason that not all states are similarly fragile. While the countries of the South Caucasus have been called fragile (Oskanian 2013, 36; Jafalian 2011: 184), the type or

degree of their fragility cannot be equated with that of South Sudan or Afghanistan, for example. In addition, there are also differences in the perceived fragility among the three countries of the South Caucasus.

This paper analyses the EU's actions within the region of its European Neighbourhood Policy (ENP) and Eastern Partnership (EaP) initiatives in Armenia, Azerbaijan and Georgia. As a result, the paper does not aim to measure direct causal effects of EU actions on democratization but rather identifies the ENP and the EaP as the EU's flagship initiatives for development and democracy-building in its so-called Eastern Neighbourhood. The paper begins by discussing the concept of state fragility in relevant literature and comparing it with the EU's understanding of the concept and the latter's role within evolving democracy-building policies. Informed by debates on democracy, democratization and concepts and causes of state fragility, it then addresses these issues in the cases of South Caucasus countries where the EU has launched democracy-building activities. Before concluding, the paper analyses specific EU democracy-building initiatives in the South Caucasus countries and discusses whether the EU's activities have addressed protracted conflicts and indicators of state fragility.

The paper argues that, in the case of the South Caucasus countries, the debate over sequencing or simultaneously undertaking democracy and state-building is largely irrelevant, since these countries already had established institutions and components of democracy when the EU first entered the region. Nevertheless, the main problem is that these domestic institutions have stagnated in their illiberal practices, while components of democracy such as elections, political parties or the media (Dahl 1989; Munck and Verkuilen 2002a) have hardly fulfilled their democratic functions. Thus, in similar cases, democracy-builders such as the EU should concentrate on strengthening and genuinely democratizing existing institutions and components, including through capacity-building activities and closer cooperation with local democracy-oriented stakeholders.

2. IDENTIFYING STATE FRAGILITY

As in the case of any term that transcends the borders of academic and policy debates, 'the very concept of fragility is still developing' (Zulueta-Fülscher 2013: 14), yet tacit agreement on defining and measuring fragile states seems to be emerging. The starting assumption that state fragility is closely connected with the state having a monopoly on violence has led to a situation in which highly heterogeneous groups of states are classified in one single category. At the same time, donor organizations, policy research institutions and universities have developed indexes in an attempt to understand state fragility. These include, for example, the Failed States Index (recently renamed the Fragile States Index), the Bertelsmann Transformation State Weakness Index, the Peace and Conflict Instability Ledger and the Political Instability Index. While these indexes provide a variety of choices in terms of categorizing state fragility (Grävingholt, Ziaja and Kreibaum 2012), most of them juggle very broad concepts in an effort to squeeze the complex notion of statehood into a simple scale (Ziaja and Mata 2010). While such scales can provide useful information, there are, of course, certain drawbacks. For example, they often only provide an overview of the general situation of fragility in a given country and sometimes even obscure information (Mata and Ziaja 2009; Sanín 2011). In addition, they use a democratic, capitalist state that abides by the rule of law as their benchmark (Rotberg 2003; Fukuyama 2004; Leibfried and Zürn 2005), which gives them a distinctively Western orientation (Krasner and Risse 2014).

Taking a more nuanced approach to statehood, some studies have suggested defining state fragility as state ineffectiveness in reinforcing contracts and political violence instigating civil conflict (Besley and Persson 2010; Besley and Persson 2011). Others have proposed viewing statehood as constituting authority, legitimacy and capacity (Carment, Prest and Samy 2011). However, a more comprehensive understanding of statehood involves not only an analysis of these three components—capacity, security and legitimacy—but also how they interact with one another (Call 2011). Authority is understood as the state's monopoly on violence and the degree to which it can protect its citizens from physical threats. Loss of authority by states may result in areas of limited statehood that are still technically within the territory of a given state; however, the latter cannot exercise authority anymore. Legitimacy, which is 'notoriously complicated to measure' (Grävingholt, Ziaja, and Kreibaum 2012: 10), relates to society's acceptance of the state's rule. Capacity relates to the state's ability to provide basic life opportunities such as protection from disease, access to clean water, basic education and regulation of social and economic activities.

Still, it is important to acknowledge that there are different degrees of statehood (Krasner and Risse 2014: 549) and that even some of the mentioned categories, which often feature in debates, do not always indicate state strength or fragility. For instance, Krasner and Risse (2014: 548) recently argued that there is 'no linear relationship between service

provision and the level of statehood'. They argue that such an understanding of state capacity adopted in the literature (as above) distorts the distinction between a capable state and a service provider, which can be a local or international actor and would not necessarily challenge the state's authority. This is in line with many activities within democracy promotion and development cooperation, where international actors, the EU among them, provide necessary assistance and do not challenge the authority of the host state. In addition, recent studies have shown that 'statehood does not matter for the delivery of public goods and services as strongly as academics and policy makers have suggested' (Lee, Walter-Drop and Wiesel 2014: 649). Instead of conceptualizing state capacity as the ability to provide services, recent studies have defined it as the capacity of the state to enforce its decisions (Lee, Walter-Drop and Wiesel: 2014). Yet, it is also suggested that if authority and legitimacy are not challenged, the state's capacity to enforce its rules is not likely to be challenged either. In addition, while the relationship between authority and legitimacy and democracy is more straightforward, capacity as the ability to perform fiscal extraction (Lee, Walter-Drop and Wiesel 2014) may not necessarily be an indicator of democracy.

These approaches attempt to go beyond hypothetical concepts, which may ignore problems when boundaries between components blur, and aim to measure the degree of a given dimension of state fragility (Grävingholt, Ziaja and Kreibaum 2012: 4) rather than its presence or absence (Call 2011). Such an approach is likely to result in a more dynamic picture, helping policymakers target states that may be fragile to a certain degree but that are not considered failed states.

The above-mentioned dimensions of statehood are also closely related to democracy and external efforts to promote democratization. The main link between these phenomena is the importance of strong—particularly democratic—institutions not only for the establishment of democracy but also for its further consolidation. Loss of authority and the emergence of the areas of limited statehood, especially as a result of secessionist movements, may induce the state to resort to authoritarian practices to preserve the remainder of its power. In addition, the legitimacy of the state authorities is the direct result of free and fair elections—a component of democracy; thus, in case of rigged elections, the incumbent regime may resort to suppression, if not to increase its legitimacy then at least to preserve its power. Thus, positive values of these dimensions are likely to wield positive values for efforts aimed at democracy-building.

The following chapters discuss the EU's understanding of state fragility; the above-mentioned dimensions of authority and legitimacy based on databases concerning the South Caucasus countries; and how the EU has addressed these issues.

3. THE EU'S TAKE ON STATE FRAGILITY AND DEMOCRACY-BUILDING

The EU's conceptual understanding of the issues at hand is still developing. One might wonder, for example, what an effective strategy for democracy-building would look like or, moreover, what an effective strategy for democracy-building in conflict-affected or fragile states might look like. After more than two decades of practice and research, there seems to be no definite answer to these questions. Yet, in line with recent contributions (Krasner and Risse 2014), this paper also argues that policies based on achieving an ideal–typical concept of democracy or statehood are bound to be inefficient and ineffective. However, evidence shows that in order to effectively establish or strengthen democracy, any strategy, regardless of the recipient's level of fragility, should be supported by local liberal and democracy-oriented political elites (Risse and Babayan 2015; Börzel 2015) and civil society. Thus, the EU needs to focus on resolving country-specific issues that hinder democratization. With its country-tailored policies such as the ENP and the EaP, which also stress local ownership, the EU seems to have made the first steps towards a more focused approach, which it needs to act upon.

Following the example of its model of enlargement, in which the accession process for candidate countries includes democracy building clauses, the EU has attempted to exercise the same democracy-building leadership towards neighbouring countries beyond its borders (Kelley 2006). However, its new policies lack one of the main incentives for democratization—the incentive of EU membership (Schimmelfennig, Engert and Knobel 2006). While technical projects have produced relatively positive outcomes within its policies—including the ENP, EaP and the Union for the Mediterranean—the EU's partner countries have remained democracy laggards, demonstrating a rhetorical, but not behavioural, commitment to democracy (Babayan 2015a). In addition to not being offered a chance at membership, another considerable factor distinguishing the EU's neighbourhood countries from new member states is their more prominent presence in various fragility indexes. That said, there are vast political, economic and structural differences within EU neighbourhood countries, and the EU's decision to ignore these differences fuelled one of the main criticisms of the ENP (Boonstra and Shapovalova 2010; Shapovalova and Youngs 2012). However, has the EU thought of these states as fragile or has it even agreed on how it understands state fragility?

In a rare scholarly contribution on this issue, Grimm argues that despite internal discussions, 'the EU has not (yet) decided on a clear-cut definition of "state fragility" ' (2014: 253). She substantiates her argument through analyses of documents published by various EU bodies in the period 2001–12 and interviews with representatives of the European External Action Service (EEAS). Nevertheless, while EU bodies have produced a massive number of documents referring to security and state fragility, they have not come to an agreement on a common understanding of state fragility. Moreover,

even if omnipresent in EU discourse and documents, state fragility ranks fifth in the list of issues to address after ownership/partnership, political dialogue, participation of civil society and gender equality. The EU's discussion on fragile states, although without clearly referring to them as such (Grimm 2014), started with the European Commission's observation that weak state institutions are likely to exacerbate structural crises, while weak statehood may lead to weak governance (European Commission 2003). For its part, the European Council has looked into the causes of fragility by pinpointing civil conflict, the availability of weapons and bad governance (Council of the European Union 2003). Yet, these are only tentative descriptions, and unlike other donor organizations, the EU has not employed a measurement tool for classification of state fragility (Grimm 2014). Beyond the time frame of Grimm's analysis, an EU-funded study (Gavas et al. 2013) also argued that EU activities in fragile and conflict-affected states suffer from insufficient analysis and coordination with other international actors, and also from ineffective early-warning systems. While the study argues that others also experience similar problems, the EU's performance is further weakened by its own internal characteristics.

Grimm (2014) argues that the following characteristics are responsible for the lack of a clear definition. The EU's complex institutional structure and occasional institutional competition (Babayan 2010) undermines the efficiency and often the effectiveness of the EU's policies. This internal incoherence creates external incoherence, which impedes the EU from developing policy actions in response to international developments or actions of other actors (Grimm 2014: 262). Moreover, since 'labeling a state as weak or failed' may be politically sensitive (Cahill 2007: 10), the EU prefers to refrain from such terminology when dealing with partner countries, even if it did endorse the New Deal for Engagement in Fragile States (International Dialogue on Peacebuilding and Statebuilding 2011) and other OECD (2007) documents pertaining to the development of fragile states. To some extent, this refusal to label countries comes from the EU's initial desire to distance itself from the image of imposing its rules (Babayan and Viviani 2013), including those related to democracy. Instead of categorizing fragile or failed states, it has preferred to build loose 'ring[s] of friends' (Prodi 2002). Such an approach may be more likely to attract cooperation from recipient states, which often do not want to be seen as disadvantaged.

While the EU is a 'reluctant debutante' (Aydin et al. 2005) in democracy-building compared to the USA, the initial success of its enlargement policy reassured the EU that 'democratization is by no means a new departure' (Ferrero-Waldner 2006: 2) and it is 'the best protection for our security' (Council of the European Union 2003 10). The EU has developed numerous policies and instruments for democracy-building that target countries in different regions of the world. For example, the Programme of Community aid to the countries of Central and Eastern Europe (originally called Poland and Hungary: Assistance for Restructuring their Economies, or PHARE), the Technical Assistance to the Commonwealth of Independent States (TACIS), the Euro-Mediterranean Partnership (MEDA), the Barcelona process, the European Instrument (formerly Initiative) for Democracy and Human Rights and others have all aimed to address a number of regional issues, including democracy-building. However, all these policies have followed the same line of development and implementation and have often met the same criticisms, indicating an apparent absence of political will to fundamentally revise approaches to democracy support, even if the shortcomings of these policies were obvious (Youngs 2008a: 7). In its articulation of the ENP and

the EaP, the EU has attempted to emphasize partnership or, in its own parlance, a local-ownership approach. Democracy-building projects have often been criticized for having been developed without any prior consultation with local stakeholders. The above-mentioned local ownership approach aims to address this criticism and to some extent involve local stakeholders in the design of democracy-building projects. Indeed, there was dialogue in the negotiations of country-specific ENP action plans, yet this dialogue did not touch on the substance of EU policy. This has left analysts to argue that a meaningful dialogue and partnership have been overshadowed by the EU's interests (Bridoux and Kurki 2014). In a similar vein, while there is still room for improvement and proper implementation of the EU's approaches, this attempt at ensuring local ownership demonstrates a willingness on the part of the EU to learn and improve on previous policies.

The ENP differs from other geographically limited EU policies because it includes geographically and politically diverse countries from Africa, Eastern Europe and the Middle East. The ENP is a response to enlargement (European Commission 2004) and was first outlined in the Commission Communication on Wider Europe. It called for bridging the dividing lines between EU member states and their neighbours by promoting democracy, stability and security. A policy without a 'uniform acquis' (Kelley 2006: 36), the ENP has offered its partners a 'privileged partnership' while 'sharing everything with the Union but institutions' (Prodi 2002), based on 'mutual commitment to common values principally within the fields of the rule of law, good governance, the respect for human rights, including minority rights, the promotion of good neighbourly relations, and the principles of market economy and sustainable development' (European Commission 2004: 3). In its strategy paper on the ENP published in May 2004, the EU outlined its strategies for cooperation with its target countries (European Commission 2004). Further, in December 2006 and December 2007, the EU proposed strategies for strengthening the ENP (European Commission 2006a; European Commission 2007).

Introduced and perceived by some as an upgrade (Danielyan 2010) to the ENP and conditioned on the performance of partner countries, the EaP nevertheless included all South Caucasus countries despite their poor democratic performance. Some local observers noted that the EaP would have a positive effect only 'if the European structures put forward very serious demands before our authorities' (Danielyan 2010). In order to ensure these countries' readiness to sign association agreements (AAs)—which create a framework for cooperation on political, trade, security and cultural issues between the EU and non-member countries—as well as deep and comprehensive free-trade agreements (DCFTAs) and visa liberalization agreements, the EU provided additional funding (Shoghikian 2009). In terms of visa liberalization talks, it appears that the EU relied on a strategy of additional support prior to compliance to incentivize democratic performance in elections. However, while the inclusion of countries in the EaP has been formally conditioned on their democratic progress, the EU has not applied that condition equally. The EU was only supposed to sign AAs with functioning democracies demonstrating 'good progress' (Avetisian 2011b) but has gone ahead and signed agreements with less well-functioning democracies including Moldova and Ukraine. Unfortunately, such ad hoc decisions at the expense of stated rules and conditions might damage the EU's credibility in enforcing its decisions or acting upon its rhetoric. For these reasons, the added value of the EaP as a policy that can address the needs of partner countries and promote the goals of the EU has been considered dubious. The

attractive notions of 'free trade' and 'visa liberalization' arguably lacked substance and specific terms and conditions that provide an effective framework for implementation (Bonstra and Shapovalova 2010). Yet, despite criticism, the EU has managed to advance the EaP through rounds of negotiations and reforms and bring some partner countries closer to the signing of AAs.

After the events of the Arab Uprisings, the EU attempted to 'revolutionize' the ENP and to admit that, earlier, 'it [had] focused too much on stability at the expense of other objectives and, more problematic, at the expense of [its] values' (Füle 2011). Practical adjustments to EU democracy-building occurred when, after two decades, the EU acknowledged that there was no 'ready-made recipe for political reform', and that 'reforms take place differently from one country to another' (European Commission 2011). In an attempt 'to retool [the EU's] armoury' (Sikorski in US Embassy Cable 2009), Poland proposed the establishment of the European Endowment for Democracy (EED), which was established in 2013 as a private foundation and considered a 'concerted effort' by its institutions and member states (Füle 2013). The EED is technically independent from the EU but co-functions with existing EU instruments. Drawing its budget from voluntary contributions by member states, it 'support[s] the unsupported', who, according to the European Commission, include 'journalists, bloggers, non-registered NGOs, political movements (including those in exile or from the diaspora), in particular when all of these actors operate in a very uncertain political context' (European Commission 2012). The establishment of the EED—which some might have considered redundant (Dempsey 2013)—and the appointment of a special representative for human rights happened despite calls for attention at such critical junctures as the Arab Spring so that the EU could avoid 'becoming more concerned with creating new structures than working concretely to support new democracies' (De Keyser 2011: 2). However, the establishment of the EED seems to be intended not only to advance human rights and democracy, but also to '[send] a clear message of solidarity to the peoples of the Neighbourhood' (Füle in European Commission 2013a). As of December 2014, the EED was funding 119 initiatives.

The EU has recently made efforts to adjust its democracy-building approach and to tailor its policies to the specific needs of different regions and countries. The next chapter presents the domestic conditions in the countries of the South Caucasus, where the EU has launched democracy-building efforts, and also elaborates on regional challenges that could hinder democratization and enhance state fragility.

4. THE 'FRAGILITY' OF THE SOUTH CAUCASUS

When the countries of the South Caucasus declared independence from the Soviet Union at the beginning of the 1990s, it seemed that the necessary conditions for a move to democracy were in place—highly literate and educated populations and a readiness to integrate into democratic structures. Two decades after their independence, however, and the outcome of the democratization process is far from established democracy. Instead, Armenia has transformed into a competitive authoritarian regime, Azerbaijan has strengthened its authoritarianism, while Georgia has finally managed to turn the negative tide more than a decade since the Rose Revolution of 2003. In terms of democratization in Armenia, competition is often real but unfair even if legal means of contesting the incumbent regime exist. In Azerbaijan, especially since 2003, competition has been neither real nor fair, and increasingly greater constraints, including intimidation of the opposition and media, and banning of large public gatherings, have been introduced to create an uneven playing field. Thus, especially in Armenia and Azerbaijan, formally existing democratic institutions are 'viewed as [the] primary means of gaining power' and 'incumbents' abuse of the state makes competition 'real but unfair' (Levitsky and Way 2010: 5). In Georgia, however, the first peaceful and successful power changes occurred in 2012 within the parliament and in 2013 within the presidency, possibly providing an opportunity to capitalize on the gains of the Rose Revolution.

Although the three countries of the region are often treated as a homogeneous collective, the South Caucasus states display a range of important differences, both domestically and internationally, that have shaped their roads to democratization. In terms of fragility, as measured by the degree of state legitimacy and authority (Grävingholt, Ziaja and Kreibaum 2012), the three countries also land in different groups, displaying weaknesses in different categories. In their typology based on an analysis of authority, legitimacy and capacity, Grävingholt Ziaja and Kreibaum (2012: 16) put Armenia in Group E, which comprises states that have the most problems with legitimacy, but with 'good authority and decent capacity'. Azerbaijan is placed in Group C, which is characterized by 'mostly low levels of capacity, low on authority, mostly at the lower end on legitimacy' (Grävingholt, Ziaja and Kreibaum 2012: 16). Since Georgia's scores in three dimensions were too similar, it was not assigned to any particular group, though the closest one would have been Group D, which displays 'decent capacity yet high levels of violence' (Grävingholt, Ziaja and Kreibaum 2012: 16). The authors recommend 'cautious support of more legitimate governance' for Group E (Armenia); support for capacity and encouragement of better governance based on broader legitimacy for Group C (Azerbaijan); and 'statebuilding and governance support' for Group D (possibly including Georgia). While based on broad surveys, these groupings shed light on the problems faced by South Caucasus states and the causes of their perceived fragilities. All three countries evidently suffer from legitimacy problems that are closely connected

to the ongoing practice of unfair elections, spurious application of the rule of law and widespread corruption among the authorities (Börzel and van Hüllen 2014).

With a democratic constitution, a sound legislative framework and a general willingness on the part of the authorities to formally introduce democratic reforms, the democratization process in Armenia has been marred by a general unwillingness to comply with reforms (Babayan 2015a). The recommendations of the EU, OSCE and CoE have regularly been taken into consideration and enacted after each election cycle, thus occasionally resulting in the adoption of more democratic rules and laws. However, none of general elections has so far met international standards, and they have been characterized by electoral abuse, an uneven electoral playing field and regular intimidation of the opposition. The presidential elections of 2003 cemented authoritarian rule in Azerbaijan, which has even stopped democratic reforms and instead has adopted laws further curtailing democracy, including abolishing the limit on presidential terms and the silencing of dissent and opposition parties. These steps have helped the current regime consolidate autocracy, not democracy. By harshly limiting the exercise of human rights through new legislation adopted by the parliament, Azerbaijan's authorities have limited the functioning of civil society and deprived the media of its watchdog function. Media outlets striving to perform their professional tasks are often subjected to physical and economic harassment (RFE/RL 2013). Since the Rose Revolution, when mass protests forced then-President Eduard Shevardnadze to resign amid allegations of rigged parliamentary elections, Georgia has displayed a stronger tendency towards democratization. Yet, the state of affairs in this 'top performer' (Reuters 2007) has not been as good as hoped since the Rose Revolution. Continuous large-scale protests in 2007 accused then-President Mikheil Saakashvili of corruption, abuse of power and even conspiracy to commit murder (RFE/RL 2007), while several opposition members were dismissed or arrested. Thus, the authorities in the region, especially in Armenia and Georgia, have not always enforced or abided by their own democratic reforms.

However, in addition to issues that are directly related to democracy, the fragility of these countries is also fuelled by protracted conflicts, which an analysis of the political situation in the South Caucasus would suggest are unavoidable. The conflict between Armenia and Azerbaijan over Nagorno-Karabakh and, until 2008, Georgia's internal conflict with its regions of Abkhazia and South Ossetia, were initially regarded as a marginal threat to international and European security. However, the 2008 conflict between Russia and Georgia resulting from Georgia's dispute with the two above-mentioned regions underlined just how dangerous these conflicts could become.

Georgia's breakaway regions of Abkhazia and South Ossetia had been attempting to secede since the break-up of the Soviet Union. A number of mutually unrecognized elections in Georgia and South Ossetia led to an armed escalation in 1991 between ethnic-Georgian forces and South Ossetians. A Russian-brokered ceasefire agreement in 1992 divided South Ossetia into areas controlled by the Georgian Government and the unrecognized South Ossetian Government. The ceasefire did not result in a definitive settlement of the conflict, however, with subsequent major clashes and attacks occurring in 2004, 2006 and 2008.

Abkhazia had also repeatedly attempted to leave Georgia. The war that broke out in 1992 was characterized by a lack of military control on both sides and atrocities against civilians (Human Rights Watch 1994). A Russian-brokered ceasefire in 1993 put an

end to the armed conflict at least until 1998, with Abkhazians later demanding USD 13 billion in compensation from Georgia (RIA Novosti 2007). A shorter armed conflict broke out in 1998, followed by other two confrontations in the Kodori Valley, involving Abkhaz and Georgian troops and Chechen insurgents. Secessionist conflicts have also had a negative influence on Georgia's relations with Russia due to the latter's ongoing covert involvement and mass issuing of Russian passports to Abkhazians and South Ossetians, ostensibly for humanitarian purposes (International Crisis Group 2006). As warned (Lavrov 2008), Kosovo's declaration of independence set a precedent for these two breakaway regions. Accusing Georgia of a military build-up, the breakaway regions appealed to the international community to recognize their independence in 2008. A ceasefire brokered by then-French President Nicolas Sarkozy ended the armed conflict of 2008 but did not resolve it, creating areas of limited statehood in Georgia, which lost its monopoly on violence in parts of its territory.

Similarly, the Nagorno-Karabakh conflict has made both Armenia and Azerbaijan more fragile: while the former was subject to an economic blockade from two of its neighbours—Azerbaijan and Turkey—and ongoing military threats, the latter lost control of roughly 20 per cent of its territory. The conflict between Armenia and Azerbaijan over the former's defence of the right to self-determination of the people of Nagorno-Karabakh and the latter's arguments for its territorial integrity was a violent one from 1988 through 1994. It resulted in thousands of deaths on both sides, caused hundreds of thousands of Armenians and Azerbaijanis to become refugees and fuelled several espionage cases (RFE/RL 2014a; RFE/RL 2014b). Despite the 1994 ceasefire, the conflict over Nagorno-Karabakh dominates Armenia's and Azerbaijan's domestic and foreign politics(International Crisis Group 2011). A regional 'weapons spending spree' (Kucera 2010) has made the conflict 'one of the most worrying' in Europe (European Parliament 2012: 1; Mohammed 2012) The urgency of the settlement cannot be understated, since mutual denunciations (UN News Service 2011) 'and recurring violence along the LoC [line of contact] increase the risk of miscalculations that could escalate the situation with little warning' (Clapper 2012, 21). The protracted Nagorno-Karabakh conflict not only makes it clear that both Armenia and Azerbaijan are indeed fragile states, but it also damages the prospects for democratization in both countries by giving the authorities a reason to justify their undemocratic measures during elections.

These conflicts negatively affect the willingness of the incumbents, especially in Armenia and Azerbaijan, to adapt democracy-building frameworks if the rewards for doing so are conditioned on granting concessions in order to resolve said conflicts or on establishing friendly relations with their neighbours since making concessions could endanger their position with hardliners. Moreover, the persistence of these conflict damages the trade and energy plans of democracy-builders in the region, especially those of the EU. Strained relations between Armenia and Azerbaijan force them to refrain from multilateral cooperation projects, complicating not only democracy-building but also regional cooperation (Babayan 2012). In addition, the conflict influences states' foreign policy decisions. For example, largely under Russia's pressure (Babayan 2015b) and its instrumentalization of the conflict, Armenia suddenly rejected initialling of the AA and signing the DCFTA in favour of the Russian-led Customs Union.

It has been argued that state fragility stems from a state's inability to exercise authority through a monopoly on violence, an inability to enforce its decisions and low levels of legitimacy. These factors arguably make democracy-building more difficult. The above-

mentioned examples from the South Caucasus countries show that these factors are interrelated and that at least one of them, legitimacy, is actually derived from a lack of democratic practices. Thus, while locking fragility and democracy in a sort of vicious cycle, these examples call for democracy-building efforts that focus on alleviating these maladies, preferably through conflict resolution, democratic capacity-building on the part of the authorities and empowerment of civil society to keep the authorities in check.

The next chapter elaborates on the EU's approach to democracy-building in the South Caucasus and discusses how the EU has addressed conflicts and democratic shortcomings in the region.

5. EU DEMOCRACY-BUILDING IN THE SOUTH CAUCASUS AND ITS LIMITATIONS

EU–South Caucasus relations were shaped through four phases: the collapse of the Soviet Union, accession to various international organizations, inclusion in the ENP (Minasyan 2005) and inclusion in the EaP. In 2001 the EU expressed its willingness for closer cooperation with the South Caucasus, one of the objectives of such cooperation being the resolution and prevention of conflicts. The appointment of an EU special representative (EUSR) for the South Caucasus (EU Presidency 2003) was taken as a sign of the EU's increasing interest in the region (Grevi 2007). Through ENP action plans for the South Caucasus, the EU covered a variety of issues such as economic development, promotion of democracy and human rights, energy, transport, environmental protection, people-to-people contacts, development of political institutions and cross-border and regional cooperation. Undoubtedly, the South Caucasus has grown in importance for the EU in terms of energy sources and routes, access to the Middle East, containment of militant fundamentalism and proximity to Russia. Thus, the ENP strategy paper identified the South Caucasus as a region that should receive 'stronger and more active interest' than it does (European Commission 2004: 10). This changed following the EU's 2004 enlargement, when the EU began paying more attention to the region by means of regular financial injections for various reforms (Markarian and Stamboltsian 2004).

Still, there are several issues regarding the 'local terrain' and the EU's own approach that add hurdles not only to its democracy-building but also other activities. The EU acknowledges that its partner countries, including those in the South Caucasus, 'sometimes have to tackle daunting political, economic and social challenges . . . This leaves policy-makers little time to focus on medium- and long-term reforms' (European Commission 2013b: 2). This realization may have prompted the EU to focus more prominently on cooperation in trade and energy rather than accentuating democratic development. Since including the South Caucasus in the ENP, the EU has regularly assessed potential progress through its annual reports. Even if democratic developments were not as encouraging as expected, over successive years the EU nevertheless commended Armenia and Georgia, and did not heavily criticize Azerbaijan. Fairly positive progress reports have resulted in higher allocations of funding. For example, following positive progress reports in 2012 Georgia received an additional EUR 22 million and Armenia an additional EUR 15 million through the Eastern Partnership Integration and Cooperation programme.

The interconnectedness of South Caucasus politics performed by politically and economically rather different countries has led the EU to treat the region with 'simplistic uniformity' (Babayan 2011: 4). The EU's habit of treating countries in regional blocs (Smith 2008) despite outstanding regional disputes led to the simultaneous initiation of relations with the South Caucasus countries, with partnership and cooperation

agreements (PCAs) being signed and entering into force in 1999 with all three countries. The EU then began carrying out democracy and election-related activities in the region. These activities have involved sending observers under the framework of the Organization for Security and Co-operation in Europe (OSCE) to monitor elections (European Commission 2000). The EU acknowledges the observation of elections to be 'an important component of the EU's policy in promoting human rights and democratization' (European Commission 2000) and hopes 'to ascertain that its involvement in monitoring is likely to promote further democratization' (European Commission 2000). Thus, the EU has attempted to serve as an example and a possible shaming tool for democratizing countries and in its democracy promotion actions it has often relied on the OSCE and the Council of Europe through joint assessments and projects. However, the EU has supported freedom of expression and independent media in the South Caucasus through the European Instrument for Democracy and Human Rights (EIDHR), with the objective of enabling 'the media . . . to operate in accordance with international standards, i.e. in carrying out a watchdog role' and of improving the 'quality and coverage of human rights issues in the media' (European Commission 2001: 7).

The main argument here is that, in order to enhance the effectiveness of its democracy promotion and other related policies, the EU should pay closer attention to conflict resolution, since conflicts are among the main obstacles to the region's democratization. While the EU has acknowledged that the conflicts in the South Caucasus hinder democratization and its own democracy-building efforts, it still has to address conflict management in the South Caucasus, especially in the case of Nagorno-Karabakh, where the conflict has been mediated through the OSCE Minsk Group, co-chaired by France, Russia, and the USA, while the EU as an institution has had no representation. The resolution of the conflict features in the ENP action plans for both Armenia and Azerbaijan. The nearly identical priority areas regarding Nagorno-Karabakh in both action plans call for increased diplomatic efforts, increased political support to the OSCE Minsk Group, people-to-people contacts and intensified EU dialogue. However, bilateral talks or efforts directed at how those might be carried out have not featured in ENP action plans. The EU was more proactive in the management of Georgia's conflicts. On settling Georgia's conflicts with South Ossetia and Abkhazia after the EU-mediated Six Point Agreement ended the military conflict in August 2008, the EU dispatched a monitoring mission to Georgia (EUMM) with the objective of ensuring that the parties would not return to hostilities. This example of EU involvement not only showed Georgian political elites and the public that the EU was ready to stop the bloodshed but also underlined its commitment to the countries continuous development.

Among the EUSR's main tasks are conflict prevention, providing assistance for conflict resolution and preparing for peace (International Crisis Group 2006.) Yet, the EUSR did not substantially contributed to conflict resolution in the South Caucasus (Grevi 2007). For example, concerns about the possible escalation of the Nagorno-Karabakh conflict stem from its potential to block prospects for energy diversification, to result in another humanitarian crisis and to have a negative impact on the EU's relations with Eastern Europe, Iran and Turkey (Ghazaryan 2010). However, despite the clear urgency to resolve this conflict, this has not yet translated into an effective policy to tackle the issue. Regular encouragements to end the stalemate and progress on conflict resolution (Danielyan 2006) were accompanied by discussions in the European Parliament for first blocking calls (Melkumian, Lobjakas and Terian 2004) and then calling for Armenian

withdrawal from Azeri lands (RFE/RL 2010). The EU's reaction to the continuing arms race related to Nagorno-Karabakh has taken the form of lamenting the fact that 'less progress than . . . hoped for [has been made] in . . . peace talks which . . . are attracting growing interest from the EU' (Avetisian 2011a).

Even if conflict resolution is not the EU's main priority in the South Caucasus, however, conflicts that largely dominate the economy and politics of the region should be properly addressed. The EU's merely rhetorical support for the OSCE Minsk Group undermines its own visibility in the region. While there are other international actors present in the region, such as the UN, the OSCE and the CoE, none possesses the economic or political leverage of the EU, which could help in bringing conflicting sides to the negotiating table. Increased involvement may also garner more EU enthusiasts. However, the EU's current approach, besides having a marginal effect, if any, on conflict resolution in the South Caucasus, risks decreasing the EU's leverage in the region, inducing local actors to turn to Russia or the USA for more concrete action. Regarding all three South Caucasus states, the EU's involvement in conflict management is further complicated by its own interests in the region and by its attempts to accommodate the interests of partners, who may advance demands that contradict the demands of their neighbours.

6. CONCLUSIONS

This paper has argued that the EU has not addressed fragilities or protracted conflicts of the states where it promotes democracy. Thus, while attempting to create country (or at least region)-tailored policies, the EU has refrained from creating fragility-tailored policies. Whether intentionally or not, in its approach to conflict-affected or fragile states the EU has also managed to appeal to the sensitivities of its partners and refrained from applying widespread but to some extent demeaning classifications (Nkurunziza 2009).

Moreover, the above-mentioned observations lead to several other tentative conclusions, which are indicative not only of the EU's democracy-building but its external affairs in general. The EU's problems seem to travel from one issue to another and need to be addressed for more coherent and effective policies. First, given its complex institutional structure, hesitation over agreement on a common approach to democracy is also the case with state fragility. Second, occasionally clashing competencies in democracy-building have also been evident in the EU's approach to fragile states.

Finally, as with many other international actors, the EU's approach towards democracy-building in fragile states should be viewed within the spectrum of its own geostrategic interests. That said, there is evidence of a growing trend towards more concrete action. In addition, the establishment of the EED not only marked a grand turn on the part of the EU to civil society but also indicated its long-awaited willingness to reform its approach for potentially enhanced effectiveness. What is needed now is to put that willingness into action and, instead of ideal–typical goals, to determine feasible and rational objectives that will also take domestic and regional realities of partner countries into consideration.

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